

**DIATC METROPOLITAN DISTRICT  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**DIATC METROPOLITAN DISTRICT  
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## **Independent Auditor's Report**

Board of Directors  
DIATC Metropolitan District  
Adams County, Colorado

### **Report for the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of DIATC Metropolitan District (District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of DIATC Metropolitan District, as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that governmental 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 the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 continuing disclosure information listed in the table of contents has 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 it.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
September 28, 2021

## **BASIC FINANCIAL STATEMENTS**

**DIATC METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 89,467
Cash and Investments - Restricted	4,874,852
Receivable - County Treasurer	5,937
Property Taxes Receivable	1,325,195
Prepaid Expenses	3,532
Due from Nexus North at DIA MD	925,688
Capital Assets, Not Being Depreciated	14,412,122
Total Assets	21,636,793
<b>LIABILITIES</b>	
Accounts Payable	9,292
Accrued Interest Payable	82,308
Noncurrent Liabilities:	
Due in More Than One Year	22,065,253
Total Liabilities	22,156,853
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenues	1,325,195
Total Deferred Inflows of Resources	1,325,195
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	5,600
Debt Service	510,547
Capital Projects	71,345
Unrestricted	(2,432,747)
Total Net Position	\$ (1,845,255)

See accompanying Notes to Basic Financial Statements.

**DIATC METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) 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:					
Governmental Activities:					
General Government	\$ 106,434	\$ -	\$ -	\$ 925,688	\$ 819,254
Interest and Related Costs on Long-Term Debt	1,045,375	-	-	-	(1,045,375)
Total Governmental Activities	\$ 1,151,809	\$ -	\$ -	\$ 925,688	(226,121)
 <b>GENERAL REVENUES</b>					
Property Taxes					1,084,571
Specific Ownership Taxes					79,594
Interest Income					36,133
Other Income					494
Construction Lease Revenue					33,565
Total General Revenues					1,234,357
 <b>CHANGE IN NET POSITION</b>					1,008,236
Net Position - Beginning of Year					(2,853,491)
 <b>NET POSITION - END OF YEAR</b>					\$ (1,845,255)

See accompanying Notes to Basic Financial Statements.

**DIATC METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Fund
<b>ASSETS</b>				
Cash and Investments	\$ 89,467	\$ -	\$ -	\$ 89,467
Cash and Investments - Restricted	5,600	2,208,442	2,660,810	4,874,852
Receivable - County Treasurer	774	5,163	-	5,937
Property Taxes Receivable	172,852	1,152,343	-	1,325,195
Prepaid Expenses	3,532	-	-	3,532
Due from Nexus North at DIA MD	-	-	925,688	925,688
Due from Other Funds	5,162	-	-	5,162
Total Assets	<u>\$ 277,387</u>	<u>\$ 3,365,948</u>	<u>\$ 3,586,498</u>	<u>\$ 7,229,833</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,292	\$ -	\$ -	\$ 9,292
Due to other Funds	-	-	5,162	5,162
Total Liabilities	<u>9,292</u>	<u>-</u>	<u>5,162</u>	<u>14,454</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Taxes	172,852	1,152,343	-	1,325,195
Deferred Intergovernmental Revenue - Nexus North at DIA MD	-	-	925,688	925,688
Total Deferred Inflows of Resources	<u>172,852</u>	<u>1,152,343</u>	<u>925,688</u>	<u>2,250,883</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expense	3,532	-	-	3,532
Restricted for:				
Emergency Reserves	5,600	-	-	5,600
Debt Service	-	2,213,605	-	2,213,605
Capital Projects	-	-	2,655,648	2,655,648
Assigned:				
For Subsequent Year's Expenditures	648	-	-	648
Unassigned	85,463	-	-	85,463
Total Fund Balances	<u>95,243</u>	<u>2,213,605</u>	<u>2,655,648</u>	<u>4,964,496</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 277,387</u>	<u>\$ 3,365,948</u>	<u>\$ 3,586,498</u>	

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

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

Capital Assets, Not Being Depreciated

14,412,122

Revenue deferred in the funds because it is not available to pay current period expenditures is earned in the government-wide statements.

