

**WILLOW BEND METROPOLITAN  
DISTRICT  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2019**

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

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>22</b>
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND     ACTUAL</b>	<b>23</b>
<b>OTHER INFORMATION</b>	
<b>SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY</b>	<b>25</b>
<b>CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION</b>	
<b>SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED</b>	<b>27</b>
<b>VALUATIONS OF CLASSES OF PROPERTY IN THE DISTRICT</b>	<b>28</b>



---

**Dazzio & Associates, PC**

---

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Willow Bend Metropolitan District  
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Willow Bend Metropolitan District as of and for the year 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.

8200 South Quebec Street, Suite A3259, Centennial, Colorado 80112  
303-905-0809 • [info@dazziocpa.com](mailto:info@dazziocpa.com)

• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

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 Willow Bend Metropolitan District, as of December 31, 2019, and the respective changes in financial position and the 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 Willow Bend Metropolitan District's basic financial statements. The Supplementary Information, the Other Information, and the Continuing Disclosure Annual Financial 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 were derived from and relate 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.

The Other Information and the Continuing Disclosure Annual Financial Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Dassio & Associates, P.C.*

June 22, 2020

## **BASIC FINANCIAL STATEMENTS**

**WILLOW BEND METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 64,310
Cash and Investments - Restricted	5,856,059
Property Taxes Receivable	206,938
Receivable from County Treasurer	865
Total Assets	6,128,172
<b>LIABILITIES</b>	
Accounts Payable	7,068
Accrued Interest Payable	68,563
Noncurrent Liabilities:	
Due Within One Year	34,546
Due in More Than One Year	19,513,807
Total Liabilities	19,623,984
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	206,938
Total Deferred Inflows of Resources	206,938
<b>NET POSITION</b>	
Restricted For:	
Emergency Reserves	4,600
Unrestricted	(13,707,350)
Total Net Position	\$ (13,702,750)

See accompanying Notes to Basic Financial Statements.

**WILLOW BEND 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	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 68,791	\$ -	\$ -	\$ -	\$ (68,791)
Interest and Related Costs on Long-Term Debt	1,013,861	-	-	-	(1,013,861)
Public Works - Developer Reimbursement	12,816,067	-	-	-	(12,816,067)
Total Governmental Activities	\$ 13,898,719	\$ -	\$ -	\$ -	(13,898,719)
<b>GENERAL REVENUES</b>					
Property Taxes					138,793
Specific Ownership Taxes					10,267
Net Investment Income					65,260
Total General Revenues					214,320
<b>CHANGE IN NET POSITION</b>					
					(13,684,399)
Net Position - Beginning of Year					(18,351)
<b>NET POSITION - END OF YEAR</b>					
					\$ (13,702,750)

See accompanying Notes to Basic Financial Statements.

**WILLOW BEND METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 64,310	\$ -	\$ -	\$ 64,310
Cash and Investments - Restricted	4,600	2,977,676	2,873,783	5,856,059
Property Taxes Receivable	17,056	189,882	-	206,938
Receivable from County Treasurer	865	-	-	865
	<u>\$ 86,831</u>	<u>\$ 3,167,558</u>	<u>\$ 2,873,783</u>	<u>\$ 6,128,172</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 7,068	\$ -	\$ -	\$ 7,068
Total Liabilities	7,068	-	-	7,068
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	17,056	189,882	-	206,938
Total Deferred Inflows of Resources	17,056	189,882	-	206,938
<b>FUND BALANCES</b>				
Restricted For:				
Emergency Reserves	4,600	-	-	4,600
Debt Service	-	2,977,676	-	2,977,676
Capital Projects	-	-	2,873,783	2,873,783
Assigned for Subsequent Year	55,079	-	-	55,079
Unassigned	3,028	-	-	3,028
Total Fund Balances	<u>62,707</u>	<u>2,977,676</u>	<u>2,873,783</u>	<u>5,914,166</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 86,831</u>	<u>\$ 3,167,558</u>	<u>\$ 2,873,783</u>	

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

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

Bonds Payable	(18,721,000)
Bond Premium	(758,513)
Accrued Interest on Bonds Payable	(68,840)
Accrued Interest Payable	(68,563)

Net Position of Governmental Activities	<u>\$ (13,702,750)</u>
---	------------------------

See accompanying Notes to Basic Financial Statements.

