

New Windsor Metropolitan District  
FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANTS

December 31, 2016



**RECEIVED**

*By the Office of the State Auditor at 8:07 am, Jun 23, 2017*

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REPORT OF INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANTS

Board of Directors  
New Windsor Metropolitan District

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and the governmental funds of the New Windsor Metropolitan District (the "District"), as of and for the year ended December 31, 2016, 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 an opinion on these financial statements based on conducting our audit in accordance with auditing standards generally accepted in the United States of America as established by the *American Institute of Certified Public Accountants* ("US GAAS").

We conducted our audit in accordance with US GAAS. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether these financial statements are free of material misstatement.

An audit includes 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 on the Financial Statements***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental funds of the New Windsor Metropolitan District, as of December 31, 2016, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Our audit was conducted with the purpose of forming an opinion on the basic financial statements of the New Windsor Metropolitan District taken as a whole. The supplementary information on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to our auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Board of Directors has omitted the Management's Discussion and Analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Marc James & Associates PC*

Highlands Ranch, CO  
June 15, 2017

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

New Windsor Metropolitan District

STATEMENT OF NET POSITION

December 31, 2016

ASSETS

Current assets

Cash and cash equivalents	\$ 169,329
Irrigation water receivables	8,540
Prepaid expenses	4,234
Property taxes receivable	<u>201,078</u>

Total current assets 383,181

Noncurrent assets

Capital assets

Non-depreciable	421,915
Depreciable	1,814,917
Accumulated depreciation	<u>(1,339,217)</u>

Net capital assets 897,615

Discount on bonds, net of accumulated amortization of \$1,051 4,792

Total noncurrent assets 902,407

Total assets 1,285,588

LIABILITIES

Current liabilities

Accounts payable	16,560
Accrued liabilities	<u>5,003</u>

Total current liabilities 21,563

Bonds payable

Due in one year	25,000
Due beyond one year	<u>930,000</u>

Total bonds payable 955,000

Total liabilities 976,563

DEFERRED INFLOWS OF RESOURCES

Property taxes 201,078

NET POSITION

Restricted	7,600
Unrestricted	<u>100,347</u>

Total net position \$ 107,947

The accompanying notes are an integral part of these financial statements

New Windsor Metropolitan District

STATEMENT OF ACTIVITIES

For the Year ended December 31, 2016

Operating expenses	
Accounting and audit	\$ 6,827
District management fees	42,000
Landscaping	52,660
Water rights and assessments	1,970
Repairs and maintenance	20,819
Legal	7,194
Dues and subscriptions	510
Directors' fees	5,000
Utilities and line locates	12,909
Insurance	3,466
Treasurer's fees	3,005
Office	3,464
Other	1,058
Snow removal	4,506
Interest	55,164
Amortization of bond discount	100
Depreciation	41,847
	<hr/>
Total program expenses	262,499
Program revenue	
Irrigation water fees	76,939
	<hr/>
Net program expenses	(185,560)
General revenue	
Property taxes	200,227
Specific ownership taxes	10,530
Interest	870
	<hr/>
Total general revenue	211,627
	<hr/>
CHANGE IN NET POSITION	26,067
NET POSITION - beginning of the year	81,880
	<hr/>
NET POSITION - end of the year	<u>\$ 107,947</u>

The accompanying notes are an integral part of these financial statements

*FUND FINANCIAL STATEMENTS*

New Windsor Metropolitan District  
BALANCE SHEET - GOVERNMENTAL FUNDS  
December 31, 2016

	General	Debt Service	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 169,329	\$ -	\$ 169,329
Irrigation water receivables	8,540	-	8,540
Prepaid expenses	4,234	-	4,234
Property taxes receivable	201,078	-	201,078
Total assets	\$ 383,181	\$ -	\$ 383,181
<b>LIABILITIES</b>			
Accounts payable	\$ 16,560	\$ -	\$ 16,560
Prepaid irrigation water fees	484		484
Total liabilities	17,044	-	17,044
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	201,078	-	201,078
<b>FUND BALANCE</b>			
Fund balance			
Non-spendable	4,234	-	4,234
Restricted	7,600	-	7,600
Unassigned	153,225	-	153,225
Total fund balance	165,059	-	165,059
Total liabilities, deferred inflows of resources and fund balance	\$ 383,181	\$ -	

Amounts reported for governmental activities in the Statement of Net Position are different due to:

