

TOWER METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

**TOWER METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	24
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	25
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	27
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	28

Board of Directors
Tower Metropolitan District
Adams County, Colorado

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tower Metropolitan 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 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 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

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 Tower Metropolitan District as of December 31, 2019, and the respective changes in 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

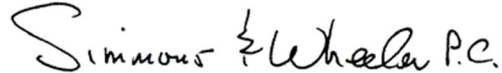
Required Supplementary Information

Management has omitted 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 opinions on the financial statements that collectively comprise Tower Metropolitan District's basic financial statements. The supplementary information as listed 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.



Englewood, CO
July 24, 2020

BASIC FINANCIAL STATEMENTS

**TOWER METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 559,015
Cash and Investments - Restricted	1,373,723
Cash in Escrow	1,011,452
Receivable - County Treasurer	15,823
Property Tax Receivable	3,014,720
Capital Assets, Not Being Depreciated	5,199,979
Capital Assets, Net of Accumulated Depreciation	<u>4,492,480</u>
Total Assets	15,667,192
 DEFERRED OUTFLOWS OF RESOURCES	
Cost of Bond Refunding	<u>262,415</u>
Total Deferred Outflows of Resources	262,415
 LIABILITIES	
Accounts Payable	305,317
Accrued Interest Payable	24,523
Noncurrent Liabilities	
Due Within One Year	290,000
Due in More Than One Year	<u>11,835,000</u>
Total Liabilities	12,454,840
 DEFERRED INLFOWS OF RESOURCES	
Property Tax Revenue	<u>3,014,720</u>
Total Deferred Inflows of Resources	3,014,720
 NET POSITION	
Net Investments in Capital Assets	7,628,981
Restricted For:	
Emergency Reserves	58,000
Committed to:	
Capital Project Escrow	1,011,452
Unrestricted	<u>(8,238,386)</u>
Total Net Position	<u><u>\$ 460,047</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWER METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net Revenue (Expense) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
General Government	\$ 1,367,989	\$ -	\$ -	\$ -	
Interest and Fees on Long-Term Debt to Other Governments	372,374	-	-	-	
Total Governmental Activities	\$ 1,740,363	\$ -	\$ -	\$ -	
GENERAL REVENUES					
				2,263,731	
				186,800	
				56,491	
				2,750	
				1,928,620	
				4,438,392	
CHANGE IN NET POSITION					
				2,698,029	
				(2,237,982)	
NET POSITION - END OF YEAR					
				\$ 460,047	

See accompanying Notes to Basic Financial Statements.

**TOWER METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 559,015	\$ -	\$ -	\$ 559,015
Cash and Investments - Restricted	58,000	2,193	1,313,530	1,373,723
Cash in Escrow	-	-	1,011,452	1,011,452
Receivable - County Treasurer	15,467	356	-	15,823
Property Tax Receivable	2,414,339	600,381	-	3,014,720
	\$ 3,046,821	\$ 602,930	\$ 2,324,982	\$ 5,974,733
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 36,186	\$ -	\$ 104,996	\$ 141,182
Retainage Payable	-	-	164,135	164,135
Total Liabilities	36,186	-	269,131	305,317
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	2,414,339	600,381	-	3,014,720
Total Deferred Inflows of Resources	2,414,339	600,381	-	3,014,720
FUND BALANCES				
Nonspendable:				
Prepaid Insurance	-	-	-	-
Restricted For:				
Emergency Reserve	58,000	-	-	58,000
Debt Service	-	2,549	-	2,549
Committed to:				
Capital Projects Escrow	-	-	1,011,452	1,011,452
Assigned to:				
Subsequent Year's Expenditures	251,778	-	-	251,778
Capital Projects	-	-	1,044,399	1,044,399
Unassigned:				
General Government	286,518	-	-	286,518
Total Fund Balances	596,296	2,549	2,055,851	2,654,696
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,046,821	\$ 602,930	\$ 2,324,982	\$ 5,974,733

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.

9,692,459

Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the fund financial statements.

