

# **NORTH RANGE VILLAGE METROPOLITAN DISTRICT**

**COMMERCE CITY, COLORADO**

**ANNUAL FINANCIAL STATEMENTS**

**December 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

September 30, 2019

To the Board of Directors  
North Range Village Metropolitan District

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of North Range Village Metropolitan District as of and for the year ended December 31, 2018 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 and relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and the major funds of North Range Village Metropolitan District, as of December 31, 2018 and the respective changes in financial position and the budgetary comparison for the General Fund, Reserve Fund and Debt Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other-Matters**

*Required Supplementary Information*

Management has omitted the management's discussion and analysis 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 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. Our opinion on the basic financial statements is not affected by this missing information.

**Other Information**

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

The Supplementary information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

B F Beymer CPA PC

**Certified Public Accountants**

**Lakewood, CO**

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**STATEMENT OF NET POSITION**  
December 31, 2018

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 20,669
Cash and investments – restricted	323,910
Accounts receivable – specific ownership taxes	5,568
Accounts receivable – property owners	63,753
Property taxes receivable	758,500
Prepaid expenses	13,821
Water rights – held for sale	703,274
Land	1,000
<b>Total Assets</b>	<b>\$ 1,890,495</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 21,880
Accrued interest payable	22,414
Current portion of municipal bonds	200,000
Current portion of supplemental B interest certificates	40,000
Supplemental interest B certificates	670,000
Municipal bonds	5,955,000
<b>Total Liabilities</b>	<b>6,909,294</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax revenue	758,500
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>7,667,794</b>
<b>NET POSITION</b>	
Restricted:	
Emergency reserves	7,500
Debt service	82,384
Committed	280,500
Non-spendable	13,821
Unrestricted:	( 6,161,504)
<b>Total Net Position</b>	<b>(\$ 5,777,299)</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government:</b>					
<b>Government Activities:</b>					
General government activities	(\$ 216,137)	\$ 777	\$ -	\$ 505	(\$ 214,855)
Interest and related costs on long-term debt	( 330,289)	-	-	-	( 330,289)
Capital project activities	-	-	-	4,718	4,718
	<u>(\$ 546,426)</u>	<u>\$ 777</u>	<u>\$ -</u>	<u>\$ 5,223</u>	<u>( 540,426)</u>
<b>General Revenues</b>					
					758,362
					66,686
					22,660
					10,501
					<u>858,209</u>
					<u>317,783</u>
					<u>( 6,095,082)</u>
					<u>(\$ 5,777,299)</u>

These financial statements should be read only in connection with the accompanying notes to the financial statements.

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**BALANCE SHEET – GOVERNMENTAL FUNDS**

December 31, 2018

	General Fund	NRV Operating Fund	NRV Capital Fund
<b>ASSETS</b>			
Cash and investments	\$ 20,669	\$ -	\$ -
Cash and investments - Restricted	1,200	20,976	88,292
Accounts receivable – specific ownership taxes	1,688	-	-
Accounts receivable – property owners	-	34,147	-
Property taxes receivable	230,000	-	-
Prepaid expenses	13,821	-	-
<b>TOTAL ASSETS</b>	<b>267,378</b>	<b>55,123</b>	<b>88,292</b>
<b>LIABILITIES</b>			
Accounts payable	721	1,306	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax revenue	230,000	-	-
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>230,721</b>	<b>1,306</b>	<b>-</b>
<b>FUND BALANCES</b>			
Restricted:			
Emergencies (TABOR)	1,200	3,200	-
Debt service	-	-	-
Committed	-	50,617	88,292
Non-spendable	13,821	-	-
Unassigned	21,636	-	-
<b>Total Fund Balances</b>	<b>36,657</b>	<b>53,817</b>	<b>88,292</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 267,378</b>	<b>\$ 55,123</b>	<b>\$ 88,292</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

**NORTH RANGE VILLAGE METROPOLITAN DISTRICT**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**

December 31, 2018

	Foxton Operating Fund	Foxton Capital Fund	Debt Fund	Total Government Funds
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ 20,669
Cash and investments – Restricted	18,975	96,413	98,054	323,910
Accounts receivable – specific ownership	-	-	3,880	5,568
Accounts receivable – property owners	29,606	-	-	63,753
Property taxes receivable	-	-	528,500	758,500
Prepaid expenses	-	-	-	13,821
<b>TOTAL ASSETS</b>	<b>48,581</b>	<b>96,413</b>	<b>630,434</b>	<b>1,186,221</b>
<b>LIABILITIES</b>				
Accounts payable	303	-	19,550	21,880
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	-	-	528,500	758,500
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>303</b>	<b>-</b>	<b>548,050</b>	<b>780,380</b>
<b>FUND BALANCES</b>				
Restricted:				
Emergencies (TABOR)	3,100	-	-	7,500
Debt service	-	-	82,384	82,384
Committed	45,178	96,413	-	280,500
Non-spendable	-	-	-	13,821
Unassigned	-	-	-	21,636
<b>Total Fund Balances</b>	<b>48,278</b>	<b>96,413</b>	<b>82,384</b>	<b>405,841</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 48,581</b>	<b>\$ 96,413</b>	<b>\$ 630,434</b>	
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>				
Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds				
Water rights				703,274
Land				1,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds				
Bonds payable				( 6,865,000)
Accrued interest payable				( 22,414)
<b>Net position of governmental activities</b>				<b>(\$5,777,299)</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended December 31, 2018

