

**TUSCAN FOOTHILLS VILLAGE
METROPOLITAN DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tuscan Foothills Village Metropolitan District
El Paso County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Tuscan Foothills Village Metropolitan District ("District") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2019, and the changes in its financial position, and the respective budgetary comparison for the general 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 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 which 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 opinions on the basic financial statements are not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BiggsKofford, P.C.

Colorado Springs, Colorado
July 29, 2020

BASIC FINANCIAL STATEMENTS

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 12,253
Cash and Investments - Restricted	405,099
Property Taxes Receivable	137
Receivable - County Treasurer	12,844
Capital Assets, Net	1,136,657
Total Assets	1,566,990
LIABILITIES	
Accounts Payable	20,528
Noncurrent Liabilities:	
Due in More Than One Year	1,806,399
Total Liabilities	1,826,927
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	12,844
Total Deferred Inflows of Resources	12,844
NET POSITION	
Restricted for:	
Emergency Reserves	5
Debt Service	421
Capital Projects	372,203
Unrestricted	(645,410)
Total Net Position	\$ (272,781)

See accompanying Notes to Basic Financial Statements.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 36,249	\$ -	\$ -	\$ -	\$ (36,249)
Interest and Related Costs on Long-Term Debt	246,733	-	-	-	(246,733)
	<u>\$ 282,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(282,982)</u>
GENERAL REVENUES					
					12,520
					1,516
					1
					1,460
					<u>15,497</u>
CHANGE IN NET POSITION					(267,485)
					<u>(5,296)</u>
NET POSITION - END OF YEAR					<u>\$ (272,781)</u>

See accompanying Notes to Basic Financial Statements.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 12,253	\$ -	\$ -	\$ 12,253
Cash and Investments - Restricted	5	32,891	372,203	405,099
Receivable - County Treasurer	-	137	-	137
Property Taxes Receivable	1,835	11,009	-	12,844
	<u>\$ 14,093</u>	<u>\$ 44,037</u>	<u>\$ 372,203</u>	<u>\$ 430,333</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 20,528	\$ -	\$ -	\$ 20,528
Total Liabilities	20,528	-	-	20,528
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	1,835	11,009	-	12,844
Total Deferred Inflows of Resources	1,835	11,009	-	12,844
FUND BALANCES				
Restricted for:				
Emergency Reserves	5	-	-	5
Debt Service	-	33,028	-	33,028
Capital Projects	-	-	372,203	372,203
Unassigned:				
General Government	(8,275)	-	-	(8,275)
Total Fund Balances	<u>(8,270)</u>	<u>33,028</u>	<u>372,203</u>	<u>396,961</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,093</u>	<u>\$ 44,037</u>	<u>\$ 372,203</u>	

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

Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Net of Accumulated Depreciation 1,136,657

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the funds:

Bonds Payable (1,097,140)
Developer Advance Payable (703,509)
Developer Advance Payable - Accrued Interest (5,750)

Net Position of Governmental Activities \$ (272,781)

See accompanying Notes to Basic Financial Statements.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General	Debt Service	Capital Project	Total Governmental Funds
REVENUES				
Property Taxes	\$ -	\$ 12,520	\$ -	\$ 12,520
Specific Ownership Taxes	-	1,516	-	1,516
Net Investment Income	4	987	469	1,460
Other Revenue	1	-	-	1
Total Revenues	<u>5</u>	<u>15,023</u>	<u>469</u>	<u>15,497</u>
EXPENDITURES				
Accounting	8,000	-	4,189	12,189
County Treasurer's Fee	-	195	-	195
Dues and Licences	355	-	-	355
Insurance and Bonds	13,642	-	-	13,642
Legal Services	3,108	-	6,955	10,063
Bond Issue Costs	-	-	241,262	241,262
Repay Developer Advance	-	-	484,144	484,144
Capital Outlay	-	-	1,136,657	1,136,657
Total Expenditures	<u>25,105</u>	<u>195</u>	<u>1,873,207</u>	<u>1,898,507</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,100)	14,828	(1,872,738)	(1,883,010)
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	-	1,097,140	1,097,140
Developer Advance	20,528	-	1,147,801	1,168,329
Total Other Financing Sources (Uses)	<u>20,528</u>	<u>-</u>	<u>2,244,941</u>	<u>2,265,469</u>
NET CHANGE IN FUND BALANCES	(4,572)	14,828	372,203	382,459
Fund Balances - Beginning of Year	<u>(3,698)</u>	<u>18,200</u>	<u>-</u>	<u>14,502</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (8,270)</u>	<u>\$ 33,028</u>	<u>\$ 372,203</u>	<u>\$ 396,961</u>

See accompanying Notes to Basic Financial Statements.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Governmental Funds \$ 382,459

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable assets over the estimated useful life of the asset. During the current period, this is the net amount of capital outlay.