 Cost of Bond Refunding

262,415

Long-term Liabilities are not due and payable in the current period and, therefore, are not reflected in the fund financial statements

 Bonds Payable
 Accrued Interest on Bonds Payable

(12,125,000)
(24,523)

Net Position of Governmental Activities

\$ 460,047

See accompanying Notes to Basic Financial Statements.

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

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,703,344	\$ 560,387	\$ -	\$ 2,263,731
Specific Ownership Tax	186,800	-	-	186,800
Net Investment Income	38,856	6,181	11,454	56,491
Other Revenue	2,750	-	-	2,750
Intergovernmental Revenue	-	-	1,928,620	1,928,620
Total Revenues	<u>1,931,750</u>	<u>566,568</u>	<u>1,940,074</u>	<u>4,438,392</u>
EXPENDITURES				
Current:				
Accounting	72,280	-	-	72,280
Audit	4,700	-	-	4,700
County Treasurer's Fee	25,654	8,440	-	34,094
Directors' Fees	5,400	-	-	5,400
Donations	600	-	-	600
Dues and Licenses	684	-	-	684
Insurance and Bonds	3,625	-	-	3,625
Landscape Maintenance	198,608	-	-	198,608
Legal	50,042	-	-	50,042
Maintenance and Repairs	19,402	-	-	19,402
Meeting Expenses	5,644	-	-	5,644
Miscellaneous	2,150	-	-	2,150
Payroll Expense	1,784	-	-	1,784
Property Management	39,868	-	-	39,868
Security	125,171	-	-	125,171
Snow Removal	3,410	-	-	3,410
Utilities - Irrigation System	87,004	-	-	87,004
Debt Service:				
Bond Principal Payments - Series 2014A	-	200,000	-	200,000
Bond Principal Payments - Series 2014B	-	70,000	-	70,000
Interest Expense - Series 2014A	-	232,325	-	232,325
Interest Expense - Series 2014B	-	71,840	-	71,840
Paying Agent/Remarketing Fees	-	2,200	-	2,200
Capital Improvements	-	-	2,440,151	2,440,151
Total Expenditures	<u>646,026</u>	<u>584,805</u>	<u>2,440,151</u>	<u>3,670,982</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,285,724	(18,237)	(500,077)	767,410
OTHER FINANCING SOURCES (USES)				
Transfer (to) from Other Funds	(2,446,114)	11,973	2,434,141	-
Total Other Financing Sources (Uses)	<u>(2,446,114)</u>	<u>11,973</u>	<u>2,434,141</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,160,390)	(6,264)	1,934,064	767,410
Fund Balances - Beginning of Year	<u>1,756,686</u>	<u>8,813</u>	<u>121,787</u>	<u>1,887,286</u>
FUND BALANCES - END OF YEAR	<u>\$ 596,296</u>	<u>\$ 2,549</u>	<u>\$ 2,055,851</u>	<u>\$ 2,654,696</u>

See accompanying Notes to Basic Financial Statements.

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

Net Changes in Fund Balances - Total Governmental Funds \$ 767,410

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 asset over the estimated useful life of the asset. This is the amount related to capital outlay in the current period.

Capital Outlay	1,820,677
Depreciation Expense	(102,489)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Current Year Bond Principal Payment	270,000
Amortization of Cost of Refunding - 2005 Bonds	(58,115)