	General Fund	NRV Operating Fund	NRV Capital Fund
<b>REVENUES</b>			
Property taxes	\$ 229,956	\$ -	\$ -
Specific ownership taxes	20,221	-	-
Covenant violation fines	-	13,985	-
Other revenue	-	505	-
Reimbursable legal fees	-	777	-
Net investment income	948	452	1,052
<b>Total revenues</b>	<b>251,125</b>	<b>15,719</b>	<b>1,052</b>
<b>EXPENDITURES</b>			
General and administration	28,570	21,370	-
Landscaping maintenance	-	59,983	-
Capital asset maintenance	-	3,591	-
Other district expenses	-	16,799	-
Debt service			
Bond interest	-	-	-
Bond principal	-	-	-
Collection fees – County Treasurer	-	-	-
Bond paying agent fees	-	-	-
Capital projects	-	-	-
<b>Total Expenditures</b>	<b>28,570</b>	<b>101,743</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>222,555</b>	<b>( 86,024)</b>	<b>1,052</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	( 214,200)	98,000	13,000
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>8,355</b>	<b>11,976</b>	<b>14,052</b>
<b>FIND BALANCES – BEGINNING OF YEAR</b>	<b>28,302</b>	<b>41,841</b>	<b>74,240</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 36,657</b>	<b>\$ 53,817</b>	<b>\$ 88,292</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended December 31, 2018

	Foxton Operating Fund	Foxton Capital Fund	Debt Fund	Total Government Funds
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 528,406	\$ 758,362
Specific ownership taxes	-	-	46,465	66,686
Covenant violation fines	8,675	-	-	22,660
Other revenue	-	4,718	-	5,223
Reimbursable legal fees	-	-	-	777
Net investment income	310	1,095	6,644	10,501
<b>Total revenues</b>	<b>8,985</b>	<b>5,813</b>	<b>581,515</b>	<b>864,209</b>
<b>EXPENDITURES</b>				
General and administration	18,889	-	52,963	121,792
Landscaping maintenance	52,367	-	-	112,350
Capital asset maintenance	3,456	-	-	7,047
Other district expenses	11,112	-	-	27,911
Debt service				
Bond interest	-	-	268,973	268,973
Bond principal	-	-	230,000	230,000
Collection fees – County Treasurer	-	-	7,903	7,903
Bond paying agent fees	-	-	450	450
Capital projects	-	-	-	-
<b>Total Expenditures</b>	<b>85,824</b>	<b>-</b>	<b>560,289</b>	<b>776,426</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>( 76,839)</b>	<b>5,813</b>	<b>21,226</b>	<b>87,783</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	91,200	12,000	-	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>14,361</b>	<b>17,813</b>	<b>21,226</b>	<b>87,783</b>
<b>FUND BALANCES – BEGINNING OF YEAR</b>	<b>33,917</b>	<b>78,600</b>	<b>61,158</b>	<b>318,058</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 48,278</b>	<b>\$ 96,413</b>	<b>\$ 82,384</b>	<b>\$ 405,841</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES**

Year Ended December 31, 2018

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

Net change in fund balances – Total government funds	\$ 87,783
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payment	230,000
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<b>Changes in net position of governmental activities</b>	<b>\$ 317,783</b>
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These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
 Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 230,000	\$ 229,956	(\$ 44)
Specific ownership taxes	18,400	20,221	1,821
Net investment income	1,000	948	( 52)
<b>Total revenues</b>	<b>249,400</b>	<b>251,125</b>	<b>1,725</b>
<b>EXPENDITURES</b>			
General and administrative expenses	34,900	28,570	6,330
Election services	3,000	-	3,000
<b>Total expenditures</b>	<b>37,900</b>	<b>28,570</b>	<b>9,330</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>211,500</b>	<b>222,555</b>	<b>11,055</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out to NRV Operating Fund	( 111,000)	( 111,000)	-
Transfers out to Foxton Operating Fund	( 103,200)	( 103,200)	-
<b>Total other financing sources (uses)</b>	<b>( 214,200)</b>	<b>( 214,200)</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>( 2,700)</b>	<b>8,355</b>	<b>11,055</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>24,711</b>	<b>28,302</b>	<b>3,591</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ 22,011</b>	<b>\$ 36,657</b>	<b>\$ 14,646</b>

These financial statements should be read only in connection with  
 the accompanying notes to the financial statements.

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**GENERAL FUND – EXPENDITURE**  
**DETAILS – BUDGET AND ACTUAL**  
Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>GENERAL AND ADMINISTRATION</b>			
1. District management fees	\$ 7,000	\$ 7,002	(\$ 2)
2. Administrative costs	2,000	2,240	( 240)
3. Audit fees	5,400	5,400	-
4. Collection fees –County Treasurer	3,500	3,723	( 223)
5. Board of directors’ fees	2,000	1,000	1,000
6. Board training and conferences	2,500	1,411	1,089
7. Insurance	7,500	7,539	( 39)
8. Legal fees	5,000	255	4,745
<b>Total General and Administration</b>	<b>\$ 34,900</b>	<b>\$ 28,570</b>	<b>\$ 6,330</b>

These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**NOTES TO FINANCIAL STATEMENTS**  
Year Ended December 31, 2018

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

North Range Village Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on November 16, 1999, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the amended service plan approved by Commerce City (City) in October 1999 and as modified on June 19, 2000 and on February 5, 2007. The District's service area is located in Adams County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the construction of streets, safety controls, street lighting, landscaping, water, sanitary sewer, storm drainage, television relay facilities, park and recreation, and mosquito control improvements within the North Range Village subdivision, Foxtan Village Filing No 1 subdivision and Foxtan Village Filing No 3 subdivision.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organizations governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the District are as follows:

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions

These notes are an integral part of the accompanying financial statements.

that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

The NRV Operating Fund accounts for the resources accumulated and payments made to provide covenant enforcement, architectural review, park and open space maintenance, recreation and other services to the residents of the North Range Village subdivision.