Deferred Intergovernmental Revenue - Nexus North at DIA MD

925,688

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

Bonds Payable

(20,580,000)

Bonds Premium

(1,242,187)

Accrued Interest on Bonds Payable

(82,308)

Developer Advance Payable

(169,767)

Accrued Interest on Developer Advance

(73,299)

Net Position of Governmental Activities

\$ (1,845,255)

See accompanying Notes to Basic Financial Statements.

**DIATC METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Fund
<b>REVENUES</b>				
Property Taxes	\$ 141,466	\$ 943,105	\$ -	\$ 1,084,571
Specific Ownership Taxes	10,379	69,215	-	79,594
Interest Income	280	11,541	24,312	36,133
Other Income	494	-	-	494
Construction Lease Revenue	33,565	-	-	33,565
Total Revenues	<u>186,184</u>	<u>1,023,861</u>	<u>24,312</u>	<u>1,234,357</u>
<b>EXPENDITURES</b>				
General				
Accounting	22,688	-	-	22,688
Audit	4,500	-	-	4,500
County Treasurer's Fees	2,124	14,168	-	16,292
Insurance and Dues	2,683	-	-	2,683
Election	1,655	-	-	1,655
Legal	38,357	-	-	38,357
Miscellaneous	97	-	-	97
Operations and Maintenance	16,862	-	-	16,862
Debt Service				
Paying Agent Fees	-	4,000	-	4,000
Bond Interest - Series 2019	-	987,700	-	987,700
Repay Developer Advance - Principal and Interest	-	-	4,440,715	4,440,715
Capital Projects				
Engineering - Costs Verification	-	-	13,468	13,468
Public Improvements	-	-	5,956,862	5,956,862
Appraisal and Valuation	-	-	4,000	4,000
Total Expenditures	<u>88,966</u>	<u>1,005,868</u>	<u>10,415,045</u>	<u>11,509,879</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	97,218	17,993	(10,390,733)	(10,275,522)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	3,019	-	3,972,909	3,975,928
Total Other Financing Sources (Uses)	<u>3,019</u>	<u>-</u>	<u>3,972,909</u>	<u>3,975,928</u>
<b>NET CHANGE IN FUND BALANCES</b>	100,237	17,993	(6,417,824)	(6,299,594)
Fund Balances (Deficits) - Beginning of Year	<u>(4,994)</u>	<u>2,195,612</u>	<u>9,073,472</u>	<u>11,264,090</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 95,243</u>	<u>\$ 2,213,605</u>	<u>\$ 2,655,648</u>	<u>\$ 4,964,496</u>

See accompanying Notes to Basic Financial Statements.

**DIATC METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds		\$ (6,299,594)
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Changes in Deferred Revenue - Nexus North at DIA MD		925,688
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation/amortization expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay - Current Year		5,956,862
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The issuance of long-term debt (e.g., Loans, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Developer Advance - Principal - Operations		(3,019)
Developer Advance - Principal - Capital		(3,972,909)
Repayment of Developer Advance - Principal - Capital		4,318,275

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.