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

	General Fund	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 138,793	\$ -	\$ -	\$ 138,793
Specific Ownership Taxes	10,267	-	-	10,267
Net Investment Income	1,559	21,965	41,736	65,260
Total Revenues	<u>150,619</u>	<u>21,965</u>	<u>41,736</u>	<u>214,320</u>
<b>EXPENDITURES</b>				
General and Administration				
Accounting	13,099	-	-	13,099
County Treasurer's Fees	2,089	-	-	2,089
District Management	13,982	-	-	13,982
Dues and License	495	-	-	495
Insurance	1,986	-	-	1,986
Legal	33,922	-	-	33,922
Miscellaneous	3,218	-	-	3,218
Debt Service:				
Bond Issuance Costs	-	-	628,284	628,284
Bond Interest	-	258,252	-	258,252
Capital Outlay:				
Developer Reimbursement - Public Infrastructure	-	-	12,816,067	12,816,067
Total Expenditures	<u>68,791</u>	<u>258,252</u>	<u>13,444,351</u>	<u>13,771,394</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	81,828	(236,287)	(13,402,615)	(13,557,074)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	-	18,721,000	18,721,000
Bond Premium	-	-	769,361	769,361
Developer Advance	5,255	-	-	5,255
Transfers In	-	3,213,963	-	3,213,963
Transfers Out	-	-	(3,213,963)	(3,213,963)
Repay Developer Advance - Principal	(16,862)	-	-	(16,862)
Repay Developer Advance - Interest	(770)	-	-	(770)
Total Other Financing Sources (Uses)	<u>(12,377)</u>	<u>3,213,963</u>	<u>16,276,398</u>	<u>19,477,984</u>
<b>NET CHANGE IN FUND BALANCES</b>	69,451	2,977,676	2,873,783	5,920,910
Fund Balances - Beginning of Year	<u>(6,744)</u>	<u>-</u>	<u>-</u>	<u>(6,744)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 62,707</u>	<u>\$ 2,977,676</u>	<u>\$ 2,873,783</u>	<u>\$ 5,914,166</u>

See accompanying Notes to Basic Financial Statements.

**WILLOW BEND 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 Change in Fund Balances - Governmental Funds \$ 5,920,910

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

The issuance of long-term debt (e.g. bond issuance, developer advance) 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond Issuance	(18,721,000)
Bond Premium	(769,361)
Current Year Amortization of Bond Premium	10,848
Repay Developer Advance	16,862
Developer Advance	(5,255)

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 Payable - Change in Liability	(137,403)
---	-----------

Changes in Net Position of Governmental Activities	\$ (13,684,399)
--	-----------------

**WILLOW BEND METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT 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		
<b>REVENUES</b>				
Property Taxes	\$ 138,792	\$ 138,792	\$ 138,793	\$ 1
Specific Ownership Taxes	8,328	8,328	10,267	1,939
Other Revenue	-	9,624	-	(9,624)
Net Investment Income	-	-	1,559	1,559
Total Revenues	<u>147,120</u>	<u>156,744</u>	<u>150,619</u>	<u>(6,125)</u>
<b>EXPENDITURES</b>				
General and Administration:				
Accounting	20,000	30,000	13,099	16,901
Contingency	4,737	31,418	-	31,418
County Treasurer's Fees	2,082	2,082	2,089	(7)
District Management	-	10,000	13,982	(3,982)
Dues and License	1,000	1,000	495	505
Insurance	2,500	2,500	1,986	514
Legal	20,000	30,000	33,922	(3,922)
Miscellaneous	-	-	3,218	(3,218)
Total Expenditures	<u>50,319</u>	<u>107,000</u>	<u>68,791</u>	<u>38,209</u>
<b>NET CHANGE IN FUND BALANCES</b>	96,801	49,744	81,828	32,084
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	-	-	5,255	5,255
Repay Developer Advance - Principal	(43,000)	(43,000)	(16,862)	26,138
Repay Developer Advance - Interest	-	-	(770)	(770)
Total Other Financing Sources (Uses)	<u>(43,000)</u>	<u>(43,000)</u>	<u>(12,377)</u>	<u>30,623</u>
<b>NET CHANGE IN FUND BALANCE</b>	53,801	6,744	69,451	62,707
Fund Balance - Beginning of Year	<u>100</u>	<u>(6,744)</u>	<u>(6,744)</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 53,901</u>	<u>\$ -</u>	<u>\$ 62,707</u>	<u>\$ 62,707</u>

See accompanying Notes to Basic Financial Statements.