The NRV Capital Fund accounts for the resources accumulated to fund major capital improvement projects – including major maintenance and replacement of existing capital assets such as perimeter fencing and park facilities – located within the North Range Village subdivision.

The Foxtan Operating Fund accounts for the resources accumulated and payments made to provide covenant enforcement, architectural review, park and open space maintenance, recreation and other services to the residents of the Foxtan Village subdivision.

The Foxtan Capital Fund accounts for the resources accumulated to fund major capital improvement projects – including major maintenance and replacement of existing capital assets such as perimeter fencing and park facilities – located within the Foxtan Village subdivision.

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

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

These notes are an integral part of the accompanying financial statements.

## **Budgets**

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

## **Pooled Cash and Investments**

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

Investments are carried at fair value.

## **Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the property taxes collected monthly to the District.

Property taxes are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

## **Property Maintenance Fines**

Covenant violation fines are assessed, in accordance with the District's covenant enforcement policy, against homeowners whom the District deems to be in violation of the restrictive covenants provided in the Declaration of Covenants, Conditions and Restrictions for North Range Village (NRV Declaration) and the Declaration of Covenants, Conditions and Restrictions for Foxtan Village (FV Declaration). Covenant violation fines are recognized as income after the violation has been identified, the homeowner has been notified and the period has expired for the homeowner to request a hearing to dispute the violation. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien.

## **Reimbursable Costs**

Legal fees and other costs incurred by the District related to covenant enforcement actions and other services provided to specific properties within the District are charged back to the respective property owners. The District presents reimbursable costs on a net basis. Factors considered by the District in determining whether to present reimbursable cost chargeback revenue on a gross or net basis include whether risks exist that the District will be unable to recover such costs from property owners. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs

These notes are an integral part of the accompanying financial statements.

are secured on and against each respective property by a perpetual lien, which has priority over all other encumbrances on a property.

These notes are an integral part of the accompanying financial statements.

## Water Rights – Held for Sale

Water rights are recorded at acquisition cost. Any costs incurred for the protection of those rights, are expensed, and shall be recovered upon the sale of the ERUs for the development of the subject property.

## Land

Land is recorded at acquisition cost.

## System Development Fees

System development fees of \$900 per single-family home are charged against properties within the District. The development fee is due at the time of issuance of a building permit. The District records the system development fees as revenue when received, which may be at the transfer of property from the developer to a builder.

As of December 31, 2018, 15 single-family home lots within the North Range Village subdivision remain undeveloped.

## Fund Equity

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

- **Non-spendable fund balance** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- **Committed fund balance** – The portion of a fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- **Assigned fund balance** – The portion of a fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- **Unrestricted fund balance** – The residual portion of a fund balance that does not meet any of the criteria described above.

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

These notes are an integral part of the accompanying financial statements.

### NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments – unrestricted	\$ 20,669
Cash and investments – restricted	<u>323,910</u>
Total cash and investments	<u>\$ 344,579</u>

Cash and investments as of December 31, 2018 consist of the following:

Deposits with financial institutions	\$ 17,397
Investments	<u>327,182</u>
Total cash and investments	<u>\$ 344,579</u>

#### Deposits with Financial Institutions

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

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

At December 31, 2018, the District's cash deposits had a bank balance of \$18,070 and a carrying balance of \$17,397.

#### Investments

The District has adopted a formal investment policy which requires the District to follow state statutes regarding investments.

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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

These notes are an integral part of the accompanying financial statements.

As of December 31, 2018, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 327,182

#### CSAFE

The District invests in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

#### NOTE 4 – WATER RIGHTS – HELD FOR SALE

In 2007, using proceeds from the issuance of the District's Series 2007 General Obligation Bonds, the District financed the purchase of 89 Equivalent Residential Unit water and sanitary sewer rights (ERUs). An ERU right allows a property owner to purchase a water tap and sanitary sewer connection into the South Adams County Water and Sanitation District system. The ERUs are restricted to servicing the land situated within the Foxton Village No. 3 plat map and this assignment restriction cannot be released without obtaining consent from the City of Commerce City, South Adams County Water & Sanitation District and PV Water & Sanitation Metropolitan District.

On August 31, 2009, Freeport LLC – the owner of Lot 2 of Block 1 of the Foxton Village Filing No 3 subdivision (L2B1FV3) – filed with the County a covenant on L2B1FV3 (ERU Covenant) requiring the owner(s) of L2B1FV3 to purchase from the District the ERUs and any additional ERUs purchased by the District subsequent to September 14, 2009, as needed to serve such property, in accordance with the South Adams Rules and Regulations, to the extent applicable. Per the ERU Covenant, the price of the ERUs sold to the owner of L2B1FV3 is to be determined by the District.

As of December 31, 2018, the acquisition and holding costs for these 89 ERUs is as follows:

Acquisition cost	\$ 703,274
Financing cost - bond interest March 2007 to Dec. 31, 2018)	364,494
Financing cost – bond issuance costs and bond discount	73,368
Financing cost – County Treasurer collection fees on property taxes collected to fund annual repayments on bond debt (portion allocated to ERU acquisition)	7,413
Legal and accounting fees related to ERU disposition (grossed up for collection costs)	156,572
<b>Total ERU acquisition and holding cost</b>	<b>\$ 1,305,121</b>

Litigation was commenced in 2017 between the District and Commerce City Leased Housing Associates I, LLLP ("CCLHA"), successor to Freeport LLC to the ERU Covenant, regarding the cost for CCLHA to acquire the ERUs from

These notes are an integral part of the accompanying financial statements.

the District. That litigation proceeded to the Colorado Court of Appeals, and the appellate Opinion was rendered on October 18, 2018. Pursuant to the Court of Appeals Opinion, the District was directed to establish a price for the ERUs, with such price being subject to review under Colorado Rules of Civil Procedure 106, and expressly not subject to the standard of fair market value, good faith and fair dealing or commercial reasonableness. Pursuant to the Rules and Regulations of the South Adams County Water and Sanitation District, which are expressly applicable to the ERUs, the development is to pay its own way, inclusive of all water rights, and full cost recovery is the appropriate measure of price for the ERUs.