Amortization of Bond Premium	\$ 60,830		
Accrued Interest on Developer Advance - Change in Liability	22,103	82,933	

Change in Net Position of Governmental Activities		\$ 1,008,236
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**DIATC METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 141,466	\$ 141,466	\$ -
Specific Ownership Taxes	11,317	10,379	(938)
Interest Income	500	280	(220)
Other Income	-	494	494
Construction Lease Revenue	-	33,565	33,565
Total Revenues	<u>153,283</u>	<u>186,184</u>	<u>32,901</u>
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	20,000	22,688	(2,688)
Audit	4,500	4,500	-
County Treasurer's Fees	2,122	2,124	(2)
Insurance and Dues	3,500	2,683	817
Legal	26,000	38,357	(12,357)
Miscellaneous	1,500	97	1,403
Election	1,000	1,655	(655)
Contingency	3,969	-	3,969
Operations and Maintenance			
Street A & B ( @ 7 Eleven)	15,000	2,263	12,737
F9 Detention Pond	10,000	10,433	(433)
F10 Detention Pond	10,000	-	10,000
F11 Detention Pond	5,000	-	5,000
F6 Trail	2,500	-	2,500
81St Ave Entry	5,000	-	5,000
83Rd Ave Entry	5,000	-	5,000
Trash Clean Up	5,000	-	5,000
Weed Control/Spraying	7,000	-	7,000
Snow Plowing	17,000	-	17,000
Mowing - Perimeter Areas	5,000	756	4,244
Repairs and Maintenance	-	3,410	(3,410)
Miscellaneous Maintenance	10,909	-	10,909
Total Expenditures	<u>160,000</u>	<u>88,966</u>	<u>71,034</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,717)</b>	<b>97,218</b>	<b>103,935</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	9,717	3,019	(6,698)
Total Other Financing Sources (Uses)	<u>9,717</u>	<u>3,019</u>	<u>(6,698)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>3,000</b>	<b>100,237</b>	<b>97,237</b>
Fund Balance (Deficit) - Beginning of Year	<u>1,600</u>	<u>(4,994)</u>	<u>(6,594)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 4,600</u></u>	<u><u>\$ 95,243</u></u>	<u><u>\$ 90,643</u></u>

See accompanying Notes to Basic Financial Statements.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

DIATC 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 in and for Adams County, Colorado on June 7, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Service Plan of the District was approved by the City Council of the City of Commerce City, Colorado on December 19, 2011.

At a special election of the eligible electors of the District on May 8, 2012, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the acquisition, construction, installation, and completion of certain streets, parks and recreation, water, sanitation, transportation, mosquito control, safety protection, fire protection, and television relay and translation improvements.

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 intergovernmental revenues.

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

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

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

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

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Budgets**

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

**Pooled Cash and Investments**

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

**Property Taxes**

Property taxes are levied by the District's board of directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**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 two items that qualify for reporting in this category. Accordingly, the items, *deferred property tax revenue and deferred intergovernmental revenue*, are deferred and recognized as inflows of resources in the period that the amounts become available.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**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.

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.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 89,467
Cash and Investments - Restricted	<u>4,874,852</u>
Total Cash and Investments	<u><u>\$ 4,964,319</u></u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 16,906
Investments	<u>4,947,413</u>
Total Cash and Investments	<u><u>\$ 4,964,319</u></u>

**Cash Deposits**

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, 2020, the District's cash deposits had a bank balance of \$21,094 and a carrying balance of \$16,906.

**Investments**

The District has adopted an investment policy by which it follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Investments (Continued)**

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

- . Obligations of the United States, certain U.S. government agency securities of the World Bank
- . Certain international agency securities
- . 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 collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 4,947,413

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2020 are as follows:

	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020
Capital Assets, Not Being Depreciated:				
Water Credits	\$ 248,500	\$ -	\$ -	\$ 248,500
Land	39,797	1,983,953	-	2,023,750
Construction in Progress	8,166,963	3,972,909	-	12,139,872
Total Capital Assets, Not Being Depreciated	<u>\$ 8,455,260</u>	<u>\$ 5,956,862</u>	<u>\$ -</u>	<u>\$ 14,412,122</u>