Capital Outlay 1,136,657

The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Issuance (1,097,140)
Developer Advances (684,185)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Developer Advances (5,276)

Change in Net Position of Governmental Activities \$ (267,485)

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ -	\$ 4	\$ 4
Other Revenue	-	1	1
Total Revenues	<u>-</u>	<u>5</u>	<u>5</u>
EXPENDITURES			
Accounting	6,000	8,000	(2,000)
Dues and Licences	270	355	(85)
Insurance and Bonds	2,500	3,108	(608)
Legal Services	15,000	13,642	1,358
Contingency	3,930	-	3,930
Total Expenditures	<u>27,700</u>	<u>25,105</u>	<u>2,595</u>
OTHER FINANCING (USES)			
Developer Advance	<u>27,700</u>	<u>20,528</u>	<u>(7,172)</u>
Total Other Financing Sources	<u>27,700</u>	<u>20,528</u>	<u>(7,172)</u>
NET CHANGE IN FUND BALANCE	-	(4,572)	2,600
Fund Balance - Beginning of Year	<u>-</u>	<u>(3,698)</u>	<u>(3,698)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (8,270)</u>	<u>\$ (8,270)</u>

See accompanying Notes to Basic Financial Statements.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 DEFINITION OF REPORTING ENTITY

Tuscan Foothills Village Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs on October 31, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on September 27, 2016. The District's service area is located in Colorado Springs. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

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

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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 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 the 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. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2019.

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.

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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

Deferred Inflow/Outflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur.

Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

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

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2019. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2020.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 12,253
Cash and Investments - Restricted	405,099
Total Cash and Investments	\$ 417,352

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	\$ 12,002
Investments	405,350
Total Cash and Investments	\$ 417,352

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2019, the District's cash deposits had a bank balance and a carrying balance of \$12,002.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) 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 or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 500
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	404,850
Total		<u>\$ 405,350</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), 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 any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), 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 the Trust. The Trust is similar to a money market fund, with each share valued at \$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. 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. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2019 follows:

<u>By Classification</u>	<u>Balance at December 31, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2019</u>
Capital Assets, Not Being Depreciated:				
Construction in Process	\$ -	\$ 1,136,657	\$ -	\$ 1,136,657
Total Capital Assets, not Being Depreciated	<u>\$ -</u>	<u>\$ 1,136,657</u>	<u>\$ -</u>	<u>\$ 1,136,657</u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2019:

	<u>Balance - December 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance - December 31, 2019</u>	<u>Due Within One Year</u>
Bonds Payable:					
Series 2019 Limited Tax G.O. Convertible CABs	\$ -	\$ 1,097,140	\$ -	\$ 1,097,140	\$ -
Notes/Direct Borrowings:					
Developer Advance - General	19,324	20,528	-	39,852	-
Developer Advance - Capital	-	1,147,801	484,144	663,657	-
Interest on Developer Advances	474	5,276	-	5,750	-
Note/Direct Borrowings Total	<u>19,798</u>	<u>1,173,605</u>	<u>484,144</u>	<u>709,259</u>	<u>-</u>
Total Long - Term Obligations	<u>\$ 19,798</u>	<u>\$ 2,270,745</u>	<u>\$ 484,144</u>	<u>\$ 1,806,399</u>	<u>\$ -</u>

The detail of the District's general obligation bonds outstanding during 2019 is as follows:

**Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2019
(the 2019 Bonds) dated December 5, 2019**

2019 Bonds Detail

The District issued the 2019 Bonds on December 5, 2019, in the par amount of \$1,097,140 with a maturity value on the conversion date to current interest bonds of \$1,240,000. Proceeds from the sale of the 2019 Bonds were used to pay or reimburse the costs of public improvements and to pay costs of issuance of the 2019 Bonds.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