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

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Willow Bend 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 Adams County (the County) on November 22, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The formation of the District was approved by the City of Thornton, Colorado (the City) in conjunction with the approval by the City Council of a Service Plan for the District on August 27, 2013, and as amended on February 27, 2018.

The District entered into an intergovernmental agreement with the City of Thornton, amended on August 27<sup>th</sup>, 2019. The agreement states that the District shall dedicate Public Improvements to the City or other appropriate jurisdiction and shall not be authorized to operate and maintain any part or all of the Public Improvements without the consent of the City except for some park and recreation improvements of which the District may own.

The District's service area is located entirely within the City. The District was established to provide for the design, acquisition, completion, installation, and operation and maintenance of the following public improvements and services: water, sanitary sewer, storm drainage, streets, parks and recreation, safety protection, television relay and transmission facilities, transportation, and mosquito control.

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 inter-governmental revenues.

**WILLOW BEND 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 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.

**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. 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 another fund.

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 and construction of capital equipment and facilities.

**WILLOW BEND 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 total 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, 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.

**Amortization**

**Original Issue Discount/Premium**

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows 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.

*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.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 Assets:	
Cash and Investments	\$ 64,310
Cash and Investments - Restricted	<u>5,856,059</u>
Total Cash and Investments	<u><u>\$ 5,920,369</u></u>

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

Deposits with Financial Institutions	\$ 13,835
Investments	<u>5,906,534</u>
Total Cash and Investments	<u><u>\$ 5,920,369</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 of \$13,835.

**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.

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

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

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	\$ 5,906,534

**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 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.

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

**NOTE 4 LONG-TERM OBLIGATIONS**

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

	Balance - December 31, 2018	Additions	Reductions	Compounding of Unpaid Interest	Balance - December 31, 2019	Due Within One Year
<b>Governmental Activities:</b>						
General Obligation						
Bonds Payable:						
Series 2019A	\$ -	\$ 16,455,000	\$ -	\$ -	\$ 16,455,000	\$ -
Series 2019B	-	2,266,000	-	-	2,266,000	-
Accrued Interest on 2019B	-	68,633	-	207	68,840	-
Developer Advance - Operations	11,607	5,255	16,862	-	-	-
Subtotal	11,607	18,794,888	16,862	207	18,789,840	-
Bond Premium	-	769,361	10,848	-	758,513	34,546
Total Long-Term Liabilities	<u>\$ 11,607</u>	<u>\$ 19,564,249</u>	<u>\$ 27,710</u>	<u>\$ 207</u>	<u>\$ 19,548,353</u>	<u>\$ 34,546</u>

The details of the District's long-term obligations are as follows:

**Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A** (the 2019A Senior Bonds) and **Subordinate Limited Tax General Obligation Bonds, Series 2019B** (the 2019B Subordinate Bonds, and, with the 2019A Senior Bonds, the 2019 Bonds).

**2019 Bonds Detail**

The District issued the 2019 Bonds on August 8, 2019, in the par amounts of \$16,455,000 for the 2019A Senior Bonds and \$2,266,000 for the 2019B Subordinate Bonds. Proceeds from the sale of the 2019A Senior Bonds were used to: (a) finance public improvements in the residential development; (b) pay capitalized interest on the 2019A Senior Bonds; (c) fund the Senior Reserve Fund; and (d) pay costs of issuance of the 2019 Bonds. Proceeds from the sale of the 2019B Subordinate Bonds were used to finance additional public improvements related to the development.

The 2019A Senior Bonds were issued as two term bonds that bear interest at 5.000% per annum (5.0814% yield) and are payable semi-annually on June 1 and December 1, beginning on December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. The 2019A Senior Bonds mature on December 1, 2049.

To the extent principal of any 2019A Senior Bond is not paid when due, such principal shall remain outstanding, subject to discharge of the 2019A Senior Bonds on December 1, 2059, and shall continue to bear interest at the rate then borne by the 2019A Senior Bond. To the extent interest on any 2019A Senior Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the 2019A Senior Bond. The District shall not be obligated to pay more than the amount permitted by law and its election in repayment of the 2019A Senior Bonds.

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

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**2019 Bonds Detail (Continued)**

The 2019B Subordinate Bonds were issued as a term bond that bears interest at 7.625% per annum and is payable annually on December 15, beginning December 15, 2019 from, and to the extent of, Subordinate Pledged Revenue available, if any, and matures on December 15, 2049.