#### NOTE 5 – LAND

On December 19, 2002, the District acquired approximately 4.7 acres of open space land in the North Range Village subdivision from the Developer. Per the plat map filed with the Adams County Clerk and Recorder’s Office on June 07, 2000, the acquired tracts of land are comprised of Tracts A, B, D, E, F, G, K, L, N, M, P, Q, R, S, T and U. The land was recorded by the District at a nominal value of \$1,000.

On January 18, 2016, the Foxton Village Homeowners Association, Inc. (FV Association) granted the District a perpetual non-exclusive easement to the FV Association’s common area land for the purpose of operating, using, maintaining, repairing, reconstructing, and/or replacing the improvements, located on such property. The Easement requires the FV Association obtain permission from the District before the Association can construct any improvements on common areas.

#### NOTE 6 – DEBT

The following is an analysis of changes in general debt obligations for the year ended December 31, 2018:

	Balance at Dec. 31, 2017	Additions	Retirements	Balance at Dec. 31, 2018	Due within one year
G.O. Refunding and Improvement Bonds, Series 2007	\$ 6,345,000	\$ -	(\$ 190,000)	\$ 6,155,000	\$ 200,000
Interest Certificates, Series 2007	750,000	-	( 40,000)	710,000	40,000
<b>Totals</b>	<b>\$ 7,095,000</b>	<b>\$ -</b>	<b>(\$ 215,000)</b>	<b>\$ 6,865,000</b>	<b>\$ 240,000</b>

Details regarding the District's debt obligations are as follows:

#### Series 2007 General Obligation Bonds and Interest Certificates

On March 8, 2007, the District advance refunded and defeased (debt legally satisfied) \$2,765,000 of General Obligation Limited Tax Bonds dated August 1, 2000, with an interest rate of 8.0% and \$1,365,000 General Obligation Limited Tax Bonds dated July 1, 2000, with an interest rate of 8.5% by the issuance of \$7,485,000 in General Obligation Refunding and Improvement Bonds Series 2007 and \$1,220,000 in Supplemental "B" Interest Registered Coupons.

The proceeds from the Series 2007 general obligation bonds and interest certificates were used for the following purposes:

Series 2007 general obligation bonds	\$ 7,485,000
Series 2007 general obligation bonds – discount	( 489,990)
Series 2007 Supplemental B interest certificates	<u>1,220,000</u>

These notes are an integral part of the accompanying financial statements.

<b>Net cash proceeds</b>	<b>\$ 8,215,010</b>
Defeasement of Series 2000 general obligation bonds	(\$ 2,765,000)
Defeasement of Series 2001 general obligation bonds	( 1,365,000)
Net interest cost of defeased bonds	( 986,593)
Repayment of developer advances and accrued interest	( 284,044)
2007 bond insurance	( 84,434)
Underwriter, attorney and other bond issuance fees	( 264,238)
Additional payments to Developer	( 1,762,427)
Acquisition of water rights	( 703,274)
<b>Total cash uses of net proceeds</b>	<b><u>(\$ 8,215,010)</u></b>

The defeased Series 2000 Bonds and Series 2001 Bonds were redeemed on December 1, 2011.

The Series 2007 bonds bear interest from 3.5% to 4.25% per annum, due June 1 and December 1. Principal is due on December 1. The coupons were issued to yield from 3.86% to 4.87% per annum. Principal is due on December 1. The bonds maturing on or before December 1, 2016 are not subject to redemption prior to their respective maturity dates. The bonds maturing on and after December 1, 2017 are subject to redemption prior to maturity at the option of the District. The bonds mature on December 1, 2036.

The District holds a financial guaranty insurance policy with Assured Guaranty Corp. ensuring repayment of the Series 2007 general obligation bonds and interest certificates.

The bonds and interest certificates are secured by and payable from Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue. The Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the bonds as the same become due and payable without limitation of rate in an amount sufficient to such payment when due.

The District's long-term obligation will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Interest Certificates</u>	<u>Total</u>
2019	\$ 200,000	\$ 260,898	\$ 40,000	\$ 500,898
2020	215,000	252,398	40,000	507,398
2021	225,000	243,260	40,000	508,260
2022	240,000	233,698	40,000	513,698
2023	250,000	223,498	40,000	513,498
2024 to 2028	1,515,000	942,972	200,000	2,657,972
2029 to 2033	2,005,000	585,740	200,000	2,790,740
2034 to 2036	1,505,000	130,263	110,000	1,745,263
	<u><b>\$ 6,155,000</b></u>	<u><b>\$ 2,872,727</b></u>	<u><b>\$ 710,000</b></u>	<u><b>\$ 9,737,727</b></u>

#### Authorized Debt

These notes are an integral part of the accompanying financial statements.

On November 2, 1999, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$2,000,000 at an interest rate not to exceed 18%. On May 2, 2000 and November 7, 2000, the electors authorized an additional \$4,900,000 of indebtedness at each election for a total authorization of \$9,800,000 at an interest rate not to exceed 18% and \$4,428,590 and \$4,900,000, respectively, for refunding the District's debt or other obligations.