Bond discount, net of accumulated amortization of \$1,051 is reflected on the Statement of Net Position	4,792
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet	(4,519)
Long-term liabilities, including outstanding bonds, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(955,000)
Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund, net of accumulated depreciation of \$1,339,217	897,615
Net position - government-wide financial statements	\$ 107,947

The accompanying notes are an integral part of these financial statements

New Windsor Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUNDS

For the Year ended December 31, 2016

	General	Debt Service	Total
Revenue			
Property taxes	\$ 200,227	\$ -	\$ 200,227
Specific ownership taxes	10,530	-	10,530
Irrigation water fees	76,939	-	76,939
Interest	870	-	870
	<hr/>	<hr/>	<hr/>
Total revenue	288,566	-	288,566
Expenditures			
Operations			
Accounting and audit	6,827	-	6,827
District management fees	42,000	-	42,000
Landscaping	52,660	-	52,660
Water rights and assessments	1,970	-	1,970
Repairs and maintenance	20,819	-	20,819
Legal	7,194	-	7,194
Dues and subscriptions	510	-	510
Directors' fees	5,000	-	5,000
Utilities and line locates	12,909	-	12,909
Insurance	3,466	-	3,466
Treasurer's fees	3,005	-	3,005
Office	3,464	-	3,464
Other	806	250	1,056
Snow removal	4,506	-	4,506
Debt service			
Principal	-	20,000	20,000
Interest	-	55,250	55,250
	<hr/>	<hr/>	<hr/>
Total expenditures	165,136	75,500	240,636
Excess of revenues over (under) expenditures	123,430	(75,500)	47,930
Other financing sources (uses)			
Transfers in	-	75,500	75,500
Transfers out	(75,500)	-	(75,500)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(75,500)	75,500	-
NET CHANGE IN FUND BALANCE	47,930	-	47,930
FUND BALANCE - Beginning of Year	117,129	-	117,129
	<hr/>	<hr/>	<hr/>
FUND BALANCE - End of Year	<u>\$ 165,059</u>	<u>\$ -</u>	<u>\$ 165,059</u>

The accompanying notes are an integral part of these financial statements

New Windsor Metropolitan District

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES

For the Year ended December 31, 2016

Net change in fund balances - total governmental funds	\$ 47,930
Amounts reported for governmental activities in the Statement of Activities are different due to:	
Depreciation expense on capital assets is reported in the Statement of Activities. However, it does not use current financial resources, as such depreciation expense is not reported as an expenditure in the governmental funds.	(41,847)
Interest expense on the general obligation bonds is accrued in the Statement of Activities but not in the governmental funds.	84
Payments of general obligation bonds principal is an expenditure in the governmental funds, however; the principal payment is a reduction of the general obligation bonds in the Statement of Net Position.	20,000
The amortization of the discount on the general obligation bonds is reflected in the Statement of Activities but not in the governmental funds.	<u>(100)</u>
Change in net position - government-wide financial statements	<u>\$ 26,067</u>

The accompanying notes are an integral part of these financial statements

New Windsor Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the year ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue			
Property taxes	\$ 200,225	\$ 200,227	\$ 2
Specific ownership taxes	16,018	10,530	(5,488)
Irrigation water fees	75,000	76,939	1,939
Interest	400	870	470
	<u>291,643</u>	<u>288,566</u>	<u>(3,077)</u>
Total revenue			
Expenditures			
Operations			
Accounting and audit	6,500	6,827	327
District management fees	42,000	42,000	-
Landscaping	55,000	52,660	(2,340)
Water rights and assessments	2,000	1,970	(30)
Repairs and maintenance	34,000	20,819	(13,181)
Legal	6,500	7,194	694
Directors' fees	6,000	5,000	(1,000)
Office	4,000	3,464	(536)
Utilities and line locates	14,000	12,909	(1,091)
Insurance and dues	3,500	3,976	476
Treasurer's fees	4,005	3,005	(1,000)
Other	900	806	(94)
Snow removal	5,000	4,506	(494)
Contingency and emergency reserve	14,900	-	(14,900)
	<u>198,305</u>	<u>165,136</u>	<u>(33,169)</u>
Total expenditures			
Revenues over expenditures	93,338	123,430	30,092
Other financing uses			
Transfer to Debt Service Fund	(75,500)	(75,500)	-
	<u>(75,500)</u>	<u>(75,500)</u>	<u>-</u>
Total other financing sources			
NET CHANGE IN FUND BALANCE	<u>\$ 17,838</u>	47,930	<u>\$ 30,092</u>
FUND BALANCE - Beginning of Year		<u>117,129</u>	
FUND BALANCE - End of Year		<u>\$ 165,059</u>	

The accompanying notes are an integral part of these financial statements

New Windsor Metropolitan District  
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the New Windsor Metropolitan District (the “District”) conform to the accounting principles generally accepted in the United States of America (“US GAAP”) as applicable to governmental entities. The following is a summary of the more significant policies consistently applied in the preparation of the basic financial statements of the District.

