

Tallgrass Metropolitan District
FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
December 31, 2018

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REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

Board of Directors
Tallgrass Metropolitan District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the governmental funds of the Tallgrass Metropolitan District (the "District"), as of and for the year ended December 31, 2018, 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 Tallgrass Metropolitan District, as of December 31, 2018, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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.

Supplementary Information

Our audit was conducted with the purpose of forming an opinion on the basic financial statements of the Tallgrass Metropolitan District taken as a whole. The supplementary information on page 18 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.

Marc, James & Associates PC

Highlands Ranch, CO
June 4, 2019

FINANCIAL STATEMENTS

Tallgrass Metropolitan District

GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2018

	Governmental Funds			Adjustments	Statement of Net Position
	General Fund	Debt Service Fund	Total		
ASSETS					
Cash and cash equivalents	\$ 7,805	\$ 44	\$ 7,849	\$ -	\$ 7,849
Investments	162,097	378,782	540,879	-	540,879
Property taxes receivable	47,099	999,519	1,046,618	-	1,046,618
Due from County Treasurer	280	5,880	6,160	-	6,160
Prepaid expenses	2,874	-	2,874	-	2,874
Total assets	\$ 220,155	\$ 1,384,225	\$ 1,604,380	-	1,604,380
LIABILITIES					
Accounts payable	\$ 2,364	\$ -	\$ 2,364	-	2,364
Accrued interest payable	-	-	-	31,092	31,092
Long-term liabilities					
Due within one year	-	-	-	505,000	505,000
Due after one year	-	-	-	14,870,000	14,870,000
Total liabilities	2,364	-	2,364	15,406,092	15,408,456
DEFERRED INFLOWS OF RESOURCES					
Property taxes	47,036	998,200	1,045,236	-	1,045,236
FUND BALANCE/NET POSITION					
FUND BALANCE					
Non-spendable	2,874	-	2,874	(2,874)	-
Restricted	1,400	386,025	387,425	(387,425)	-
Unassigned	166,481	-	166,481	(166,481)	-
Total fund balance	170,755	386,025	556,780	(556,780)	-
Total liabilities, deferred inflows of resources and fund balance	\$ 220,155	\$ 1,384,225	\$ 1,604,380		
NET POSITION					
Restricted				1,400	1,400
Debt service				354,933	354,933
Unrestricted (deficit)				(15,205,645)	(15,205,645)
Total net position				\$(14,849,312)	\$ (14,849,312)

The accompanying notes are an integral part of the financial statements

Tallgrass Metropolitan District

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

For the Year ended December 31, 2018

	Governmental Funds			Adjustments	Statement of Activities
	General Fund	Debt Service Fund	Total		
Expenditures/Expenses					
Operating					
Accounting and audit	\$ 8,082	\$ -	\$ 8,082	\$ -	\$ 8,082
Dues and fees	300	-	300	-	300
Directors' fees	600	-	600	-	600
Elections	190	-	190	-	190
Insurance	2,831	-	2,831	-	2,831
Legal	6,636	35	6,671	-	6,671
Management fees	12,000	-	12,000	-	12,000
Office	388	2	390	-	390
Payroll taxes	45	-	45	-	45
Treasurer's fee	706	14,809	15,515	-	15,515
Debt service					
Principal payments	-	490,000	490,000	(490,000)	-
Interest expense	-	420,510	420,510	(4,428)	416,082
Total expenditures/expenses	31,778	925,356	957,134	(494,428)	462,706
General Revenue					
Property taxes	47,077	988,036	1,035,113	-	1,035,113
Specific ownership taxes	3,415	71,711	75,126	-	75,126
Interest	3,369	15,796	19,165	-	19,165
Total general revenue	53,861	1,075,543	1,129,404	-	1,129,404
Excess of Revenues Over Expenditures	22,083	150,187	172,270	(172,270)	-
Change in Net Position				666,698	666,698
Fund balance/net position (deficit)					
Beginning of the year	148,672	235,838	384,510	(16,361,550)	(15,516,010)
End of the year	\$ 170,755	\$ 386,025	\$ 556,780	\$ (15,867,122)	\$ (14,849,312)