Some expenses reported 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 Bonds - Change in Liability	546
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Change in Net Position of Governmental Activities	\$ 2,698,029
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**TOWER 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			
Property Taxes	\$ 1,737,501	\$ 1,703,344	\$ (34,157)
Specific Ownership Taxes	138,548	186,800	48,252
Other Income	-	2,750	2,750
Investment Income	31,220	38,856	7,636
Total Revenues	<u>1,907,269</u>	<u>1,931,750</u>	<u>24,481</u>
EXPENDITURES			
Accounting	70,000	72,280	(2,280)
Audit	4,800	4,700	100
Contingency	8,487	-	8,487
County Treasurer's Fee	26,063	25,654	409
Directors' Fees	11,400	5,400	6,000
Donations	600	600	-
Dues and Licenses	750	684	66
Insurance and Bonds	3,900	3,625	275
Landscape Maintenance	225,000	198,608	26,392
Legal	40,000	50,042	(10,042)
Maintenance and Repairs	-	19,402	(19,402)
Meeting Expenses	10,000	5,644	4,356
Miscellaneous	5,000	2,150	2,850
Payroll Expense	4,000	1,784	2,216
Property Management	38,000	39,868	(1,868)
Security	24,000	125,171	(101,171)
Snow Removal	15,000	3,410	11,590
Utilities - Irrigation System	80,000	87,004	(7,004)
Total Expenditures	<u>567,000</u>	<u>646,026</u>	<u>(79,026)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,340,269</u>	<u>1,285,724</u>	<u>(54,545)</u>
OTHER FINANCING SOURCES (USES)			
Transfer to Other Funds	<u>(2,750,000)</u>	<u>(2,446,114)</u>	<u>303,886</u>
Total Other Financing Sources (Uses)	<u>(2,750,000)</u>	<u>(2,446,114)</u>	<u>303,886</u>
Fund Balance - Beginning of Year	<u>1,637,107</u>	<u>1,756,686</u>	<u>119,579</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 227,376</u></u>	<u><u>\$ 596,296</u></u>	<u><u>\$ 368,920</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 DEFINITION OF REPORTING ENTITY

Tower 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 of Adams County on March 5, 1980, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Aurora, Adams County, Colorado. The District was established for the purpose of constructing streets, curbs, gutters, and related facilities on the property within the District's boundaries. Construction has been financed through the issuance of general obligation bonds. Title to improvements constructed by the District is generally conveyed to the City of Aurora within 13 months of completion. When all improvements are completed, the District will continue primarily for the purpose of retiring its outstanding indebtedness and providing streetscape maintenance, covenant control, and security maintenance.

Effective October 7, 2019, the City approved the Tower Metropolitan District service plan dated July 1, 2019. The service plan allows the District to operate and maintain certain public improvements, including, but not limited to internal streets, common driveways and land, and streetscape associated with those improvements. The District has the ability to increase its mill levy as necessary for provisions of operations and maintenance services to its taxpayers and service users.

The service plan limits the District's total debt to \$50,000,000, with a 40 year repayment term. If the District's debt to assessed valuation ratio exceeds 50%, than a debt service mill levy limitation applies. If all \$50,000,000 was issued as of year-end, the District's debt to assessed valuation ratio would be less than 50%.

The service plan obligates the District to impose an ARI mill levy to contribute to the funding of Aurora Regional Improvements beginning the first year of the imposition of a debt service mill levy. The ARI mill levy will be imposed as follows:

Year 1 – 20	1.0 mills
Year 21 through repayment of debt incurred for public improvements	1.5 mills

For 5 years thereafter, the lesser of 20 mills or a mill levy equal to the average debt service mill levy imposed by the District in the 10 years prior to the date of repayment of the debt issued for Public Improvements.

The District anticipates issuing debt for public improvements in 2020 and certifying an ARI mill levy for collection budget year 2021.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

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, including the City of Aurora.

The District has one employee and all operations and administrative functions are contracted except for covenant enforcement.

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 taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows 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 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.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 government 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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District 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 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 other funds.

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

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

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.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 sales 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 a deferred inflow 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, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. 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.

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

Land improvements include expenditures for clearing the land, landscaping, changing the contour of the earth by moving and filling, detention ponds, and planting trees and shrubbery. Those costs are considered permanent improvements to the land and are not depreciable.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Lighting	15 Years
Irrigation	15 Years
Box Culvert	15 Years
Signs	25 Years
Waterline	40 Years
Streets	40 Years
Median Landscaping – Construction	20 Years

Amortization

Cost of Bond Refunding

In the government-wide financial statements the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of bond refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

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.

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.