The 2019B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2019B Subordinate Bonds compounds annually on each December 15. All of the 2019B Subordinate Bonds and interest thereon are to be deemed to be paid and discharged after the application of all available Subordinate Pledged Revenue available on December 15, 2059, regardless of the amount of principal and interest paid prior to that date. The District shall not be obligated to pay more than the amount permitted by law and its election in repayment of the 2019B Subordinate Bonds.

**Optional Redemption**

The 2019A Senior Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2024, and on any date thereafter, upon payment 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>
September 1, 2024, to August 31, 2025	3.00 %
September 1, 2025, to August 31, 2026	2.00
September 1, 2026, to August 31, 2027	1.00
September 1, 2027, and thereafter	0.00

The 2019B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on September 1, 2024, and on any date thereafter, upon payment 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>
September 1, 2024, to August 31, 2025	3.00 %
September 1, 2025, to August 31, 2026	2.00
September 1, 2026, to August 31, 2027	1.00
September 1, 2027, and thereafter	0.00

**Security for the 2019A Senior Bonds**

The 2019A Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, which includes: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Capital Fees, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

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

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Security for the 2019A Senior Bonds (Continued)**

“Senior Property Tax Revenues” means all moneys derived from imposition by the District of the Senior Required Mill Levy, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

“Senior Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy.

**Senior Reserve Fund**

The 2019A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund which was funded from proceeds of the 2019A Senior Bonds in the amount of the Senior Reserve Requirement of \$1,294,000.

**Senior Surplus Fund**

Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the 2019A Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,645,500. The Senior Surplus Fund is to be maintained until the Conversion Date, at which time the Senior Surplus Fund will be terminated and all amounts on deposit shall be released to the District for application to any lawful purpose. Pursuant to the Subordinate Indenture, amounts released from the Senior Surplus Fund are pledged to the repayment of the 2019B Subordinate Bonds.

**Security for the 2019B Subordinate Bonds**

The 2019B Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection, which includes; (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) all Subordinate Capital Fees, if any; (d) any amounts in the Senior Surplus Fund upon the termination of such fund pursuant to the Senior Indenture; (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

“Subordinate Property Tax Revenues” means all moneys derived from imposition by the District of the Subordinate Required Mill Levy, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

“Subordinate Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy.

**Senior Required Mill Levy**

Prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount necessary to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2019A Senior Bonds when due and to replenish the Senior Reserve Fund to the Senior Reserve Requirement, but not in excess of 50 mills (subject to adjustment), and for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment).

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

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Senior Required Mill Levy (Continued)**

In the event that the method of calculating assessed valuation is changed after January 1, 2004, the minimum and maximum mill levies of 50 mills will be increased or decreased 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 to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation).

The District imposed an adjusted mill levy of 55.663 mills for collection in 2020.

The Conversion Date is the first date on which all of the following conditions are met: (a) the Debt to Assessed Ratio is 50% or less; (b) no amounts of principal or interest on the 2019A Senior Bonds are due but unpaid; and (c) the amount on deposit in the Senior Reserve Fund is not less than the Senior Reserve Requirement.

**Subordinate Required Mill Levy**

The District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in an amount equal to (i) 50 mills (as adjusted) less the Senior Obligation Mill levy, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2019B Subordinate Bonds in full in the year such levy is collected.

The Subordinate Required Mill Levy will equal zero at any time that the payment of the Senior Obligations requires the imposition of at least 50 mills, as adjusted, in any year.

**Debt Service**

The District's long-term obligations of the 2019A Senior Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 822,750	\$ 822,750
2021	-	822,750	822,750
2022	-	822,750	822,750
2023	-	822,750	822,750
2024	135,000	822,750	957,750
2025 - 2029	1,265,000	3,964,750	5,229,750
2030 - 2034	1,925,000	3,586,000	5,511,000
2035 - 2039	2,755,000	3,026,250	5,781,250
2040 - 2044	3,845,000	2,233,750	6,078,750
2045 - 2049	6,530,000	1,140,250	7,670,250
Total	<u>\$ 16,455,000</u>	<u>\$ 18,064,750</u>	<u>\$ 34,519,750</u>

The annual debt service requirements on the 2019B Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

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

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

On November 5, 2013, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$165,000,000 at an interest rate not to exceed 18% per annum, in the following amounts for the following purposes:

	Amount Authorized on November 5, 2013
Street Improvements	\$ 16,500,000
Parks and Recreation	16,500,000
Water System	16,500,000
Storm and Sanitary Sewer System	16,500,000
Public Transportation	16,500,000
Mosquito Control	16,500,000
Safety Protection	16,500,000
Fire Protection	16,500,000
TV Relay and Translation	16,500,000
Debt Refunding	16,500,000
Operations and Maintenance Debt	16,500,000
District Intergovernmental Agreements as Debt	16,500,000
Total	\$ 198,000,000

The District issued the 2019A Senior Bonds and the 2019B Subordinate Bonds in the aggregate principal amount of \$18,721,000. As of December 31, 2019, the District had authorized but unissued indebtedness of \$129,779,000 for capital improvements and \$16,500,000 for debt refundings. Pursuant to the Service Plan, as Amended and Restated, the District is permitted to issue bond indebtedness of up to \$22,000,000.

**NOTE 5 NET POSITION**

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

Net investment in capital assets 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 improvement of those assets. As of December 31, 2019, the District had no net investment in capital assets.

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:

Emergency Reserves	\$ 4,600
Total	\$ 4,600

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

**NOTE 5 NET POSITION (CONTINUED)**

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 to construct public improvements for the benefit of other governmental entities, and which costs have not been recorded on the District's financial records.

**NOTE 6 RELATED PARTY**

The Developer of the property which constitutes the District is Lennar Colorado, LLC (Lennar). The members of the Board of Directors are employees, owners or are otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**NOTE 7 AGREEMENTS**

**Funding and Reimbursement Agreement (Operation and Maintenance)**

The District and Lennar are parties to a Funding and Reimbursement Agreement (Operations and Maintenance) dated July 17, 2019 (the Operations Agreement). Pursuant to the Operations Agreement, Lennar agrees to loan to the District amounts not to exceed \$50,000 per annum for two years, up to \$100,000 through December 31, 2020 to fund operations and maintenance costs of the District. Loaned amounts are required to be reimbursed to Lennar with simple interest at 7% per annum. Lennar has made advances to the District in the amount of \$16,862, all of which, together with \$770 in related interest, has been reimbursed. After 20 years from the date of this agreement, any principal and accrued interest outstanding is forgiven in its entirety and will be deemed a contribution to the District by Lennar and there will be no further obligation on the District to pay or reimburse Lennar.

**Infrastructure Acquisition Agreement**

The District and Lennar entered into an Amended and Restated Infrastructure Acquisition and Reimbursement Agreement dated as of July 17, 2019 (the Acquisition Agreement), whereby the Developer may construct and install certain public improvements within the District and the District will acquire such improvements. The District agrees to reimburse certified costs plus simple interest at 7% from the date such costs are accepted. Repayment of advances shall be at all times subject to annual appropriation by the District. As of December 31, 2019, no amounts were due by the District to the Developer under the Acquisition Agreement. After 20 years from the date of this agreement, any principal and accrued interest outstanding is forgiven in its entirety and will be deemed a contribution to the District by Lennar and there will be no further obligation on the District to pay or reimburse Lennar.

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

**NOTE 8 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). 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 property and liability. 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 9 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 that 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.

On November 5, 2013, a majority of the District's electors approved a mill levy increase of \$500,000 annually, without limitation of rate, for collection in 2014 and for each year thereafter, to pay the District's administration and operations and maintenance expenses. The District voters also authorized the District to collect and spend all taxes, fees and any other income of the District without regard to any limitations under TABOR.

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 will require judicial interpretation.

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

**NOTE 10 INTERFUND AND OPERATING TRANSFERS**

The transfer from the Capital Projects Fund to the Debt Service Fund was due to the issuance of the Series 2019 bonds.

**NOTE 11 SUBSEQUENT EVENT**

Subsequent to December 31, 2019, the District accepted public improvement costs incurred by the Developer totaling \$4,752,302. The remaining proceeds from the issuance of the 2019 Bonds provided \$2,884,047, which was paid to the Developer for reimbursement of a portion of the costs, leaving \$1,868,255 due to the Developer.

