

**HIGHWAY 119 METROPOLITAN
DISTRICT NO. 1
Weld County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet – Governmental Funds	5
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	6
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	8
Notes to the Financial Statements	9
SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Capital Projects Fund	25



Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Highway 119 Metropolitan District No. 1
Weld County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Highway 119 Metropolitan District No. 1 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.

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

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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 Highway 119 Metropolitan District No. 1, 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 Highway 119 Metropolitan District No. 1's basic financial statements. The budget to actual schedule for the capital projects fund (the Supplemental Information) is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information is the responsibility of management and was 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 budget to actual schedule for the debt service fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Dazio & Associates, P.C.

July 27, 2020

BASIC FINANCIAL STATEMENTS

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2019

ASSETS

Cash and investments - unrestricted	\$ 410,044
Cash and investments - restricted	1,903,248
Due from Highway 119 Metropolitan District No. 2	6,694
Prepaid expense	4,596
Capital assets, not being depreciated	<u>575,755</u>
Total assets	<u><u>2,900,337</u></u>

LIABILITIES

Accounts payable	<u>3,050</u>
Total liabilities	<u><u>3,050</u></u>

NET POSITION

Investment in capital assets	575,755
Restricted for emergencies	26,500
Restricted for capital	1,903,309
Unrestricted	<u>391,723</u>
Total net position	<u><u>\$ 2,897,287</u></u>

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

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General government	\$ 51,577	\$ 873,252	\$ 338,698	\$ 1,160,373
Interest and fiscal charges	19,443	-	-	(19,443)
	<u>\$ 71,020</u>	<u>\$ 873,252</u>	<u>\$ 338,698</u>	<u>1,140,930</u>

General revenues:

Interest income	44,772
Other	20
Total general revenues	<u>44,792</u>
Change in net position	1,185,722
Net position - Beginning	1,711,565
Net position - Ending	<u>\$ 2,897,287</u>

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

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and investments - unrestricted	\$ 410,044	\$ -	\$ 410,044
Cash and investments - restricted	-	1,903,248	1,903,248
Due from Highway 119 Metropolitan District No. 2	6,633	61	6,694
Prepaid expenditures	4,596	-	4,596
TOTAL ASSETS	\$ 421,273	\$ 1,903,309	\$ 2,324,582
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,050	\$ -	\$ 3,050
TOTAL LIABILITIES	3,050	-	3,050
 FUND BALANCES			
Nonspendable - prepaid items	4,596	-	4,596
Restricted for emergencies	26,500	-	26,500
Restricted for capital	-	1,903,309	1,903,309
Unassigned	387,127	-	387,127
TOTAL FUND BALANCES	418,223	1,903,309	2,321,532
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 421,273	 \$ 1,903,309	

Amounts report for governmental activities in the Statement of Net Position are different because:

Some assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Capital assets, not being depreciated

575,755

Net position of governmental activities

\$ 2,897,287

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

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019**

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Transfer from Highway 119 Metropolitan District No. 2	\$ 873,252	\$ 338,698	\$ 1,211,950
Net investment income	8,296	36,476	44,772
Other	20	-	20
Total revenues	<u>881,568</u>	<u>375,174</u>	<u>1,256,742</u>
EXPENDITURES			
Current			
Management	7,564	-	7,564
Legal	19,575	-	19,575
Accounting	9,475	-	9,475
Audit	7,800	-	7,800
Insurance	5,869	-	5,869
Office supplies	1,046	-	1,046
Elections	248	-	248
Repay developer advances - principal	469,366	-	469,366
Repay developer advances - interest	340,990	-	340,990
Capital outlay			
Legal	-	30,489	30,489
Engineering	-	3,588	3,588
Other	-	468	468
Total expenditures	<u>861,933</u>	<u>34,545</u>	<u>896,478</u>
NET CHANGE IN FUND BALANCES	19,635	340,629	360,264
FUND BALANCES - BEGINNING OF YEAR	398,588	1,562,680	1,961,268
FUND BALANCES - END OF YEAR	<u>\$ 418,223</u>	<u>\$ 1,903,309</u>	<u>\$ 2,321,532</u>