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	\$ 559,015
Cash in Escrow	1,011,452
Cash and Investments - Restricted	1,373,723
Total Cash and Investments	\$ 2,944,190

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	\$ 24,220
Investments	<u>2,919,970</u>
Total Cash and Investments	<u><u>\$ 2,944,190</u></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, 2019, the District's cash deposits had a bank balance and a carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured Deposits	<u>\$ 109,627</u>	<u>\$ 24,220</u>
Total	<u><u>\$ 109,627</u></u>	<u><u>\$ 24,220</u></u>

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 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.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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 and reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 1,462,528
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	1,457,442
		<u>\$ 2,919,970</u>

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 net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

**TOWER 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:

	Balance - December 31, 2018	Increases	Decreases	Balance - December 31, 2019
Capital Assets, Not Being Depreciated				
Detention Pond	\$ 1,270,587	\$ -	\$ -	\$ 1,270,587
Irondale Gulch Ponds	2,603,369	-	-	2,603,369
Median Landscaping	774,404	-	-	774,404
ROW Landscaping	-	16,577	-	16,577
Drainage Improvements	391,926	125,098	-	517,024
Construction in Process	18,018	-	-	18,018
Total Capital Assets, Not Being Depreciated	5,058,304	141,675	-	5,199,979
Capital Assets, Being Depreciated				
Fire Line	295,750	58,681	-	354,431
Lighting	2,795	47,103	-	49,898
Signs	207,796	4,119	-	211,915
Irrigation System	208,274	-	-	208,274
Median Landscaping - Concrete	292,859	-	-	292,859
Pump House	282,898	-	-	282,898
Waterline	491,701	-	-	491,701
Streets	1,453,869	-	-	1,453,869
Box Culvert	-	1,569,099	-	1,569,099
Total Capital Assets, Being Depreciated	3,235,942	1,679,002	-	4,914,944
Less: Accumulated Depreciation For:				
Fire Line	-	(7,394)	-	(7,394)
Lighting	(2,047)	(186)	-	(2,233)
Signs	(81,048)	(8,312)	-	(89,360)
Irrigation System	(65,820)	(13,885)	-	(79,705)
Median Landscaping - Concrete	(65,893)	(14,643)	-	(80,536)
Pump House	-	(9,430)	-	(9,430)
Waterline	(55,317)	(12,292)	-	(67,609)
Streets	(49,850)	(36,347)	-	(86,197)
Total Accumulated Depreciation	(319,975)	(102,489)	-	(422,464)
Total Capital Assets, Being Depreciated, Net	2,915,967	1,576,513	-	4,492,480
Capital Assets, Net	<u>\$ 7,974,271</u>	<u>\$ 1,718,188</u>	<u>\$ -</u>	<u>\$ 9,692,459</u>

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government	\$ 102,489
Activities	\$ 102,489

NOTE 5 LONG TERM OBLIGATIONS

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

	Balance - December 31, 2018	Additions	Retirements/ Adjustments	Balance - December 31, 2019	Due Within One Year
Tax-Free Loan					
Refunding Issue					
Series 2014	\$ 9,265,000	\$ -	\$ 200,000	\$ 9,065,000	\$ 215,000
Taxable Loan Refunding					
Issue Series 2014	3,130,000	-	70,000	3,060,000	75,000
Total	\$ 12,395,000	\$ -	\$ 270,000	\$ 12,125,000	\$ 290,000

In the government-wide statements, the District incurred a cost on bond refunding in the amount of \$567,865, which has been deferred and is being amortized over the life of the 2014 loan.

On December 30, 2014, the District issued \$9,995,000 in a General Obligation Tax Exempt Refunding Loan (2014A Loan) and \$3,370,000 in a General Obligation Taxable Refunding Loan (2014B Loan) (collectively, the 2014 Loans). The 2014B Loan was converted to a tax-exempt loan on January 15, 2015.