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020	Due Within One Year
Bonds Payable					
Series 2019 GO Bonds	\$ 20,580,000	\$ -	\$ -	\$ 20,580,000	\$ -
Series 2019 Bond Premium	1,303,017	-	60,830	1,242,187	-
Subtotal of Bonds Payable	<u>21,883,017</u>	<u>-</u>	<u>60,830</u>	<u>21,822,187</u>	<u>-</u>
Other Debts					
Developer Advances:					
Operating	166,748	3,019	-	169,767	-
Capital	345,366	3,972,909	4,318,275	-	-
Accrued Interest on Developer Advances:					
Operating	54,775	13,465	-	68,240	-
Organizational	5,059	-	-	5,059	-
Capital	35,568	86,872	122,440	-	-
Subtotal of Other Debts	<u>607,516</u>	<u>4,076,265</u>	<u>4,440,715</u>	<u>243,066</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 22,490,533</u>	<u>\$ 4,076,265</u>	<u>\$ 4,501,545</u>	<u>\$ 22,065,253</u>	<u>\$ -</u>

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$20,580,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2019**

The District issued the 2019 Bonds on September 12, 2019, in the par amount of \$20,580,000. Proceeds from the sale of the 2019 Bonds were applied to: (i) pay, or reimburse the Developer for, the costs associated with the acquisition, construction, or installation of a portion of public improvements; (ii) refund the outstanding principal of and accrued interest due on a loan that the District entered into in order to finance and refinance certain public improvements in the District (the 2018 Loan), and pay the required prepayment fee in connection therewith; (iii) fund capitalized interest; (iv) fund the Reserve Fund in the amount of the Required Reserve; and (v) pay costs in connection with the issuance of the 2019 Bonds and the refunding of the 2018 Loan.

The 2019 Bonds bear interest at rates ranging from 3.25% to 5.00% and are payable semiannually on June 1 and December 1, commencing December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The final maturity of the 2019 Bonds is December 1, 2049. To the extent principal of any 2019 Bond is not paid when due, such principal will remain outstanding until paid and continue to bear interest at the rate borne by the 2019 Bond. To the extent interest is not paid when due, such interest shall compound semiannually on each June 1 and December 1.

The 2019 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 2019 Bonds are secured by and payable solely from Pledged Revenue, net of any costs of collection, which is defined generally as: (i) the Required Mill Levy; (ii) the Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$20,580,000 General Obligation Limited Tax Refunding and Improvement Bonds,  
Series 2019 (Continued)**

The District has covenanted to impose a Required Mill Levy in an amount sufficient, when combined with other legally available moneys in the Bond Fund and the Surplus Fund, to pay the principal of, premium if any, and interest on the 2019 Bonds when due and to fund the Reserve Fund up to the Required Reserve, but (i) not in excess of 50 mills, and (ii) at any time the Surplus Fund is less than the Maximum Surplus Amount, not less than 35 mills, or such lesser mill levy which, when combined with other legally available moneys then in the Bond Fund, will permit the District to pay the 2019 Bonds when due, to fund the Reserve Fund up to the Required Reserve, and to fund the Surplus Fund up to the Maximum Surplus Amount.

The 2019 Bonds are also secured by capitalized interest which was funded from proceeds of the 2019 Bonds in the amount of \$710,595; the Reserve Fund, which was funded in the amount of the Required Reserve of \$1,620,750 from proceeds of the 2019 Bonds; and by amounts on deposit in the Surplus Fund, if any, which was not funded as of the date of issuance of the 2019 Bonds.

Subject to the receipt of sufficient Pledged Revenue, the Reserve Fund is to be maintained in the amount of the Required Reserve for so long as any 2019 Bond is outstanding. If at any time the Reserve Fund is drawn upon or valued so that the amount of the Reserve Fund is less than the Required Reserve, the District is to deposit to the Reserve Fund amounts sufficient to bring the amount credited to the Reserve Fund to the Required Reserve. The balance in the Reserve Fund as of December 31, 2020, was \$1,620,960.