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

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ 360,264</u>
Governmental fund report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	<u>34,545</u>
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.	
Interest payments - advances payable	340,990
Change in accrued interest payable	<u>(19,443)</u>
	<u>321,547</u>
Repayment of the principal of bonds payable is an expenditures in the governmental funds, however, the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal payments - advances payable	<u>469,366</u>
Change in net position - Governmental activities	<u><u>\$ 1,185,722</u></u>

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

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2019

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Transfer from Highway 119 Metropolitan District No. 2	\$ 843,468	\$ 874,000	\$ 873,252	\$ (748)
Net investment income	1,000	19,000	8,296	(10,704)
Other income	-	20	20	-
Total Revenues	<u>844,468</u>	<u>893,020</u>	<u>881,568</u>	<u>(11,452)</u>
EXPENDITURES				
Current				
Management	24,000	24,000	7,564	16,436
Legal	60,000	60,000	19,575	40,425
Accounting	10,000	10,000	9,475	525
Audit	7,400	7,400	7,800	(400)
Insurance	10,000	10,000	5,869	4,131
Office expense	5,000	5,000	1,046	3,954
Elections	-	-	248	(248)
Debt Service				
Repay developer advances - principal	-	469,366	469,366	-
Repay developer advances - interest	-	340,990	340,990	-
Contingency and emergency reserves	2,000	2,000	-	2,000
Total Expenditures	<u>118,400</u>	<u>928,756</u>	<u>861,933</u>	<u>66,823</u>
NET CHANGE IN FUND BALANCES	726,068	(35,736)	19,635	55,371
FUND BALANCES - BEGINNING OF YEAR	416,027	398,588	398,588	-
FUND BALANCES - END OF YEAR	<u>\$ 1,142,095</u>	<u>\$ 362,852</u>	<u>\$ 418,223</u>	<u>\$ 55,371</u>

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

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Highway 119 Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act and was created on November 16, 2009. The District's service area is located in Weld County, Colorado. The District was organized along with Highway 119 Metropolitan District No. 2 (District No. 2) and Highway 119 Metropolitan District Nos. 3-10 (District Nos. 3-10) to finance, construct, acquire, and, if required or authorized by an intergovernmental agreement with the Town of Firestone (Town), operate and maintain certain streets, traffic safety controls, street lighting, water, sanitary sewer, landscaping, storm sewers, flood and surface drainage, and park and recreation improvements for certain planned developments as described in the Service Plan. The District, District No. 2 and District Nos. 3-10 are collectively known as the Districts. The District is the operating district which manages and oversees the activities of District No. 2 and District Nos. 3-10. District No. 2 along with District Nos. 3-10 are the taxing districts which are expected to include all of the future area for the planned developments. The Service Plan limits each District to a maximum mill levy of 10 mills for operating and 50 mills for debt, not to exceed 56 mills in total which may be adjusted in the event the method of calculating assessed valuation is changed after 2008. The Districts entered into an Amended and Restated District Administrative Services Agreement on January 25, 2018 which establishes the terms and conditions upon which the general administration and coordination of the Districts' activities will be managed and funded.

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

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.

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

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

District. For the most part, 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 assets and liabilities of the District being 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.

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 transfers from District No. 2. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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.

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

The Capital Projects Fund accounts for the resources accumulated and remitted to the District from District No. 2 under the terms of the Capital Pledge Agreement (Note 8).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Budgets

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

Supplemental appropriations were approved for the General Fund for 2019.

Pooled Cash and Investments

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

Capital Assets

Capital assets, which include water rights and infrastructure are reported in the governmental activities column in the government-wide financial statements. 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 estimated fair market value at the date of donation.

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 capital assets, as applicable. The District anticipates conveying certain capital assets constructed to other entities upon completion.

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Fund Equity

Fund balance for governmental funds are reported in the categories listed below to make the nature and extent of the constraints placed on a government's fund balances more transparent. 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 amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

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/ Balance Sheet – Governmental Funds:

Cash and investments – unrestricted	\$ 410,044
Cash and investments – restricted	<u>1,903,248</u>
Total cash and investments	<u>\$ 2,313,292</u>

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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

Deposits with financial institutions	\$ 207,429
Investments	<u>2,105,863</u>
Total cash and investments	<u><u>\$ 2,313,292</u></u>

Custodial Credit Risk

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 equal to 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 of \$207,429 and a carrying balance of \$207,429.