The 2014 Loans are term loans due on December 30, 2024, with a fixed interest rate of 2.48% for the 2014A Loan and an initial interest rate of 3.380% for the 2014B Loan. On January 15, 2015, the interest rate on the 2014B Loan was converted to a fixed rate of 2.27%. Interest is paid semiannually on June 1 and December 1. The 2014 Loans are subject to mandatory sinking redemptions due on December 1 of each year. The 2014 Loans both have a balloon payment of the remaining outstanding principal due on December 30, 2024. The District may, at its option, prepay all or any part of the principal of the Loans on a principal payment date, upon payment of par, accrued interest and a prepayment fee for any prepayments made prior to December 1, 2024.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

The outstanding loan principal and interest are as follows:

2014A Loan:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 215,000	\$ 224,812	\$ 439,812
2021	220,000	219,480	439,480
2022	235,000	214,024	449,024
2023	240,000	208,196	448,196
2024	255,000	202,244	457,244
12/30/2024	7,900,000	15,783	7,915,783
Total	<u>\$ 9,065,000</u>	<u>\$ 1,084,539</u>	<u>\$ 10,149,539</u>

2014B Loan:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 75,000	\$ 69,462	\$ 144,462
2021	75,000	67,759	142,759
2022	80,000	66,057	146,057
2023	85,000	64,241	149,241
2024	90,000	62,312	152,312
12/30/2024	2,655,000	4,855	2,659,855
Total	<u>\$ 3,060,000</u>	<u>\$ 334,686</u>	<u>\$ 3,394,686</u>

At December 31, 2019, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized November 7, 2000 Election</u>	<u>Authorized November 6, 2018 Election</u>	<u>Total Authorized Debt</u>
Street Improvements	\$ 20,000,000	\$ -	\$ 20,000,000
Traffic Controls	20,000,000	-	20,000,000
Parks and Recreation	20,000,000	-	20,000,000
Public Transportation	20,000,000	-	20,000,000
Mosquito Control	200,000	-	200,000
Water	-	50,000,000	50,000,000
Sanitary Sewer	-	50,000,000	50,000,000
Security	-	10,000,000	10,000,000
Business Recruitment	-	10,000,000	10,000,000
Directional Drilling	-	20,000,000	20,000,000
Operations and Maintenance	-	50,000,000	50,000,000
Debt Refunding	81,000,000	200,000,000	281,000,000
Total	<u>\$ 161,200,000</u>	<u>\$ 390,000,000</u>	<u>\$ 551,200,000</u>

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

	Authorization Used			Remaining at December 31, 2019
	Series 2001	Series 2005	2014	
	Bonds	Bonds	Loans	
Street Improvements	\$ 2,855,135	\$ 2,363,621	\$ -	\$ 14,781,244
Traffic Controls	-	-	-	20,000,000
Parks and Recreation	-	-	-	20,000,000
Public Transportation	-	-	-	20,000,000
Mosquito Control	-	-	-	200,000
Water	-	-	-	50,000,000
Sanitary Sewer	-	-	-	50,000,000
Security	-	-	-	10,000,000
Business Recruitment	-	-	-	10,000,000
Directional Drilling	-	-	-	20,000,000
Operations and Maintenance	-	-	-	50,000,000
Debt Refunding	10,034,865	12,326,379	13,365,000	245,273,756
Total	<u>\$ 12,890,000</u>	<u>\$ 14,690,000</u>	<u>\$ 13,365,000</u>	<u>\$ 510,255,000</u>

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.

NOTE 6 NET POSITION

The District has net position consisting of three components: net investment in capital assets, restricted and unrestricted.

The net investment in capital assets component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. The amount of capital assets which are anticipated to be conveyed to other governmental entities are not included in the capital assets, net, amount below.