2019 Bonds Detail (Continued)

The 2019 Bonds were issued as accretion bonds and are convertible to current interest bonds on December 1, 2021. Prior to conversion to current interest bonds, the 2019 Bonds do not pay current interest and accrete in value at an annual yield equal to 6.25%. The accreted amount compounds semiannually on June 1 and December 1, beginning June 1, 2020, to and including December 1, 2021. Such accreted amount, together with the original principal amount of the 2019 Bonds, bears interest at the interest rate borne by the 2019 Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion on December 1, 2021, will be \$1,240,000. Upon conversion to current interest bonds, the 2019 Bonds will bear interest at a rate of 6.25%, payable semiannually on June 1 and December 1, commencing on June 1, 2022. Annual principal payments are due on December 1 of each year beginning December 1, 2028. The 2019 Bonds mature on December 1, 2049.

On and after conversion to current interest bonds, (a) to the extent principal of any 2019 Bond is not paid when due, such principal shall remain outstanding until the earlier of (i) the Termination Date of December 1, 2058 or (ii) payment thereof, and shall continue to bear interest at the rate then borne by the 2019 Bonds; and (b) to the extent interest on any 2019 Bond is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate borne by the 2019 Bond until the earlier of (i) the Termination Date or (ii) payment thereof.

The District is not be obligated to pay more than the amount permitted by law, the Service Plan, and its electoral authorization in repayment of the 2019 Bonds. All of the 2019 Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that, to the extent the principal of and interest on the 2019 Bonds remains outstanding, the District shall not be relieved of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs.

Optional Redemption

The 2019 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter, upon payment of the sum of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2024, to November 30, 20	3.00%
December 1, 2025, to November 30, 20	2.00
December 1, 2026, to November 30, 20	1.00
December 1, 2027, and thereafter	0.00

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

Security for the 2019 Bonds

The 2019 Bonds are secured by Pledged Revenue which is the money derived by the District from the following sources, net of any costs of collection and any tax refunds or abatements authorized by or on behalf of the City and/or County: (a) the Required Mill Levy, together with any moneys derived by the District from any debt service mill levy imposed by the District in 2017 for collection in 2018 and from any debt service mill levy imposed by the District in 2018 for collection in 2019; (b) all Specific Ownership Tax Revenues resulting from the Required Mill Levy, any debt service mill levy imposed by the District in 2017 for collection in 2018, and any debt service mill levy imposed by the District in 2018 for collection in 2019; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2019 Bond Fund.

The 2019 Bonds are further secured by the Surplus Fund which was funded by District funds in the amount of \$32,607 on the date of issuance of the 2019 Bonds and by Pledged Revenue that is not needed to pay debt service on the 2019 Bonds in any year, up to the Maximum Surplus Amount of \$109,714. Amounts on deposit in the Surplus Fund in excess of the Maximum Surplus Amount shall be remitted by the Trustee to the District for application to any lawful purpose of the District. To the extent there are any amounts remaining on deposit in the Surplus Fund after the full repayment or defeasance of the 2019 Bonds and any permitted Refunding Bonds, such amount shall be returned to the District.

The District has acknowledged that State Law places certain restrictions on the use of money derived from bond proceeds and debt service mill levies.

Required Mill Levy

The District has covenanted to impose a Required Mill Levy upon all taxable property in the District each year in an amount that will fund the 2019 Bond Fund and pay the 2019 Bonds when due, but (i) not in excess of 30.000 mills (subject to adjustment described below), and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 30.000 mills (subject to adjustment), or such lesser mill levy that will fund the 2019 Bond Fund, pay the 2019 Bonds when due, and will fund the Surplus Fund up to the Maximum Surplus Amount.

In the event the method of calculating assessed valuation is changed after January 1, 2006, the minimum and maximum mill levies shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

The Required Mill Levy is not to be imposed by the District after tax levy year 2057 (for collection in 2058) unless certain conditions in the Service Plan have been satisfied or eliminated.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

Gallagher Adjustment

The Gallagher Amendment to the Colorado Constitution states that residential assessed values Statewide must be approximately 45% of total assessed values. When the market values of residential property increase faster than the values of nonresidential property, the residential assessment rate must decline to keep the 45 percent/55 percent ratio.

On January 1, 2006, the residential assessment rate was 7.96%. On June 5, 2017, the State Legislature enacted a Gallagher Adjustment that decreased the residential assessment rate from 7.96% to 7.20% beginning in tax levy year 2017. On June 3, 2019, the State Legislature further decreased the residential assessment rate from 7.20% to 7.15%. Absent corresponding increases in the District's mill levy, these decreases in the residential assessment rate would result in decreases in the District's tax revenue. As a result, the District has adjusted the foregoing mill levy as authorized under the District's Service Plan and as required by the Indenture.