**SUPPLEMENTARY INFORMATION**

**WILLOW BEND 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		
<b>REVENUES</b>				
Net Investment Income	\$ -	\$ 10,000	\$ 21,965	\$ 11,965
Total Revenues	-	10,000	21,965	11,965
<b>EXPENDITURES</b>				
Bond Interest	-	258,252	258,252	-
Contingency	-	16,748	-	16,748
Total Expenditures	-	275,000	258,252	16,748
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	(265,000)	(236,287)	28,713
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	3,197,752	3,213,963	16,211
Total Other Financing Sources (Uses)	-	3,197,752	3,213,963	16,211
<b>NET CHANGE IN FUND BALANCE</b>				
	-	2,932,752	2,977,676	44,924
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 2,932,752</b>	<b>\$ 2,977,676</b>	<b>\$ 44,924</b>

**WILLOW BEND METROPOLITAN DISTRICT  
CAPITAL PROJECTS 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		
<b>REVENUES</b>				
Other Revenue	\$ -	\$ 109,639	\$ -	\$ (109,639)
Net Investment Income	-	-	41,736	41,736
Total Revenues	-	109,639	41,736	(67,903)
<b>EXPENDITURES</b>				
Bond Issue Costs	-	644,342	628,284	16,058
Developer Reimbursement - Public Infrastructure	-	15,648,267	12,816,067	2,832,200
Contingency	-	109,639	-	109,639
Total Expenditures	-	16,402,248	13,444,351	2,957,897
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	(16,292,609)	(13,402,615)	2,889,994
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	18,721,000	18,721,000	-
Bond Premium	-	769,361	769,361	-
Transfer Out	-	(3,197,752)	(3,213,963)	(16,211)
Total Other Financing Sources (Uses)	-	16,292,609	16,276,398	(16,211)
<b>NET CHANGE IN FUND BALANCE</b>				
	-	-	2,873,783	2,873,783
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,873,783</b>	<b>\$ 2,873,783</b>

## **OTHER INFORMATION**

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

\$16,455,000

Limited Tax (Convertible to Unlimited Tax)

General Obligation Bonds, Series 2019A

Dated August 8, 2019

Interest Rate of 5.00% (5.0814% yield)

Payable June 1 and December 1

Principal Due December 1

Year Ending December 31,	Principal	Interest	Total
2020	\$ -	\$ 822,750	\$ 822,750
2021	-	822,750	822,750
2022	-	822,750	822,750
2023	-	822,750	822,750
2024	135,000	822,750	957,750
2025	205,000	816,000	1,021,000
2026	235,000	805,750	1,040,750
2027	250,000	794,000	1,044,000
2028	280,000	781,500	1,061,500
2029	295,000	767,500	1,062,500
2030	330,000	752,750	1,082,750
2031	350,000	736,250	1,086,250
2032	390,000	718,750	1,108,750
2033	405,000	699,250	1,104,250
2034	450,000	679,000	1,129,000
2035	470,000	656,500	1,126,500
2036	520,000	633,000	1,153,000
2037	545,000	607,000	1,152,000
2038	595,000	579,750	1,174,750
2039	625,000	550,000	1,175,000
2040	680,000	518,750	1,198,750
2041	710,000	484,750	1,194,750
2042	770,000	449,250	1,219,250
2043	810,000	410,750	1,220,750
2044	875,000	370,250	1,245,250
2045	920,000	326,500	1,246,500
2046	990,000	280,500	1,270,500
2047	1,040,000	231,000	1,271,000
2048	1,115,000	179,000	1,294,000
2049	2,465,000	123,250	2,588,250
Total	<u>\$ 16,455,000</u>	<u>\$ 18,064,750</u>	<u>\$ 34,519,750</u>

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION**

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

Year Ended <u>December 31</u>	Prior Year Assessed Valuation for Current Year Tax Levy	Percent Change	Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Fund	Debt Service Fund	Total	Levied	Collected	
2015	\$ 8,420	-	0.000	0.000	0.000	\$ -	\$ -	-
2016	8,420	-	0.000	0.000	0.000	-	-	-
2017	8,420	-	0.000	0.000	0.000	-	-	-
2018	10,370	23.16%	55.278	0.000	55.278	573	572	99.78 %
2019	2,126,170	20403.09%	65.278	0.000	65.278	138,792	138,793	100.00
Estimated 2020	\$ 3,411,270	60.44%	5.000	55.663	60.663	\$ 206,938		

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.

**WILLOW BEND METROPOLITAN DISTRICT  
VALUATIONS OF CLASSES OF PROPERTY IN THE DISTRICT  
DECEMBER 31, 2019**

<u>Property Class</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Vacant	\$ 3,261,370	95.61%
Residential	148,170	4.34%
State Assessed	90	0.00%
Personal Property	1,640	0.05%
Total	<u>\$ 3,411,270</u>	<u>100.00%</u>