As of December 31, 2019, the District had net investment in capital assets, calculated as follows:

	<u>Governmental Activities</u>
Net Investment in Capital Assets	
Capital Assets, Net	\$ 9,692,459
Less: Capital Related Debt	
Current Portion of Long-Term Obligations	(49,353)
Noncurrent Portion of Long-Term Obligations	(2,014,125)
Net Investment in Capital Assets	<u>\$ 7,628,981</u>

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 6 NET POSITION (CONTINUED)

Restricted net position includes 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 restricted net position as of December 31, 2019 as follows:

	Governmental Activites
Restricted Net Position:	
Emergency Reserves	\$ 58,000
Total Restricted Net Position	\$ 58,000

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

NOTE 7 RELATED PARTY TRANSACTIONS

The developer and owner of the majority of land located within the District is Majestic Realty Co. (Developer). The contractor for construction of certain infrastructure facilities of the District is Commerce Construction Co. LP (Contractor). The Developer and Contractor are related entities. Certain members of the Board of Directors of the District are employees of, owners of, or associated with the Developer and/or Contractor and may have conflicts of interest in dealing with the District. Also, the only employee of the District is related to the President of the Board.

The District entered into a construction management agreement (Agreement) with the Contractor to act as the Construction Manager of the District. The Construction Manager will provide construction management and supervision services for the construction and acquisition of certain District facilities. The compensation shall be 4% of the gross dollar amount paid pursuant to construction contracts and related engineering and/or design contracts entered into by the District. The Agreement will terminate upon completion and close out of the project. During 2019, the Contractor was paid \$138,945 for construction management services related to the project.

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The District transferred \$2,434,141 from the General Fund to the Capital Projects Fund to fund capital projects and \$11,973 from the General Fund to the Debt Service Fund to fund debt service in 2019.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be 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). 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.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation 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 10 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.

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.

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.

In November 1994 and November 1998, voters within the District approved election questions related to the issuance of additional indebtedness, elimination of TABOR fiscal year limitations, exemption from State revenue limitations, and the elimination of Director term limits.

**TOWER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 6, 2018, a majority of the District's electors approved questions related to the issuance of additional indebtedness and 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 in 2018 and every year thereafter. On November 6, 2018 a majority of the District's electors authorized the District to collect and spend or retain all of the revenue of the District without regard to the revenue and spending limitations of TABOR.

The District believes it has taken such steps as are appropriate in light of current interpretations of TABOR to comply with its terms. However, TABOR is complex and subject to multiple interpretations. Many of the provisions, including but not limited to the interpretation of how to calculate Fiscal Year Spending and other limits, will require judicial interpretation.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of December 31, 2019, the District had construction related contract commitments as follows:

	Retainage	Contract Balance
Levi Contractors, Inc. - Phase 10	\$ 93,814	-
Levi - Lisbon Street	9,189	7,400
PLM Asphalt & Concrete, Inc. - Phase 9 Common Road	26,952	-
PLM Asphalt & Concrete, Inc. - Common Roadway (Phase 10)	4,600	-
PLM Asphalt & Concrete, Inc. - 2017-18 (Bldg 15)	29,580	-
Total	<u>\$ 164,135</u>	<u>\$ 7,400</u>

SUPPLEMENTARY INFORMATION

**TOWER METROPOLITAN DISTRICT
DEBT SERVICE 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			
Property Taxes	\$ 571,624	\$ 560,387	\$ (11,237)
Investment Income	3,000	6,181	3,181
Total Revenues	<u>574,624</u>	<u>566,568</u>	<u>(8,056)</u>
EXPENDITURES			
Bond Principal Payments - Series 2014A	200,000	200,000	-
Bond Principal Payments - Series 2014B	70,000	70,000	-
County Treasurer's Fee	8,574	8,440	134
Interest Expense - Series 2014A	229,772	232,325	(2,553)
Interest Expense - Series 2014B	71,051	71,840	(789)
Paying Agent/Remarketing Fees	2,000	2,200	(200)
Contingency	3,870	-	3,870
Total Expenditures	<u>585,267</u>	<u>584,805</u>	<u>462</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,643)	(18,237)	(7,594)
OTHER FINANCING SOURCES (USES)			
Transfer (to) from Other Funds	-	11,973	11,973
Total Other Financing Sources (Uses)	<u>-</u>	<u>11,973</u>	<u>11,973</u>
Fund Balance - Beginning of Year	<u>10,643</u>	<u>8,813</u>	<u>(1,830)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 2,549</u>	<u>\$ 2,549</u>