Credit Risk and Interest Rate Risk

The District has not adopted a formal investment policy however, the District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of Directors.

At December 31, 2019, the District had the following investments:

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 2,105,863</u>

COLOTRUST

At December 31, 2019, the District has invested in the Colorado Local Government Liquid Asset Trust (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 repurchase agreement collateralized by certain obligations of the U.S. government agencies. COLOTRUST is rated AAAM by Standard and Poor's.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

However, the investments held by the District are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments such as COLOTRUST.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Restricted Cash and Investments

Cash and investments in the amount of \$1,903,248 are reflected as restricted as the funds are required to be used in accordance with the Capital Pledge Agreement (Note 8).

NOTE 4 – CAPITAL ASSETS

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

	<u>Balance at January 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2019</u>
Capital assets, not being depreciated:				
Construction in process	\$ 541,210	\$ 34,545	\$ -	\$ 575,755
Total capital assets, not being depreciated	<u>\$ 541,210</u>	<u>\$ 34,545</u>	<u>\$ -</u>	<u>\$ 575,755</u>

With the exception of the District Park as discussed in the service plan, street landscaping and a non-potable water system, which may be owned, operated and maintained by the District, all public improvements and facilities financed, constructed, installed or acquired by the Districts, are to be dedicated and conveyed to the Town of Firestone or its designee.

NOTE 5 – 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.

	<u>Balance at January 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2019</u>	<u>Due Within One Year</u>
<u>Developer Advances</u>					
Principal	\$ 469,366	\$ -	\$ 469,366	\$ -	\$ -
Accrued interest	321,547	19,443	340,990	-	-
	<u>\$ 790,913</u>	<u>\$ 19,443</u>	<u>\$ 810,356</u>	<u>\$ -</u>	<u>\$ -</u>

Developer Advances

Assignment of Reimbursement Rights to Highway 119 Holdings, LLC

The District entered into an Assignment of Reimbursement Rights to Highway 119 Holdings, LLC with an effective date of March 12, 2018. CDF and CDF LLC advanced certain funds on behalf of the District (see Funding and Reimbursement Agreement –

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Church Development Fund and Funding and Reimbursement Agreement – CDF Holdings, LLC above). CDF together with CDF LLC assign any and all rights they have to the reimbursement of advances funds by the District to Highway 119 Holdings, LLC which accepts the assignment.

Funding and Reimbursement Agreement – Highway 119 Holdings, LLC

On March 24, 2010, the District entered into a Funding and Reimbursement Agreement with Highway 119 Holdings, LLC (Highway 119) as amended on November 2, 2010 (First Amendment), on November 30, 2011 (Second Amendment), on December 5, 2012 (Third Amendment), on December 3, 2013 (Fourth Amendment), on December 2, 2014 (Fifth Amendment), on December 1, 2015 (Sixth Amendment), on March 31, 2016 (Seventh Amendment) on January 1, 2017 (Eighth Amendment) and on January 25, 2018 (Ninth Amendment). Highway 119 has expended funds on behalf of the Districts, has advanced certain funds to the District and is willing to loan additional funds to the District for capital costs and operations and maintenance costs not to exceed the aggregate of amount of \$200,000. Advances made under this agreement shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of District Nos. 2-6 subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of repayment in full of amounts advanced or forty years from the execution date of the agreement. As of December 31, 2019, the District had paid developer advances in full.

Funding and Reimbursement Agreement – Voyage Ventures, LLC

On August 10, 2012, the District entered into a Funding and Reimbursement Agreement with Voyage Ventures, LLC (Voyage) as amended on December 5, 2012 (First Amendment), on December 3, 2013 (Second Amendment), on December 2, 2014 (Third Amendment), on December 1, 2015 (Fourth Amendment), on January 1, 2017 (Fifth Amendment) and on January 25, 2018 (Sixth Amendment). Voyage has expended funds on behalf of the Districts, has advanced certain funds to the District and is willing to loan additional funds to the District for capital costs and operations and maintenance costs not to exceed the aggregate of amount of \$100,000. Advances made under this agreement prior to the issuance of a reimbursement obligation reflecting such advances shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of District Nos. 2-6 subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of repayment in full of amounts advanced or forty years from the execution date of the agreement. As of December 31, 2019, the District had paid developer advances in full.