In accordance with 32-1-1101(2), C.R.S., any remaining, unused debt issuance authorization (with the exception of authorization for refunding of debt) will expire 20 years after the original debt authorization election. Any remaining, unused debt issuance authorization will expire between November 2019 and November 2020. Also, in accordance with 32-1-1101(2), C.R.S., any unused authorization obtained from the District's electors for the issuance of debt for the purpose of refunding existing debt will expire when the District's current general obligation debt is paid down to a balance of \$400,000 or less.

At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized Nov. 2, 1999 Election	Authorized May 2, 2000 Election	Authorized Nov. 7, 2000 Election	Total Authorization
Water supply	\$ -	\$ 300,000	\$ 300,000	\$ 600,000
Sanitary sewer/storm drain	200,000	530,000	530,000	1,260,000
Street improvements	485,000	1,245,000	1,245,000	2,975,000
Park and recreation	1,315,000	2,325,000	2,325,000	5,965,000
Operations and maintenance	-	500,000	500,000	1,000,000
<b>Subtotal</b>	<b>2,000,000</b>	<b>4,900,000</b>	<b>4,900,000</b>	<b>11,800,000</b>
Refunding of debt	-	4,428,590	4,900,000	9,328,590
<b>Total Debt Authorization</b>	<b>\$ 2,000,000</b>	<b>\$ 9,328,590</b>	<b>\$ 9,800,000</b>	<b>\$ 21,128,590</b>

	Authorization Used			Authorization Expired	Remaining at Dec. 31, 2018
	Series 2000	Series 2001	Series 2007		
Water supply	\$ 300,000	\$ 165,000	\$ 135,000	\$ -	\$ -
Sanitary sewer/storm drain	330,000	495,000	435,000	-	-
Street improvements	1,730,000	155,000	1,090,000	-	-
Park and recreation	405,000	550,000	2,565,766	-	2,444,234
Operations and maintenance	-	-	-	-	1,000,000
<b>Subtotal</b>	<b>2,765,000</b>	<b>1,365,000</b>	<b>4,225,766</b>	<b>-</b>	<b>3,444,234</b>
Refunding of debt	-	-	4,479,234	-	4,849,356
<b>Total Debt Auth. Used</b>	<b>\$ 2,765,000</b>	<b>\$ 1,365,000</b>	<b>\$ 8,705,000</b>	<b>\$ -</b>	<b>\$ 8,293,590</b>

Per the second amended Service Plan, the District is limited to issuing without prior authorization from the City of Commerce City \$10,000,000 in debt to fund capital improvements and operations and \$9,328,590 in debt for refunding original issue debt.

These notes are an integral part of the accompanying financial statements.

## **Purpose of Debt Issuance**

The majority of the District's current outstanding debt was used to fund the construction of various infrastructure assets within the North Range Village subdivision and Foxton Village subdivision including roads, sidewalks, storm drains, park, open space landscaping, perimeter fencing, etc. Upon completion of the construction of these infrastructure assets, they were conveyed by the District to various entities including City of Commerce City, South Adams County Water and Sanitation District, North Range Village Homeowners Association, Inc., Foxton Village Homeowners Association, Inc. and public utility entities. These entities accepted the maintenance and ownership responsibilities for these improvements. Consequently, these infrastructure assets were removed from the District's capital asset records in previous years.

## **NOTE 7 – NET POSITION**

The District has a net position consisting of four components – restricted, committed, non-spendable and unrestricted.

### **Restricted Net Position**

As of December 31, 2018, the District's restricted net position totaled \$89,884 and is comprised of the committed net positions of the following four funds: General Fund, NRV Operating Fund, Foxton Operating Fund and Debt Service Fund. The committed net position of each fund is \$1,200, \$3,200, \$3,100 and \$82,384, respectively. Restricted net position includes net position that 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.

### **Committed Net Position**

As of December 31, 2018, the District's committed net position totaled \$280,500 and is comprised of the committed net positions of the following four funds: NRV Operating Fund, NRV Capital Fund, Foxton Operating Fund and Foxton Capital Fund. The committed net position of each fund is \$50,617, \$88,292, \$45,178 and \$96,413, respectively.

### **Non-Spendable Net Position**

As of December 31, 2018, the District's non-spendable net position totaled \$13,821 and is comprised of the non-spendable net position of the General Fund. This balance was created due to the District prepaying certain 2019 expenses in 2018.

### **Unrestricted Net Position**

The District's unrestricted net position as of December 31, 2018 totaled \$(6,161,504). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to Commerce City, South Adams County Water and Sanitation District, North Range Village Homeowners Association, Inc., Foxton Village Homeowners Association, Inc. and public utility entities.

These notes are an integral part of the accompanying financial statements.

## **NOTE 8 – COMMITMENTS AND CONTINGENCIES**

### **Easement Agreements**

Various tracts of land owned by the District are subject to various utility easements allowing utility line access across District-owned properties to District residents.

All tracts of open space land within the Foxton Village subdivision are owned by the Foxton Village Homeowners Association, Inc. On January 01, 2016, the Foxton Village Homeowners Association, Inc. granted a permanent easement to the District allowing the District access to all open space tracts of land in the Foxton Village subdivision and requiring the District maintain all landscaping and other improvements on such land.

All open space tracts of land within the North Range Village subdivision are owned by the District.

### **Landscaping Plan**

The parks and open spaces owned by the District are subject to a landscaping plan that was approved by Commerce City on June 2, 2000 (Landscaping Plan). Per the Landscaping Plan, the District must ensure (1) all land owned by the District conforms to the Commerce City Community Development Department, Public Works Department and Parks & Recreation Department standards and (2) all plant material on District-owned land conforms to Commerce City's approved plant list and planting specifications. The Landscaping Plan also requires a minimum number of trees and shrubs be maintained on the certain portions of District-owned open spaces.