**TOWER 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			
Interest Income	\$ -	\$ 11,454	\$ 11,454
Intergovernmental Income	2,000,000	1,928,620	(71,380)
Total Revenues	<u>2,000,000</u>	<u>1,940,074</u>	<u>(59,926)</u>
EXPENDITURES			
32nd Median Modifications	-	206,930	(206,930)
Box Culvert	-	1,426,379	(1,426,379)
Capital Improvements	3,250,000	-	3,250,000
Culvert/Storm Drainage	1,500,000	-	1,500,000
First Creek	-	66,262	(66,262)
Lisbon Street	-	247,459	(247,459)
MCC-II	-	262,401	(262,401)
Picadilly Bridge	-	202,425	(202,425)
Picadily Infrastructure	-	11,945	(11,945)
Signs	-	4,119	(4,119)
Storm Drainage 32nd & Picadilly	-	12,231	(12,231)
Total Expenditures	<u>4,750,000</u>	<u>2,440,151</u>	<u>2,309,849</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,750,000)	(500,077)	2,249,923
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	<u>2,750,000</u>	<u>2,434,141</u>	<u>(315,859)</u>
Total Other Financing Sources (Uses)	<u>2,750,000</u>	<u>2,434,141</u>	<u>(315,859)</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>121,787</u>	<u>121,787</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 2,055,851</u></u>	<u><u>\$ 2,055,851</u></u>

OTHER INFORMATION

**TOWER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019**

Bond/Principal and Interest Maturing in the Year Ending December 31.	\$9,995,000 Promissory Note Series 2014 (Tax Exempt) Dated December 30, 2014 Interest Rate - 2.480% Interest Payable June 1 and December 1 Principal Due December 1			\$3,370,000 Promissory Note Series 2014 (Taxable) Dated December 30, 2014 Interest Rate - 3.380%*** Interest Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 215,000	\$ 224,812	\$ 439,812	\$ 75,000	\$ 69,462	\$ 144,462
2021	220,000	219,480	439,480	75,000	67,759	142,759
2022	235,000	214,024	449,024	80,000	66,057	146,057
2023	240,000	208,196	448,196	85,000	64,241	149,241
2024	255,000	202,244	457,244	90,000	62,312	152,312
12/30/2024	7,900,000	15,783	7,915,783	2,655,000	4,855	2,659,855
Total	<u>\$ 9,065,000</u>	<u>\$ 1,084,539</u>	<u>\$ 10,149,539</u>	<u>\$ 3,060,000</u>	<u>\$ 334,686</u>	<u>\$ 3,394,686</u>

***The interest rate was converted to a tax-exempt
rate of 2.27% on January 15, 2015

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

Year Ended December 31,	Prior Year Assessed for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2015	\$ 66,291,910	16.750	8.250	\$ 1,657,298	\$ 1,571,293	94.81 % (A)
2016	78,061,750	17.600	7.400	1,951,544	1,833,041	93.93 (B)
2017	91,011,840	18.643	6.357	2,275,296	2,171,723	95.45 (C)
2018	110,228,350	14.643	5.357	2,204,567	2,191,023	99.39 (D)
2019	115,456,230	15.049	4.951	2,309,125	2,263,731	98.03 (E)
Estimated for the Year Ending December 31, 2020	\$ 150,736,000	16.017	3.983	\$ 3,014,720		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

- (A) \$86,144 of ad valorem taxes were refunded/abated to property owners in 2015.
- (B) \$86,359 of ad valorem taxes were refunded/abated to property owners in 2016.
- (C) \$68,743 of ad valorem taxes were refunded/abated to property owners in 2017.
- (D) \$97,961 of ad valorem taxes were refunded/abated to property owners in 2018.
- (E) \$33,418 of ad valorem taxes were refunded/abated to property owners in 2019.