Funding and Reimbursement Agreement – Lifebridge Christian Church

The District entered into a Funding and Reimbursement Agreement with Lifebridge Christian Church (Lifebridge) with an effective date on January 1, 2018. Lifebridge has expended funds on behalf of the Districts for capital costs and operations and

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

maintenance costs. Advances made under this agreement prior to the issuance of a reimbursement obligation reflecting such advances shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of District Nos. 2-10 subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of repayment in full of amounts advanced or thirty years from the execution date of the agreement. As of December 31, 2019, the District had paid developer advances in full.

Funding and Reimbursement Agreement – Church Development Fund

The District entered into a Funding and Reimbursement Agreement with Church Development Fund (CDF) with an effective date on January 1, 2018. CDF has expended funds on behalf of the Districts for capital costs and operations and maintenance costs. Advances made under this agreement prior to the issuance of a reimbursement obligation reflecting such advances shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of District Nos. 2-10 subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of repayment in full of amounts advanced or thirty years from the execution date of the agreement. At December 31, 2019, the District had no outstanding developer advances owing to CDF. See Assignment of Reimbursement Rights to Highway 119 Holdings, LLC disclosure above.

Funding and Reimbursement Agreement – CDF Holdings, LLC

The District entered into a Funding and Reimbursement Agreement with CDF Holdings, LLC (CDF LLC) with an effective date on January 1, 2018. CDF LLC has expended funds on behalf of the Districts for capital costs and operations and maintenance costs. Advances made under this agreement prior to the issuance of a reimbursement obligation reflecting such advances shall bear simple interest at a rate of 8% per annum from the date any such advance was made to the District. The District intends to repay any advances made under this agreement from the bond proceeds issued by the District and any revenues made available to the District by any of District Nos. 2-10 subject to annual appropriation. The District's obligation to repay the advances will terminate at the earlier of repayment in full of amounts advanced or thirty years from the execution date of the agreement. At December 31, 2019, the District had no outstanding developer advances owing to CDF LLC. See Assignment of Reimbursement Rights to Highway 119 Holdings, LLC disclosure above.

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Authorized but Unissued Debt

The District has the following authorized but unissued debt at December 31, 2019.

	Authorized November 3, 2009 Election	Authorized November 8, 2016 Election	Remaining at December 31, 2019
Street Improvements	\$ 86,000,000	\$ 115,439,500	\$ 201,439,500
Parks and Recreation	86,000,000	115,439,500	201,439,500
Water	86,000,000	115,439,500	201,439,500
Sanitation/Storm Sewer	86,000,000	115,439,500	201,439,500
Transportation	-	115,439,500	115,439,500
Mosquito control	-	115,439,500	115,439,500
Traffic safety	-	115,439,500	115,439,500
Fire protection	-	115,439,500	115,439,500
TV relay and translation	-	115,439,500	115,439,500
Security services	-	115,439,500	115,439,500
Special assessment debt	-	115,439,500	115,439,500
Operations and Maintenance Debt	86,000,000	115,439,500	201,439,500
Refunding	86,000,000	115,439,500	201,439,500
Private Agreements as Debt	86,000,000	115,439,500	201,439,500
Intergovernmental agreements	-	115,439,500	115,439,500
Mortgage	86,000,000	-	86,000,000
	<u>\$ 688,000,000</u>	<u>\$ 1,731,592,500</u>	<u>\$ 2,419,592,500</u>
District limited to:	<u>\$ 86,000,000</u>	<u>\$ 115,439,500</u>	<u>\$ 201,439,500</u>

The Service Plan limits the Districts' aggregate debt to \$115,439,500.

NOTE 6 - FUND EQUITY

At December 31, 2019, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$4,596 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$26,500 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (Note 10).

The restricted fund balance in the Capital Projects Fund in the amount of \$1,903,309 is restricted for expenditures related to the water tank and associated appurtenances as required by the Capital Pledge Agreement (Note 8).

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 - NET POSITION

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

Net investment in 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, net investment in capital assets was \$575,755.

Restricted net position includes items 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 of \$26,500 for Emergency Reserves (Note 10) and \$1,903,309 restricted for capital (Note 8 – Capital Pledge Agreement) as of December 31, 2019.