The accompanying notes are an integral part of the financial statements

Tallgrass Metropolitan District

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

For the Year ended December 31, 2018

	Original and Final Budget	Actual	Variance
Revenue			
Property taxes	\$ 46,988	\$ 47,077	\$ 89
Specific ownership taxes	2,819	3,415	596
Interest	200	3,369	3,169
	<u>50,007</u>	<u>53,861</u>	<u>3,854</u>
Total revenue			
Expenditures			
Operating			
Accounting and audit	7,500	8,082	(582)
Contingency	6,052	-	6,052
Director education	1,500	-	1,500
Directors' fees	1,000	600	400
Dues and fees	350	300	50
Elections	-	190	(190)
Insurance	3,150	2,831	319
Legal	17,000	6,636	10,364
Management fees	12,000	12,000	-
Office	750	389	361
Payroll taxes	-	45	(45)
Treasurer's fee	705	705	-
	<u>50,007</u>	<u>31,778</u>	<u>18,229</u>
Total expenditures			
Excess of revenue over expenditures	<u>\$ -</u>	22,083	<u>\$ 22,083</u>
Fund Balance			
Beginning of the year		<u>148,672</u>	
End of the year		<u>\$ 170,755</u>	

The accompanying notes are an integral part of the financial statements

Tallgrass Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Tallgrass 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 pursuant to the provisions of Title 32 of the Colorado Revised Statutes, Colorado Special District Act on December 3, 2002 as a quasi-municipal corporation and is governed by a five-member Board of Directors.

The District was established to provide for the acquisition, construction, installation and completion of improvements and mosquito control within the District. The District’s service area is located in Arapahoe County, Colorado.

All operation and administrative functions of the District are performed by a contract third party.

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 property and specific ownership taxes. The Statement of Activities demonstrates the degree to which expenses of the *governmental-type activities* are supported by property and specific ownership taxes. The government-wide financial statements are prepared using the accrual basis of accounting.

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.

Tallgrass Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

Measurement Focus and Financial Reporting Framework - continued

Governmental Funds

The District maintains two individual governmental funds. The governmental funds information is presented separately in the governmental funds balance sheet and in the governmental funds 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 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, property taxes receivable, accounts payable, accrued liabilities and deferred inflows of resources. The District estimates that the fair value of these financial instruments as of December 31, 2018, 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 may involve the use of management estimates that could 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 would be based upon management's best judgment, after considering past events and assumptions about future events. Actual results could differ from those estimates.

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. Arapahoe 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.

Tallgrass Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

7. *Restricted Net Position*

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

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.

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.

On December 11, 2018, the District's Board of Directors amended the Debt Service Fund budget increasing the total expenditures by \$5,021 related to additional interest expense. Additionally, State of Colorado Revised Statutes requires balanced budgets. For 2018, the budgeted revenues exceeded the amended budgeted expenditures in the Debt Service Fund by \$121,691. It is anticipated that in 2019, the District will make additional principal payments on the outstanding note payable further discussed in NOTE D.

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.

Tallgrass Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE C – CASH AND INVESTMENTS - *continued*

As of December 31, 2018, all of the District's deposits were either insured by the FDIC or held in eligible depositories.

At December 31, 2018, the District had \$540,879 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.

NOTE D – LONG-TERM DEBT

Note Payable - Compass Mortgage Corporation

In 2016, the District entered into a Loan Agreement with Compass Mortgage Corporation (the "Lender") and issued a Note Payable in the amount of \$16,835,000 the proceeds of which were used to refund the District's previously issued Series 2007 Bonds, and to fund the issuance and closing costs associated with the issuance of the Note Payable.

The Note Payable has a final maturity date of December 1, 2026 and requires annual principal payments beginning on December 1, 2016. In addition, the Note Payable may be prepaid in whole or in part only in accordance with the terms of the Loan Agreement. Specifically, on December 1, 2017, and on any date thereafter, the District may prepay the principal of the Note Payable in amounts up to \$200,000 annually, at a price of par plus any accrued interest. On December 1, 2023, and on any date thereafter, the District may prepay the principal of the Note Payable in whole or in any part, at a price of par plus any accrued interest, without prepayment fees, premiums or penalties.

The Note Payable requires semi-annual interest payments on June 1 and December 1 at a rate of 2.6%. Interest is to be calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable period.

The Note Payable is to be paid solely from Pledged Revenue as defined in the Loan Agreement.