The District continues to be subject to the Landscaping Plan, and any revisions to the Landscaping Plan must first be submitted and approved by Commerce City. If Commerce City deems the District to be in violation of the Landscaping Plan, Commerce City may assess monetary fines and/or other penalties on the District. As of December 31, 2018, the District believes it is in material compliance with the Landscaping Plan.

### **Storm Water Detention Pond**

Per the North Range Village subdivision PUD agreement, the District is responsible for the maintenance of the storm water detention area (Tract G on the North Range Village subdivision plat map). In the event such maintenance is not performed by the District, Commerce City has the right to enter the area and perform the necessary work, the cost of which will be billed to and the responsibility of the District.

### **Covenant Enforcement and Architectural Review Services**

On January 18, 2016, the District entered into a one-year agreement with the FV Association to provide covenant enforcement and architectural review services for a 12-month period beginning January 18, 2016. The cost of providing such services will be funded from revenues generated by the District. The agreement perpetually renews for successive one-year periods unless notice is provided by either party prior to November 30th of the then current term.

On January 18, 2016, the District entered into a one-year agreement with the North Range Village Homeowners Association, Inc. to provide covenant enforcement and architectural review services for a 12-month period beginning January 18, 2016. The cost of providing such services will be funded from revenues generated by the District. The agreement perpetually renews for successive one-year periods unless notice is provided by either party prior to November 30th of the then current term.

These notes are an integral part of the accompanying financial statements.

## **Use and Maintenance Agreement**

On January 18, 2016, the District entered into a one-year agreement with the FV Association to use, operate, maintain and improve the FV Association's common areas including outdoor playground facilities, perimeter fencing, entry monumentation, detention pond and public right-of-way landscaping (as depicted on the Foxton Village subdivision plat map filed with the Adams County Clerk and Recorder's Office on December 20, 2000) in accordance with the FV Association's Master Declaration of Covenants, Conditions and Restrictions. Such services will be provided by the District at its own expense. The agreement perpetually renews for successive one-year periods unless notice is provided by either party prior to November 30th of the then current term.

## **NOTE 9 – RELATED PARTIES**

As of December 31, 2018, three of the directors on the District board are also members of the Board of Directors of the North Range Village Homeowners Association, Inc.

## **NOTE 10 – RISK MANAGEMENT**

The District is exposed to various risks of loss including (a) torts, thefts of, damage to, or destruction of assets, (b) errors or omissions and (c) acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to insure its member districts against various risks of loss. Settled claims have not exceeded this coverage in any of the past three years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from its members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to the Pool's distribution formula.

## **NOTE 11 – TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution—referred to as the Taxpayer's Bill of Rights (TABOR)—contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

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

On November 3, 2016, District voters authorized the District to assess property taxes at no more than \$230,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

These notes are an integral part of the accompanying financial statements.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

**NOTE 12 – SUBSEQUENT EVENTS**

On April 03, 2019, Commerce City Leased Housing Associates I LLLP (“CCLHA1”) – the current owner of L2B1FV3 – filed a complaint in district court of Adams County to contesting the price set by the District to sell its ERUs to CCLHA1. Because the litigation process is subject to many uncertainties, and the outcome is not predictable with assurance, the District cannot predict the ultimate outcome of this lawsuit or the impact it may have on the District’s ability to recover its costs related to purchasing and holding the ERUs assigned to L2B1FV3.

These notes are an integral part of the accompanying financial statements.

## SUPPLEMENTARY INFORMATION

**NORTH RANGE VILLAGE METROPOLITAN DISTRICT**  
**NRV OPERATING FUND – SCHEDULE OF**  
**REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL**

Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Net covenant violation fine income	\$ 11,000	\$ 13,985	\$ 2,985
Contributions from HOA	-	505	505
Reimbursement assessments, net	-	777	777
Net investment income	-	452	452
<b>Total revenues</b>	<b>11,000</b>	<b>15,719</b>	<b>4,719</b>
<b>EXPENDITURES</b>			
General and administrative expenses	24,600	21,370	3,230
Landscaping maintenance	56,900	59,983	( 3,083)
Capital asset maintenance	3,000	3,591	( 591)
Other district expenses	13,500	16,799	( 3,299)
<b>Total expenditures</b>	<b>98,000</b>	<b>101,743</b>	<b>( 3,743)</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>( 87,000)</b>	<b>( 86,024)</b>	<b>976</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	111,000	111,000	-
Transfers in from NRV Capital Fund	( 13,000)	( 13,000)	-
<b>Total other financing sources (uses)</b>	<b>98,000</b>	<b>98,000</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>11,000</b>	<b>11,976</b>	<b>976</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>18,866</b>	<b>41,841</b>	<b>22,975</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ 29,866</b>	<b>\$ 53,817</b>	<b>\$ 23,951</b>

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**NRV OPERATING FUND – EXPENDITURE**  
**DETAILS– BUDGET AND ACTUAL**  
Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>GENERAL AND ADMINISTRATION</b>			
1. District management fees	\$ 19,600	\$ 19,600	\$ -
2. Administrative costs	3,000	1,770	1,230
3. General legal consultation fees	2,000	-	2,000
<b>Total General and Administration</b>	<b>\$ 24,600</b>	<b>\$ 21,370</b>	<b>\$ 3,230</b>
<b>LANDSCAPING MAINTENANCE</b>			
1. Ground maintenance fees	\$ 22,800	\$ 22,884	(\$ 84)
2. Other landscape costs	1,000	245	755
3. Tree maintenance	2,100	1,092	1,008
4. Sprinkler repairs	5,000	4,371	629
5. Sprinklers – water	23,000	27,816	( 4,816)
6. Sprinklers – electricity	1,500	1,708	( 208)
7. Grounds improvements	3,000	1,867	1,133
<b>Total Landscaping Maintenance</b>	<b>\$ 56,900</b>	<b>\$ 59,983</b>	<b>(\$ 3,083)</b>
<b>CAPITAL ASSET MAINTENANCE</b>			
1. Perimeter fence maintenance	\$ 1,000	\$ 1,978	(\$ 978)
2. Playground maintenance	2,000	1,413	587
3. Monument sign maintenance	-	200	( 200)
<b>Total Landscaping Maintenance</b>	<b>\$ 3,000</b>	<b>\$ 3,591</b>	<b>(\$ 591)</b>
<b>OTHER DISTRICT EXPENSES</b>			
1. Snow removal	\$ 2,500	\$ 888	\$ 1,612
2. Social activities	9,500	15,911	( 6,411)
3. Newsletter publications	1,500	-	1,500
4. Vandalism	-	-	-
<b>Total Other District Expenses</b>	<b>\$ 13,500</b>	<b>\$ 16,799</b>	<b>(\$ 3,299)</b>