NOTE 8 – AGREEMENTS

Intergovernmental Agreement with the Town of Firestone

On March 24, 2010, the District Nos. 1-6 entered into an Intergovernmental Agreement (Town IGA) with the Town of Firestone (the Town) which was amended and replaced in its entirety with the Intergovernmental Agreement with the Town and the Highway 119 Metropolitan District Nos. 1-10 dated October 10, 2017. The Town IGA acknowledges that the property within the Districts' boundaries are subject to all ordinances, rules and regulations of the Town including without limitation, ordinances, rules and regulations relating to zoning, subdividing, building and land use, and to all related Town land use policies, master plans, related plans and intergovernmental agreements.

The Town's approval of the Districts' Amended and Restated Consolidated Service Plan dated September 13, 2017 is expressly conditioned upon the requirement that District No. 1 construct Regional Improvements (as defined in the service plan) benefiting the Town's and the Districts' residents and taxpayers and located within or outside of the developments, the cost of which equals or exceeds 7.8% of the Districts' aggregate net bond proceeds of all general obligation and revenue bonds issued by the Districts, with certain exclusions as defined in the Town IGA and service plan. The Districts are to contribute a maximum of \$7,500,000.

Capital Pledge Agreement for Water Tank Improvements

On December 10, 2015, the District entered into a Capital Pledge Agreement for Water Tank Improvements (Capital Pledge Agreement) with District No. 2. The Capital Pledge Agreement requires District No. 2 to levy an ad valorem property tax mill levy in an amount not to exceed 46.000 mills (Required Mill Levy) to pay for the design, acquisition, installation, repair, replacement and/or construction of a water tank and associated appurtenances. District No. 2's total obligation under the Capital Pledge Agreement is not to exceed \$2,500,000. District No. 2 is to remit the net taxes to the District as soon as reasonably practicable upon receipt, but in no event later than 10

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

business days after receipt, all revenue comprising property tax revenue. During 2019, District No. 2 remitted \$338,698 to the District for a cumulative amount transferred of \$2,492,330.

Amended and Restated Cooperation Agreement - Firestone Urban Renewal Authority

Highway 119 Metropolitan District Nos. 1-10 entered into the Amended and Restated Cooperation Agreement Among the Firestone Urban Renewal Authority (FURA) on February 7, 2018 which replaces the Cooperation Agreement dated July 1, 2013 between FURA and District No. 1 and the District, in its entirety.

On June 12, 2013, the Town of Firestone approved an Urban Renewal Plan for the Northern Firestone Urban Renewal Area (NFURA), which includes parcels within the Districts, and allows the Town to utilize tax increment financing (TIF Financing) as contemplated by C.R.S. Section 31-25-107(9)(a), for the purposes authorized by the Urban Renewal Law. TIF Financing provides that taxes, if any, levied upon taxable property in the Northern Firestone Urban Renewal Area each year shall be divided for a period not to exceed 25 years from the effective date and that a portion of said property tax revenues shall be allocated to and paid into a special fund of FURA to pay the principal of, interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by FURA.

The Amended and Restated Cooperation Agreement provides for FURA to pay to the Districts all of the property tax revenues received by FURA (NFURA taxes) as a result of the property tax mill levy imposed by the Districts upon taxable property within the Urban Renewal Area for a period of 25 years. It is the intention of the Districts and FURA that the Districts use the NFURA taxes for the costs and expenses of financing infrastructure and providing services as outlined in the Districts' Consolidated Service Plan.

During 2019, the Highway 119 Metropolitan District No. 2 received \$205,181 in taxes under the Amended and Restated Cooperation Agreement.

NOTE 9 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S. 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) as of December 31, 2019. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery 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. In the event that aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 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 3, 2009, the majority of the District's voters approved the following ballot questions:

Ballot Issue A: Shall Highway 119 Metropolitan District No. 1 taxes be increased \$1,000,000 annually, commencing in 2010, or by such greater or lesser annual amount as may be derived from an ad valorem mill levy not in excess of 50.000 mills annually (provided that such maximum mill levy shall be adjusted up or down to account for changes in law or the method by which assessed valuation is calculated occurring after 2010, 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), the revenues therefrom to be used for the purpose of paying the District's operations, maintenance, and other expenses; and shall the proceeds of such taxes and investment income thereon be collected and spent by the District as a voter-approved revenue change in 2010 and in each year thereafter, without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, or Section 29-1-301, Colorado Revised Statutes, and without limiting in any year the amount of other revenues that may be collected and spent by the District?