*1. Reporting Entity*

The District was established under State of Colorado statutes as a quasi-municipal corporation and is governed by a five-member elected Board of Directors pursuant to the provisions of the Colorado Special District Act. The District’s service area is located in the Town of Windsor, Weld County, Colorado.

The District was formerly the Windsor Northwest Metropolitan District No. 2 and was established as part of a quad-district structure with the Windsor Northwest Metropolitan Districts Nos. 1, 3 and 4. Originally, District Nos. 1, 2 and 3 were established as financing districts to provide funding and tax base for capital improvements to benefit all four districts. District No. 4 was established to provide water, sanitation and drainage, streets, parks and recreation services, and was considered to be the servicing district. The infrastructure was completed and with the exception of the landscaping and irrigation system, was transferred to the Town of Windsor.

In June 2008, District No. 2 became the New Windsor Metropolitan District and issued general obligation bonds, the proceeds of which were transferred to District No. 4 to payoff the outstanding general obligation bonds issued in 2000 and 1999 by District No. 4. On September 16, 2008, District Nos. 1 and 4 ceased operation and were dissolved. The net assets of District No. 4 were transferred to the District.

The District maintains the common landscaping within the service area and provides irrigation water to the residents of the District.

As required by US GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local government entities. The District has no component units as defined by Governmental Accounting Standards Board (“GASB”), Statement No. 14, *The Reporting Entity* and GASB No. 39, *Determining Whether Certain Organizations are Component Units*.

*2. Measurement Focus and Financial Reporting Framework*

*Government-wide Financial Statements*

The government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on the *governmental-type activities* of the District, which rely to a significant extent on charges for services and property and specific ownership taxes. The Statement of Activities demonstrates the degree to which expenses of the *governmental-type activities* are supported by charges for services and property and specific ownership taxes.

New Windsor Metropolitan District  
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2. *Measurement Focus and Financial Reporting Framework- continued*

*Governmental Fund Financial Statements*

The governmental fund financial statements are prepared 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 if the revenues are collectible within the current period or soon thereafter to pay liabilities of the current period. For that purpose, the District considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period.

*Governmental Funds*

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and the debt service fund, both which are considered to be major funds.

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

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

3. *Cash and Cash Equivalents*

The District considers cash and cash equivalents to include cash on hand, demand deposits, savings accounts and money market accounts.

4. *Fair Value of Financial Instruments*

The District's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and bonds payable. The District estimates that the fair value of these financial instruments as of December 31, 2016, do not differ materially from the aggregate carrying values used in the accompanying financial statements. The carrying amount of these financial instruments approximates the fair value due to the short maturity of these financial instruments.

5. *Use of Estimates*

The preparation of financial statements in conformity with US GAAP involves the use of management's estimates that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based upon management's best judgment, after considering past events and assumptions about future events. Actual results could differ from those estimates. The District has estimated the useful lives of its depreciable capital assets as reflected in the Statement of Net Position and the full collectability of the irrigation water receivables.

New Windsor Metropolitan District  
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

6. *Property Taxes Receivable*

Property taxes are levied on December 15 of each year, and attach as an enforceable lien on subject property as of January 1 of the following year. The property taxes are payable in full on April 30 or if paid in two installments, due on February 28 and June 15. Property taxes are considered to be delinquent as of August 1. Weld County bills and collects the property taxes on behalf of the District and remits the collections, less the Treasurer's fees, to the District on a monthly basis. As of December 31, the District has recorded the levied property taxes and the related deferred inflow of resources.

As the property taxes result in an enforceable lien on the subject property, in the event the property taxes are not paid, the subject property will be sold at public auction to collect the delinquent property taxes. Accordingly, no provision is deemed necessary for uncollected property taxes.

7. *Restricted Net Position*

The restriction of net position represents amounts that may not be appropriated or are legally segregated for a specific purpose.

8. *Capital Assets*

The District's capital assets are recorded at cost if purchased or constructed. Donated capital assets are valued at the estimated fair value at the time of donation. The District's capital assets consist of landscaping, irrigation system and related equipment. Depreciation is provided in amounts sufficient to relate the cost of depreciable capital assets to operations over the estimated useful lives of the assets. Depreciation is provided under the straight-line method, with estimated service lives of ten years to twenty-five years. The District's non-depreciable capital assets consist of various water rights.