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**NRV CAPITAL FUND – SCHEDULE OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL**  
Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Contributions from HOA	\$ -	\$ -	\$ -
Investment income	-	1,052	1,052
<b>Total revenues</b>	<b>-</b>	<b>1,052</b>	<b>1,052</b>
<b>EXPENDITURES</b>			
Capital project expenses	15,000	-	15,000
<b>Total expenditures</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>( 15,000)</b>	<b>1,052</b>	<b>16,052</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out) NRV Operating Fund	13,000	13,000	-
<b>Total other financing sources (uses)</b>	<b>13,000</b>	<b>13,000</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>( 2,000)</b>	<b>14,052</b>	<b>16,052</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>95,108</b>	<b>74,240</b>	<b>( 20,868)</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ 93,108</b>	<b>\$ 88,292</b>	<b>(\$ 4,816)</b>

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**FOXTON OPERATING FUND – SCHEDULE OF  
REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL**

Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Net covenant violation fines	\$ 7,000	\$ 8,675	\$ 1,675
Reimbursement assessments, net	-	-	-
Net investment income	-	310	310
<b>Total revenues</b>	<b>7,000</b>	<b>8,985</b>	<b>1,985</b>
<b>EXPENDITURES</b>			
General and administration	20,400	18,889	1,511
Landscaping maintenance	60,400	52,367	8,033
Capital asset maintenance	2,000	3,456	( 1,456)
Other district expenses	10,400	11,112	( 712)
<b>Total expenditures</b>	<b>93,200</b>	<b>85,824</b>	<b>7,376</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>( 86,200)</b>	<b>( 76,839)</b>	<b>9,361</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	103,200	103,200	-
Transfer out to Foxtan Capital Fund	( 12,000)	( 12,000)	-
<b>Total other financing sources (uses)</b>	<b>91,200</b>	<b>91,200</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>5,000</b>	<b>14,361</b>	<b>9,361</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>38,282</b>	<b>33,917</b>	<b>( 4,365)</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ 43,282</b>	<b>\$ 48,278</b>	<b>\$ 4,996</b>

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**FOXTON OPERATING FUND – EXPENDITURE**  
**DETAILS– BUDGET AND ACTUAL**  
Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>GENERAL AND ADMINISTRATION</b>			
1. District management fees	\$ 17,400	\$ 17,400	\$ -
2. Administrative costs – violation letters	3,000	872	( 872)
3. General legal consultation fees	-	617	( 617)
<b>Total General and Administration</b>	<b>\$ 20,400</b>	<b>\$ 18,889</b>	<b>\$ 1,511</b>
<b>LANDSCAPING MAINTENANCE</b>			
1. Ground maintenance fees	\$ 22,200	\$ 22,836	(\$ 636)
2. Other landscape costs	1,000	779	221
3. Tree maintenance	1,500	5,350	( 3,850)
4. Sprinkler repairs	5,000	4,195	805
5. Sprinklers – water	24,000	18,665	5,335
6. Sprinklers – electricity	600	542	58
7. Grounds improvements	6,100	-	6,100
<b>Total Landscaping Maintenance</b>	<b>\$ 60,400</b>	<b>\$ 52,367</b>	<b>\$ 8,033</b>
<b>CAPITAL ASSET MAINTENANCE</b>			
1. Perimeter fence maintenance	\$ 1,000	\$ 2,866	(\$ 1,866)
2. Playground maintenance	1,000	590	410
<b>Total Landscaping Maintenance</b>	<b>\$ 2,000</b>	<b>\$ 3,456</b>	<b>(\$ 1,456)</b>
<b>OTHER DISTRICT EXPENSES</b>			
1. Snow removal	\$ 2,500	\$ 1,045	\$ 1,455
2. Social activities	6,500	5,256	1,244
3. Newsletter publications	1,400	-	1,400
4. Parking enforcement services	-	4,084	( 4,084)
5. Vandalism	-	727	( 727)
<b>Total Other District Expenses</b>	<b>\$ 10,400</b>	<b>\$ 11,112</b>	<b>(\$ 712)</b>

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**FOXTON CAPITAL FUND – SCHEDULE OF  
REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL**

Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Contributions from HOA	\$ -	\$ 4,718	\$ 4,718
Investment income	-	1,095	1,095
<b>Total revenues</b>	<b>-</b>	<b>5,813</b>	<b>5,813</b>
<b>EXPENDITURES</b>			
Capital project expenses	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>5,813</b>	<b>5,813</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from Foxtton Operating Fund	12,000	12,000	-
<b>Total other financing sources (uses)</b>	<b>12,000</b>	<b>12,000</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>12,000</b>	<b>17,813</b>	<b>5,813</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>78,500</b>	<b>78,600</b>	<b>100</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ 90,500</b>	<b>\$ 96,413</b>	<b>\$ 5,913</b>