2019 Bonds Debt Service

The outstanding principal and interest of the 2019 Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ -	\$ -
2021	-	-	-
2022	-	77,500	77,500
2023	-	77,500	77,500
2024	-	77,500	77,500
2025-2029	10,000	387,188	397,188
2030-2034	85,000	376,250	461,250
2035-2039	190,000	337,814	527,814
2040-2044	365,000	257,814	622,814
2045-2049	590,000	117,501	707,501
Total	<u>\$ 1,240,000</u>	<u>\$ 1,709,067</u>	<u>\$ 2,949,067</u>

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On November 8, 2016, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$45,000,000, at an interest rate not to exceed 18% per annum. At December 31, 2019, the District had authorized but unissued indebtedness from this election in the following amounts allocated for the following purposes:

	Authorized November 8, 2016 Election	Authorization Used Series 2019 Bonds	Remaining at December 31, 2019
Streets	\$ 3,000,000	\$ 481,028.76	\$ 2,518,971.24
Water	3,000,000	341,351.14	2,658,648.86
Sanitation/Storm Water	3,000,000	274,759.70	2,725,240.30
Parks and Recreation	3,000,000	-	3,000,000
Safety Protection	3,000,000	-	3,000,000
Mosquito Control	3,000,000	-	3,000,000
Transportation	3,000,000	-	3,000,000
Fire Protection	3,000,000	-	3,000,000
Security	3,000,000	-	3,000,000
Television Relay	3,000,000	-	3,000,000
Operations and Maintenance	3,000,000	-	3,000,000
Refunding Financial Obligations	3,000,000	-	3,000,000
Intergovernmental Agreements	3,000,000	-	3,000,000
District Private Agreements	3,000,000	-	3,000,000
Special Assessments	3,000,000	-	3,000,000
Total	<u>\$ 45,000,000</u>	<u>\$ 1,097,139.60</u>	<u>\$ 43,902,860.40</u>

Pursuant to the Consolidated Service Plan, the Districts are collectively limited to issuing general obligation debt of \$1,100,000.

Developer Advances

The District has entered into Funding and Reimbursement Agreement(s) with the Developer as follows:

Infrastructure Acquisition and Reimbursement Agreement

On January 30, 2017, the District entered into Infrastructure Acquisition and Reimbursement Agreement to repay advances made by the Developer for capital infrastructure costs. The Agreement was subsequently amended on November 6, 2017. The District agreed to repay the Developer for such advances plus accrued interest at the rate of 6.5%. As of December 31, 2019, outstanding capital developer advances under the agreement totaled \$663,657 and accrued interest totaled \$3,410.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

Operations and Maintenance Funding and Reimbursement Agreement

On January 30, 2017, the District entered into an Operation Funding and Reimbursement Agreement to repay advances made by the Developer for operations and maintenance (O&M) costs. The Agreement was subsequently amended on November 6, 2017. The District agreed to repay the Developer for such O&M advances plus accrued interest at the rate of 6.5%. As of December 31, 2019, outstanding advances under the agreement totaled \$39,852, and accrued interest totaled \$2,340.

NOTE 6 NET POSITION

The District has net position consisting of two components –restricted and unrestricted.

The restricted component of net position consists of assets that are 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. The District had a restricted net position as of December 31, 2019, as follows:

Restricted Net Position:	
Emergencies	\$ 5
Debt Service	421
Capital Project	<u>372,203</u>
Total Restricted Net Position	<u><u>\$ 372,629</u></u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which will be conveyed to other governmental entities and which costs will be removed from the District's financial records.

NOTE 7 RELATED PARTY

The Developer of the property which constitutes the District is Tuscan Foothills Village 1, LLC. The majority members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 AGREEMENTS

Infrastructure Acquisition and Reimbursement Agreement

On January 30, 2017, the District entered into Infrastructure Acquisition and Reimbursement Agreement with Developers. The agreement was dated as of January 30, 2017, and subsequently amended on November 6, 2017.

Pursuant to the Infrastructure Acquisition and Reimbursement Agreement, the District has determined to provide funding for the Public Infrastructure and pay all District Eligible Costs related from legally available revenues of the District, including but not limited to the execution and issuance of one or more loans, reimbursement notes, bonds or other instruments (each a "Reimbursement Obligation") payable to or at the direction of the Developer, in an aggregate amount equal to the District Eligible Costs approved by the District.