Ballot Issue B – Shall Highway 119 Metropolitan District No. 1 be authorized to collect, retain, and spend any and all amounts annually from any revenue sources whatsoever other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, inspection charges, administrative charges, grants, or any other fee rate, toll, penalty, income, or charge imposed, collected, or authorized by law to be imposed or collected by the District, and shall such revenue be collected and spent by the District as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected and spent by the District?

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Ballot Issue C - Shall Highway 119 Metropolitan District No. 1 taxes be increased \$10,000,000 annually or such lesser amount as necessary for the payment of such amounts due pursuant to one or more agreements or contracts with private parties, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, for the payment of such amounts due, and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2010 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue D - Shall Highway 119 Metropolitan District No. 1 taxes be increased \$10,000,000 annually or such lesser amount as necessary for the payment of such amounts due pursuant to one or more intergovernmental agreements or other contracts, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, for the payment of such amounts due, and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2010 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

On November 6, 2016, the majority of the District's voters approved the following ballot questions:

Ballot Issue 5A - Shall Highway 119 Metropolitan District No. 1 taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser annual amount as necessary to pay the District's administration, covenant enforcement, design review, operations, maintenance and other similar expenses by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, to pay such expenses and shall the revenue from such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Ballot Issue 5B - Shall Highway 119 Metropolitan District No. 1 taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser annual amount as necessary to pay for capital costs of public improvements, through property taxes levied in any year, without limitation as to rate or amount or any other condition, to pay such expenses and shall the revenue from such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue 5C - Shall Highway 119 Metropolitan District No. 1 taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser annual amount as necessary to pay the District's administration, covenant enforcement, design review, operations, and maintenance expenses, and for the purpose of paying the costs of any public improvements, facilities, systems, programs, or projects which the District may lawfully provide, by the imposition of a fee or fees imposed, without limitation as to rate or amount or any other condition, to pay such expenses and shall the revenue from such fees and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue 5D - Shall Highway 119 Metropolitan District No. 1 taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser annual amount as necessary to pay for the payment of amounts due under one or more intergovernmental agreements or other contracts, or for payment of regional improvements for which the District is authorized or obligated pursuant to its service plan, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, for the purpose of paying the District's obligations under any one or more of such intergovernmental agreements or other contracts, or to pay the cost of regional improvements, and shall the revenue from such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue 5E - Shall Highway 119 Metropolitan District No. 1 taxes be increased \$10,000,000 annually (such tax increase to be authorized notwithstanding any provision of Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing property tax cuts) or such lesser amount as necessary for the payment of such amounts due pursuant to one or more agreements or contracts with private parties, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition for the payment of such amounts due, and shall the proceeds and any investment income thereon be collected, retained and spent by the District in fiscal year 2017 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S., in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Ballot Issue 5F - Shall Highway 119 Metropolitan District No. 1 be authorized to collect, retain and spend any and all amounts annually from any revenue sources whatsoever, including but not limited to taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, gifts, grants, or any other fee, rate, toll, penalty, income, or charge authorized by law or contract to be imposed, collected or received by the District in fiscal year 2016 and in each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the District without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution, including any future amendments to Article X, Section 20 of the Colorado Constitution imposing tax cuts, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any subsequent year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District.

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.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Transfer from Highway 119 Metropolitan District No. 2	\$ 349,235	\$ 338,698	\$ (10,537)
Net investment income	2,000	36,476	34,476
Total Revenues	<u>351,235</u>	<u>375,174</u>	<u>23,939</u>
EXPENDITURES			
Capital outlay:			
Legal	-	30,489	(30,489)
Engineering	-	3,588	(3,588)
Other	-	468	(468)
Contingency	1,888,761	-	1,888,761
Total Expenditures	<u>1,888,761</u>	<u>34,545</u>	<u>1,854,216</u>
NET CHANGE IN FUND BALANCES	(1,537,526)	340,629	1,878,155
FUND BALANCE - BEGINNING OF YEAR	<u>1,537,526</u>	<u>1,562,680</u>	<u>25,154</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 1,903,309</u>	<u>\$ 1,903,309</u>