**NORTH RANGE VILLAGE METROPOLITAN DISTRICT**  
**DEBT SERVICE FUND – SCHEDULE OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL**

Year Ended December 31, 2018

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 528,500	\$ 528,406	(\$ 94)
Specific ownership taxes	42,300	46,465	4,165
Net investment income	3,000	6,644	3,644
<b>Total revenues</b>	<b>573,800</b>	<b>581,515</b>	<b>7,715</b>
<b>EXPENDITURES</b>			
Collection fees – County Treasurer	8,000	7,903	97
Debt service			
Bond interest	269,000	268,973	27
Bond principal	230,000	230,000	-
Bond paying agent fees	3,000	450	2,550
Legal services	50,000	52,963	( 2,963)
Bond issuance costs	160,000	-	160,000
<b>Total expenditures</b>	<b>720,000</b>	<b>560,289</b>	<b>159,711</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>( 146,200)</b>	<b>21,226</b>	<b>167,426</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	-	-	-
Refunding bond proceeds	7,650,000	-	( 7,650,000)
Repayment of Series 2007 G.O. Bonds	( 6,155,000)	-	6,155,000
Repayment of series 2007 supplemental B interest certificates	( 710,000)	-	710,000
<b>Total other financing sources (uses)</b>	<b>785,000</b>	<b>-</b>	<b>( 785,000)</b>
<b>EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>638,800</b>	<b>21,226</b>	<b>( 617,574)</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>60,500</b>	<b>61,158</b>	<b>658</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ 699,300</b>	<b>\$ 82,384</b>	<b>(\$ 616,916)</b>

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
 December 31, 2018

	\$7,485,000 General Obligation Refunding and Improvement Bonds Series 2007 Dates March 08, 2007 Interest rate at 3.5% to 4.25% Due June 1 <sup>st</sup> and December 1 <sup>st</sup> Principal Due December 1 <sup>st</sup>		\$1,220,000 Supplemental B Interest Certificates Series 2007 Dated March 08, 2007 Maturity Amount Due December 1 <sup>st</sup>		Total General Obligation Bonds
	Principal	Interest	Payment		
2019	\$ 200,000	\$ 260,898	\$ 40,000		\$ 500,898
2020	215,000	252,398	40,000		507,398
2021	225,000	243,260	40,000		508,260
2022	240,000	233,698	40,000		513,698
2023	250,000	223,498	40,000		513,498
2024	270,000	212,873	40,000		522,873
2025	285,000	201,398	40,000		526,398
2026	305,000	189,285	40,000		534,285
2027	315,000	176,323	40,000		531,323
2028	340,000	163,093	40,000		543,093
2029	350,000	148,813	40,000		538,813
2030	375,000	134,113	40,000		549,113
2031	400,000	118,363	40,000		558,363
2032	430,000	101,363	40,000		571,363
2033	450,000	83,088	40,000		573,088
2034	475,000	63,963	40,000		578,963
2035	500,000	43,775	35,000		578,775
2036	530,000	22,525	35,000		587,525
	<u>\$ 6,155,000</u>	<u>\$ 2,872,727</u>	<u>\$ 710,000</u>		<u>\$ 9,737,727</u>

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**SUMMARY OF ASSESSED VALUATION, MILL LEVY  
 AND PROPERTY TAXES COLLECTED**

December 31, 2018

Year Ended December 31,	Prior Year		Total Property Taxes		Percent Collected to Levied
	Assessed Valuation for Current Year tax Levy	Mills Levied	Levied	Collected (Note A)	
2014	\$ 7,100,860	69.000	489,959	489,877	99.98%
2015	7,102,410	69.000	490,000	489,996	100.00%
2016	8,394,110	82.915	696,000	695,998	100.00%
2017	8,393,580	82.921	696,000	695,977	100.00%
2018	10,397,470	72.950	758,500	758,362	99.98%
2019 (estimated)	10,241,090	74.064	758,500	[TBD]	{TBD}

**NOTE A:** Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

## OTHER SUPPLEMENTARY INFORMATION

**NORTH RANGE VILLAGE METROPOLITAN DISTRICT**  
**CHANGE IN TOTAL OVERLAPPING MILL LEVY**

December 31, 2018

	2019 Mill Levy *	2018 Mill Levy **	Change
North Range Village Metropolitan District	74.064	72.950	1.114
Brighton School District No. 27J	49.092	49.164	( 0.072)
Commerce City North Infrastructure General Improvement District	27.000	27.000	-
Adams County	26.864	26.929	( 0.065)
South Adams Fire District No. 4	14.750	9.900	4.850
Rangeview Library District	3.666	3.669	( 0.003)
City of Commerce City	3.280	3.160	0.120
South Adams County Water and Sanitation District	2.714	2.701	0.013
Central Colorado Water Conservation District	1.540	1.800	( 0.260)
Urban Drainage and Flood Control	0.726	0.500	0.226
Urban Drainage and Flood Control – South Platte	0.094	0.057	0.037
<b>Total Mill Levy</b>	<b>203.790</b>	<b>197.830</b>	<b>5.960</b>

\* -- For property tax collections in 2019

\*\* -- For property tax collections in 2018

NORTH RANGE VILLAGE METROPOLITAN DISTRICT  
**HISTORICAL DEBT RATIOS**  
 December 31, 2018

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Debt outstanding	\$ 7,715,000	\$ 7,520,000	\$ 7,310,000	\$ 7,095,000	\$ 6,865,000
Combined assessed property values within the District	\$ 7,102,410	\$ 8,394,110	\$ 8,393,580	\$10,397,470	\$10,241,090
Ratio of debt to assessed property values	108.6%	89.6%	87.1%	68.2%	67.0%