In accordance with the terms of the Loan Agreement, the Lender created and established a separate Loan Payment Fund account into which the District is required to transfer and deposit all amounts comprising the Pledged Revenue and from which solely the Lender shall pay the principal and interest. First, to the payment of interest due and, second, to the extent that money is remaining after payment of interest, to the payment of the principal of the Note Payable.

Tallgrass Metropolitan District
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE D – LONG-TERM DEBT - *continued*

Note Payable - Compass Mortgage Corporation - continued

The following is an analysis of changes in the long-term debt as of December 31, 2018:

	<u>Balance December 31, 2017</u>	<u>Borrowings</u>	<u>Payments</u>	<u>Balance December 31, 2018</u>
Note Payable	\$ 15,865,000	\$ -	\$ 490,000	15,375,000
Due in one year				<u>(505,000)</u>
Due in more than one year				<u>\$ 14,870,000</u>

The following is a summary of the annual principal and interest requirements for the Note Payable as of December 31, 2017:

<u>Year(s) Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 505,000	\$ 399,750	\$ 904,750
2020	535,000	386,620	921,620
2021	550,000	372,710	922,710
2022	580,000	358,410	938,410
2023	600,000	343,330	943,330
2024 -2026	<u>12,605,000</u>	<u>933,530</u>	<u>13,5385,530</u>
Total	<u>\$ 15,375,000</u>	<u>\$ 2,794,350</u>	<u>\$ 18,169,350</u>

Debt Authorization

At an election held in November 2002, the majority of the qualified electors of the District authorized the issuance of general obligation indebtedness in the amount not to exceed \$28,200,000 for providing public improvements. As of December 31, 2018, the District has \$11,708,387 of authorization remaining. In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. However, the amount and timing of any debt issuances, if any, are not determinable.

Tallgrass Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE E – 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,

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, 2018, the District’s fund balance consisted of the following:

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Fund balances:			
Non-spendable			
Prepaid expenses	\$ 2,874	\$ -	\$ 2,874
Restricted			
TABOR reserve	1,400	-	1,400
Debt service	-	386,025	386,025
Unassigned	<u>166,481</u>	<u>-</u>	<u>166,481</u>
Total fund balances	\$ <u>170,755</u>	\$ <u>386,025</u>	\$ <u>556,780</u>

Tallgrass Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE F – 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 G – 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.

NOTE H – 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 monthly fee for services is not to exceed \$1,000.

NOTE I – 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 4, 2019, which is the date the financial statements and accompanying footnotes were available for issuance.

Tallgrass Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE J – RECONCILIATION OF GOVERNMENT-WIDE AND GOVERNMENTAL FUND FINANCIAL STATEMENTS

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column which reconciles the differences between the government-wide and fund financial statements as follows:

Long-term liabilities such as the note payable and the associated accrued interest payable are not due and payable in the current period and, therefore, are not reflected in the governmental funds.	\$	15,406,092
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The Statements of Governmental Funds Revenues, Expenditures and Changes in Fund Balance/Statement of Net Activities includes an adjustment column which reconciles the differences between the government-wide and fund financial statements as follows:

The principal repayments of long-term liabilities consume the current resources of the government funds,	490,000
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Changes in other expenses reported in the Statement of Activities such as accrued interest on the note payable do not require the use of current financial resources and, therefore are not reflected in the governmental funds.	4,428
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SUPPLEMENTARY INFORMATION

Tallgrass Metropolitan District

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

For the Year ended December 31, 2018

	Original Budget	Amended and Final Budget	Actual	Variance
Revenues				
Property taxes	\$ 986,796	\$ 986,796	\$ 988,036	\$ 1,240
Specific ownership taxes	59,208	59,208	71,711	12,503
Interest	2,000	2,000	15,796	13,796
Total revenues	1,048,004	1,048,004	1,075,543	27,539
Expenditures				
Operating				
Legal	-	-	35	(35)
Office	-	-	2	(2)
Treasurer's fee	14,802	14,803	14,809	(6)
Debt service				
Principal payments	490,000	490,000	490,000	-
Interest expense	412,490	417,510	420,510	(3,000)
Paying agent	1,000	1,000	-	1,000
Continuing disclosures	3,000	3,000	-	3,000
Total expenditures	921,292	926,313	925,356	957
Excess of revenue over expenditures	\$ 126,712	\$ 121,691	150,187	\$ 28,496
Fund Balance				
Beginning of the year			<u>235,838</u>	
End of the year			<u>\$ 386,025</u>	