The District agreed to acquire the Public Infrastructure constructed by the Developer for the District Eligible Costs upon the District's acceptance of the Public Infrastructure or such other date as may be mutually agreed upon by the parties.

Operations and Maintenance Funding and Reimbursement Agreement

On January 30, 2017, the District entered into an Operation Funding and Reimbursement Agreement to repay advances made by the Developer for operations and maintenance (O&M) costs. The Agreement was subsequently amended on November 6, 2017. The Developers agreed to loan to the District one or more sums of money, not to exceed the aggregate of \$50,000 per annum for four years, up to \$200,000 (the Maximum Loan Amount"). These funds shall be loaned to the District in one or a series of installments and shall be available to the District through December 31, 2021 (as the same may be amended pursuant to an annual review evidenced by supplement or amendment hereto, the "Loan Obligation Termination Date").

The parties agreed and acknowledged that the Developer has incurred Costs on behalf of the District prior to execution of this Agreement in anticipation that the same would be reimbursed by the District. Reimbursement for Prior Costs shall be made in accordance with, and subject to the terms and conditions of this Agreement governing the reimbursement for Costs, except that any Prior Costs reimbursed in accordance with this agreement shall not be included in the calculation of the Maximum Loan Amount.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2019. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 10 RISK MANAGEMENT (CONTINUED)

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

NOTE 11 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, revenue, and debt limitations which apply to the State of Colorado and all local governments.

On November 8, 2016, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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.

On November 8, 2016, the District's voters approved an annual increase in property taxes of \$5,000,000 without limitation of rate, to pay the District's operations and maintenance costs. The election also approved an additional annual increase in property taxes of \$24,600,000 without limitation of rate, to pay the District's operation and maintenance costs. The District was authorized to collect, retain and spend such revenue as a permanent revenue change under TABOR and an exception to the limitations set forth in Section 29-1-203, Colorado Revised Statutes.

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 interpretation of how to calculate Fiscal Year Spending limits may require judicial interpretation.

SUPPLEMENTARY INFORMATION

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 12,520	\$ 12,520	\$ 12,520	\$ -
Specific Ownership Taxes	1,502	1,502	1,516	14
Net Investment Income	260	260	987	727
Total Revenues	<u>14,282</u>	<u>14,282</u>	<u>15,023</u>	<u>741</u>
EXPENDITURES				
County Treasurer's Fee	188	195	195	-
Contingency	-	5	-	5
Total Expenditures	<u>188</u>	<u>200</u>	<u>195</u>	<u>5</u>
OTHER FINANCING SOURCES (USES)				
Transfer (to) from Other Funds	200,000	200,000	-	(200,000)
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
NET CHANGE IN FUND BALANCE	214,094	214,082	14,828	(199,254)
Fund Balance - Beginning of Year	<u>17,791</u>	<u>17,791</u>	<u>18,200</u>	<u>409</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 231,885</u></u>	<u><u>\$ 231,873</u></u>	<u><u>\$ 33,028</u></u>	<u><u>\$ (198,845)</u></u>

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ -	\$ 469	\$ 469
Total Revenues	-	469	469
EXPENDITURES			
Accounting	5,000	4,189	811
Bond Issue Costs	200,000	241,262	(41,262)
Legal Services	60,000	6,955	53,045
Organization Costs	30,000	-	30,000
Repay Developer Advance	1,100,000	484,144	615,856
Capital Outlay	1,005,000	1,136,657	(131,657)
Total Expenditures	2,400,000	1,873,207	526,793
OTHER FINANCING SOURCES (USES)			
Bond Issuance	1,500,000	1,097,140	(402,860)
Developer Advance	1,100,000	1,147,801	47,801
Transfer (to) from Other Funds	(200,000)	-	200,000
Total Other Financing Sources (Uses)	2,400,000	2,244,941	(155,059)
NET CHANGE IN FUND BALANCES	-	372,203	372,203
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 372,203</u>	<u>\$ 372,203</u>

OTHER INFORMATION

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019**

\$1,097,139.60 Limited Tax General Obligation Convertible Capital Appreciation Bonds