The cost of normal maintenance and repairs that do not add to the value of, or materially extend the life of, the related capital asset, are charged to expense as incurred.

NOTE B – BUDGET INFORMATION

The District's annual budget is prepared on a Non-GAAP basis for the District's General Fund and Debt Service Fund. An annual appropriated budget is adopted at the total fund expenditure level and the annual appropriations lapse at the end of the District's fiscal year.

The District conforms to the following procedures, in accordance with the State of Colorado Revised Statutes, in the establishment of the budgetary information reflected in the accompanying financial statements.

Prior to October 15, the District's Manager submits a proposed operating budget for the subsequent fiscal year to the District's Board of Directors. The Board of Directors may change the proposed budget prior to the publication of the notice of budget. Within ten days of the submission, a notice of the proposed budget is published. The operating budget includes proposed expenditures and the means of financing the expenditures.

New Windsor Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE B – BUDGET INFORMATION – *continued*

A public hearing is held at a regular District Board of Directors' meeting to allow public input on the proposed operating budget.

On or before December 15, the operating budget is adopted by the Board of Directors through passage of a budget resolution. Upon adoption, the District's Treasurer is authorized by the Board of Directors to transfer the budgeted amounts within the function and objects of the Fund(s). The District's Board of Directors must approve revisions that change the total expenditures of the Fund(s). Appropriations are controlled and the budget can be only amended in accordance with the State of Colorado Revised Statutes that allows the District to amend the budget and adopt a supplemental appropriation in certain circumstances.

State of Colorado Statutes requires a balanced budget.

NOTE C – CASH AND INVESTMENTS

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine the eligibility. Amounts on deposit in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows institutions to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits. The market value of the collateral must be equal to 102% of the aggregate uninsured public deposits.

As of December 31, 2016, all of the District's deposits were either insured by the FDIC or held in eligible depositories.

At December 31, 2016, the District had \$91,045 invested in the Colorado Local Government Liquid Trust ("COLOTRUST"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of the U.S. government agencies. The District's investments are in the COLOTRUST PLUS+ portfolio. COLOTRUST is rated AAAM by Standard & Poor's.

The District has certain investments which are measured at fair value on a recurring basis and are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair value measurement of the District's investment in COLOTRUST at December 31, 2016 is valued using Level 2 inputs.

New Windsor Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE D – LIMITED TAX GENERAL OBLIGATION BONDS

In June 2008, the District issued \$1,165,000 of Refunding Limited Tax General Obligation Bonds (the "Bonds"). The Bonds were issued to refund the District's obligation pursuant to an Amended and Restated Intergovernmental Financing Agreement, dated November 2, 2002, ("Refunded Obligation") between the District and the former Northwest Windsor Metropolitan District No. 4 ("District 4"). Under the Refunded Obligation, the District pledged to impose an ad valorem mill levy upon the taxable property within the District and transfer the taxes collected to District 4 to support the debt service requirements of the Windsor Northwest Metropolitan District 4 Limited Tax General Obligation Bonds, Series 1999 and the Windsor Northwest Metropolitan District 4 Limited Tax General Obligation Bonds, Series 2002, ("Refunded Obligations").

The net proceeds from the Bonds were transferred to District 4 to refund the Refunded Obligations, and upon the issuance of the Bonds, the Refunded Obligation was terminated. All of the Refunded Obligations owners agreed to surrender their Refunded Obligations in exchange for the Bond proceeds and to discharge any remaining obligations there under.

The Bonds have a final maturity of December 1, 2037 and bear interest from their date of issuance to maturity or prior redemption at rates ranging from 4% to 5.75%, payable semiannually on each June 1 and December 1.

The following is an analysis of the changes in the bonds payable for the year ended December 31, 2016:

	December 31, 2015	Additions	Payments	December 31, 2016	Due within One Year
Series 2008	\$ 975,000	\$ -	\$ 20,000	\$ 955,000	\$ 25,000

The future minimum payments under the bonds as of December 31, 2016 are as follows:

Year Ended December 31	Principal	Interest	Total
2017	\$ 25,000	54,225	79,225
2018	25,000	52,944	77,944
2019	30,000	51,662	81,662
2020	30,000	50,125	80,125
2021	30,000	48,587	78,587
2022 – 2026	180,000	214,187	394,187
2027 – 2031	245,000	155,825	400,825
2032 – 2036	315,000	71,914	392,914
2037	75,000	4,312	79,312
	\$ 955,000	\$ 709,781	\$ 1,664,781

NOTE E – TRANSFERS

Transfers in the amount of \$75,500 were made from the general fund to the debt service fund for the required December 1 debt service principal and interest payments due June 1 and December 1, 2016.