Series 2019

Dated December 5, 2019

Interest Rates 6.25%

Payable June 1 and December 1

Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Accreted</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-
2022	-	-	77,500.00	77,500.00
2023	-	-	77,500.00	77,500.00
2024	-	-	77,500.00	77,500.00
2025	-	-	77,500.00	77,500.00
2026	-	-	77,500.00	77,500.00
2027	-	-	77,500.00	77,500.00
2028	4,423.95	576.05	77,500.00	82,500.00
2029	4,423.95	576.05	77,188.00	82,188.00
2030	8,847.90	1,152.10	76,875.00	86,875.00
2031	8,847.90	1,152.10	76,250.00	86,250.00
2032	17,695.80	2,304.20	75,625.00	95,625.00
2033	17,695.80	2,304.20	74,375.00	94,375.00
2034	22,119.75	2,880.25	73,125.00	98,125.00
2035	22,119.75	2,880.25	71,563.00	96,563.00
2036	30,967.65	4,032.35	70,000.00	105,000.00
2037	30,967.65	4,032.35	67,813.00	102,813.00
2038	39,815.55	5,184.45	65,625.00	110,625.00
2039	44,239.50	5,760.50	62,813.00	112,813.00
2040	53,087.40	6,912.60	59,688.00	119,688.00
2041	53,087.40	6,912.60	55,938.00	115,938.00
2042	66,359.25	8,640.75	52,188.00	127,188.00
2043	70,783.20	9,216.80	47,500.00	127,500.00
2044	79,631.10	10,368.90	42,500.00	132,500.00
2045	84,055.05	10,944.95	36,875.00	131,875.00
2046	97,326.90	12,673.10	30,938.00	140,938.00
2047	101,750.85	13,249.15	24,063.00	139,063.00
2048	115,022.70	14,977.30	16,875.00	146,875.00
2049	123,870.60	16,129.40	8,750.00	148,750.00
Total	<u>\$ 1,097,139.60</u>	<u>\$ 142,860.40</u>	<u>\$ 1,709,067.00</u>	<u>\$ 2,949,067.00</u>

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2017	\$ -	0.000	0.000	\$ -	\$ -	- %
2018	534,190	0.000	30.000	16,026	16,026	100.00
2019	417,340	0.000	30.000	12,520	12,520	100.00
Estimated for year ending December 31, 2020	\$ 329,650	5.566	33.398	\$ 12,844		

NOTE:

Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

**CONTINUING DISCLOSURE ANNUAL INFORMATION AS
REQUIRED BY THE LIMITED TAX GENERAL OBLIGATION
CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019**

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE LIMITED TAX
GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019
DECEMBER 31, 2019**

History of District's Mill Levy, Assessed Valuation and Property Tax Collections

Levy/Collection Year	Mill Levy		Assessed Valuation		Property Taxes		
	General Fund Mill Levy	Bond Fund Mill Levy	Assessed Valuation	Percent Change	Taxes Levied	Taxes Collected	Collections as Percent of Tax Levied
2017/2018	0.000	30.000	\$ 534,190	0.00%	\$ 16,026	\$ 16,026	100.00%
2018/2019	0.000	30.000	417,340	-21.87%	12,520	12,520	100.000
2019/2020	5.566	33.398	329,650	-21.01%	12,844	n/a	n/a

¹Source - County Assessor's Office

Assessed and "Actual" Valuation of Classes of Property in the District

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Vacant	\$ 312,420	94.77%	\$ 1,076,777	94.77%
State Assessed	17,230	5.23%	59,414	5.23%
Total	<u>\$ 329,650</u>	<u>100.00%</u>	<u>\$ 1,136,191</u>	<u>100.00%</u>

¹Source - County Assessor's Office

Largest Taxpayers Within the District

Name	Assessed Valuation 2019	Percent of Total Assessed Valuation
TFV1 LLC	\$ 190,180	57.69%
Tuscan Bench Developmnet Inc	98,140	29.77%
Vanguard Homes Inc	21,690	6.58%
Public Service Company of Colorado (Xcel)	17,230	5.23%
Kelly Don	2,410	0.73%
Total	<u>\$ 329,650</u>	<u>100.00%</u>

¹Source - County Assessor's Office

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE LIMITED TAX
GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019
DECEMBER 31, 2019**

General Fund Budget Summary and Comparison

	<u>2018 Budget (as adopted)</u>	<u>2018 Year End (unaudited)</u>	<u>2019 Budget (as adopted)</u>	<u>2019 Actual Audited</u>	<u>2020 Budget (as adopted)</u>
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ (3,698)	\$ -
Revenues					
Property Taxes	-	-	-	-	1,835
Specific Ownership Tax	-	-	-	-	202
Interest Income	-	1	-	4	-
Other Revenue	-	-	-	1	-
Total Funds Available	<u>-</u>	<u>1</u>	<u>-</u>	<u>(3,693)</u>	<u>2,037</u>
Expenditures					
Accounting	5,000	8,165	6,000	8,000	15,000
Audit	-	-	-	-	5,000
County Treasurer's Fee	-	-	-	-	28
Dues and Licenses	200	267	270	355	400
Insurance and Bonds	2,500	2,235	2,500	3,108	3,000
Legal Services	15,000	10,820	15,000	13,642	20,000
Miscellaneous	-	4	-	-	100
Election Expense	-	1,531	-	-	2,000
Contingency	5,000	-	3,930	-	4,472
Total Expenditures	<u>27,700</u>	<u>23,022</u>	<u>27,700</u>	<u>25,105</u>	<u>50,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(27,700)</u>	<u>(23,021)</u>	<u>(27,700)</u>	<u>(28,798)</u>	<u>(47,963)</u>
Other Financing Sources (Uses)					
Developer Advances	<u>27,700</u>	<u>19,322</u>	<u>27,700</u>	<u>20,528</u>	<u>48,063</u>
Net Change in Fund Balance	-	(3,699)	-	(8,270)	100
Ending Fund Balance	<u>\$ -</u>	<u>\$ (3,699)</u>	<u>\$ -</u>	<u>\$ (8,270)</u>	<u>\$ 100</u>

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE LIMITED TAX
GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019
DECEMBER 31, 2019**

Debt Service Fund Budget Summary and Comparison

	<u>2018 Budget (as adopted)</u>	<u>2018 Year End (unaudited)</u>	<u>2019 Budget (as amended)</u>	<u>2019 Actual Audited</u>	<u>2020 Budget (as adopted)</u>
Beginning Fund Balance	\$ -	\$ -	\$ 17,791	\$ 18,200	\$ 32,924
Revenues					
Property Taxes	16,026	16,026	12,520	12,520	11,009
Specific Ownership Tax	2,080	2,025	1,502	1,516	1,211
Interest Income	-	391	260	987	380
Total Revenues	<u>18,106</u>	<u>18,442</u>	<u>14,282</u>	<u>15,023</u>	<u>12,600</u>
Expenditures					
County Treasurer's Fee	240	240	195	195	165
Contingency	-	-	5	-	35
Total Expenditures	<u>240</u>	<u>240</u>	<u>200</u>	<u>195</u>	<u>200</u>
Excess of Revenues Over (Under) Expenditures	<u>17,866</u>	<u>18,202</u>	<u>14,082</u>	<u>14,828</u>	<u>12,400</u>
Other Financing Sources (Uses)					
Transfer from Other Funds	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	217,866	18,202	214,082	14,828	12,400
Ending Fund Balance	<u>\$ 217,866</u>	<u>\$ 18,202</u>	<u>\$ 231,873</u>	<u>\$ 33,028</u>	<u>\$ 45,324</u>

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE LIMITED TAX
GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019
DECEMBER 31, 2019**

Capital Project Fund Budget Summary and Comparison

	<u>2018 Budget (as adopted)</u>	<u>2019 Budget (as adopted)</u>	<u>2019 Actual Audited</u>	<u>2020 Budget (as adopted)</u>
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Revenues				
Developer Advances	1,100,000	1,100,000	1,147,801	-
Bond Issuance	1,500,000	1,500,000	1,097,140	-
Interest income	-	-	469	-
Total Revenues	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,245,410</u>	<u>-</u>
Expenditures				
Accounting	5,000	5,000	4,189	-
Bond Issuance Costs	200,000	200,000	241,262	-
Capital Outlay	1,005,000	1,005,000	1,136,657	-
Legal	60,000	60,000	6,955	-
Organization Costs	30,000	30,000	-	-
Repay Developer Advance	1,100,000	1,100,000	484,144	-
Total Expenditures	<u>2,400,000</u>	<u>2,400,000</u>	<u>1,873,207</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>200,000</u>	<u>200,000</u>	<u>372,203</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfer to Other Funds	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	400,000	400,000	372,203	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372,203</u>	<u>\$ -</u>