New Windsor Metropolitan District  
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE F – CAPITAL ASSETS

The changes in the District's capital assets for the year ended December 31, 2016 are as follows:

	December 31, 2015	Additions	Disposals	December 31, 2016
Capital assets				
Non-depreciable				
Water rights	\$ 421,915	\$ -	\$ -	\$ 421,915
Depreciable				
Meter reading software and equipment	8,500	-	-	8,500
Landscaping	1,003,695	-	-	1,003,695
Irrigation system	802,722	-	-	802,722
Total	2,236,832	-	-	2,236,832
Accumulated depreciation				
Meter reading software and equipment	(4,400)	(1,700)	-	(6,100)
Landscaping	(490,248)	(40,147)	-	(530,395)
Irrigation system	(802,722)	-	-	(802,722)
Total	(1,297,370)	(41,847)	-	(1,339,217)
Net capital assets	\$ 939,462	\$ (41,847)	\$ -	\$ 897,615

NOTE G – FUND BALANCE

The District utilizes the fund balance presentation as required under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances are categorized as non-spendable, restricted, committed, assigned or unassigned.

*Non-spendable* – represents amounts that cannot be spent because they are either in non-spendable form or legally required to remain intact,

*Restricted* – represents amounts with external constraints placed on the use of these resources or imposed by enabling legislation,

*Committed* – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the District's Board of Directors. Committed resources cannot be used for any other purpose unless the District's Board of Directors removes or changes the specific use by the same type of action used to commit those amounts, either by resolution or by ordinance,

New Windsor Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE G – FUND BALANCE - *continued*

*Assigned* – represents amounts that the District intends to use for specific purposes as expressed by the District’s Board of Directors or a District official delegated the authority to assign amounts,

*Unassigned* – represents the residual classification for the general fund or deficit balances in other funds, as applicable.

Amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Unrestricted amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of these unrestricted fund balances classifications could be used.

As of December 31, 2016, the District’s general fund balance consisted of the following:

Fund balances:	
Non-spendable	
Prepaid expenses	\$ 4,234
Restricted	
TABOR reserve	7,600
Unassigned	<u>153,225</u>
Total fund balances	\$ <u><u>165,059</u></u>

NOTE H – TAX, SPENDING AND DEBT LIMITATIONS

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

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

The District’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the calculation of the fiscal year spending limits will require judicial interpretation.

NOTE I – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God for which the District carries commercial insurance. The District’s claims, if any, have not exceeded its coverage during the preceding three years.

New Windsor Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE J – COMMITMENTS

*District Management*

The District outsources the management of the District which includes overall management, accounting and administrative services. The service contract renews annually each year on January 1, unless notice of non-renewal is provided by either party as described in the service contract. Under the service contract, the District is required to make monthly payments of \$3,500 for a total annual compensation of \$42,000.

*Landscape Maintenance*

In 2016, the District renewed the service contract for landscape maintenance for a maximum three years, subject to early termination. Under the service contract, the District is required to make monthly payments of \$3,250 for a total annual compensation of \$39,000.

NOTE K - SUPPLEMENTAL WATER AGREEMENT

In 2009, the District entered into an agreement with The Windsor Land Company under which in the event the District's existing water supply would be inadequate, The Windsor Land Company would supply the District with a one-time additional supply of water up to the amount of \$2,050.

NOTE L – MANAGEMENT'S EVALUATION OF SUBSEQUENT EVENTS

The preparation of the District's financial statements and accompanying footnotes in conformity with US GAAP requires management of the District to evaluate transactions and events subsequent to the balance sheet date involving the District. Management has evaluated the subsequent transactions and events of the District through June 15, 2017, which is the date the financial statements and accompanying footnotes were available for issuance.

*SUPPLEMENTARY INFORMATION*

New Windsor Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the year ended December 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Debt Service			
Principal	\$ 20,000	\$ 20,000	\$ -
Interest	55,250	55,250	-
Paying agent	250	250	-
	<u>75,500</u>	<u>75,500</u>	<u>-</u>
Total expenses	75,500	75,500	-
Other financing sources			
Transfer from General Fund	<u>75,500</u>	<u>75,500</u>	<u>-</u>
Total other financing sources	<u>75,500</u>	<u>75,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - Beginning of Year		<u>-</u>	
FUND BALANCE - End of Year		<u>\$ -</u>	