The Surplus Fund will be funded from deposits of annual Pledged Revenue in excess of that needed to pay annual debt service, if any, up to the Maximum Surplus Amount of \$2,058,000. Except to the extent Pledged Revenue is available, the District has no obligation to fund the Surplus Fund in any amount. The balance in the Surplus Fund as of December 31, 2020, was \$580,939.

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 987,700	\$ 987,700
2022	-	987,700	987,700
2023	265,000	987,700	1,252,700
2024	295,000	979,087	1,274,087
2025	305,000	969,500	1,274,500
2026-2030	1,940,000	4,679,964	6,619,964
2031-2035	2,755,000	4,189,000	6,944,000
2036-2040	3,920,000	3,389,250	7,309,250
2041-2045	5,410,000	2,267,750	7,677,750
2046-2049	5,690,000	731,750	6,421,750
Total	<u>\$ 20,580,000</u>	<u>\$ 20,169,401</u>	<u>\$ 40,749,401</u>

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized May 8, 2012 Election	Authorization Used 2013	Authorization Used 2018	Authorization Used 2019	Remaining at December 31, 2020
Streets	\$ 40,500,000	\$ 1,058,333	\$ 2,176,345	\$ 6,587,131	\$ 30,678,191
Water	40,500,000	758,334	1,784,276	2,038,985	35,918,405.00
Sewer	40,500,000	-	4,303,038	2,348,602	33,848,360.00
Parks and Recreation	40,500,000	683,333	21,485	982,262	38,812,920.00
Public Transportation	40,500,000	-	-	-	40,500,000.00
Mosquito Control	40,500,000	-	-	-	40,500,000.00
Fire Protection	40,500,000	-	42,701	-	40,457,299.00
Television Relay	40,500,000	-	-	-	40,500,000.00
Traffic Safety	40,500,000	-	168,518	-	40,331,482.00
IGA	40,500,000	-	-	-	40,500,000.00
O&M	40,500,000	-	-	-	40,500,000.00
Refunding	40,500,000	-	-	8,623,020	31,876,980.00
Total	<u>\$ 486,000,000</u>	<u>\$ 2,500,000</u>	<u>\$ 8,496,363</u>	<u>\$ 20,580,000</u>	<u>\$ 454,423,637</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$40,500,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

**Facilities Funding and Acquisition Agreement**

The District and DIATC, LLC (Original Developer) entered into a Facilities Funding and Acquisition Agreement (Original FFAA) on June 27, 2012. The Original FFAA was terminated pursuant to that certain Termination of Facilities Funding and Operation Funding Agreements (Termination Agreement) dated January 27, 2016 (effective December 31, 2015). Concurrently with the Termination Agreement, the District entered into a Facilities Funding Acquisition Agreement (FFAA) with DIA Tech Center, LLC (the Developer) on January 27, 2016 (effective December 31, 2015). Pursuant to the Termination Agreement, the Developer is entitled to reimbursement from the District for any advances made by the Original Developer under the Original FFAA.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Facilities Funding and Acquisition Agreement (Continued)**

Pursuant to the FFAA, the District and the Developer acknowledge that the District will incur construction related expenses in connection with the construction of certain public improvements in reliance upon the Developer's commitment to provide funding. In addition, the Developer has or will design, construct and complete certain improvements for District acquisition upon completion. To the extent that the public improvements are not designed, constructed, and completed by the Developer for the District's acquisition upon completion, the Developer shall advance funds to the District necessary to fund the construction related expenses up to \$20,000,000 including the aggregate amount of verified construction costs incurred by the Developer. In addition, the District shall reimburse the Developer for organization expenses incurred. Simple interest accrues on the organization expenses and construction related expense at a rate of 10% per annum until paid. For organizational expenses, simple interest shall accrue from the organizational date. For construction related expenses, simple interest shall accrue as follows: 1) on each Developer advance, from the date of deposit into the District's account, 2) on verified costs for amounts expenses by the Developer incurred prior to the organization date, from the organization date: 3) on verified costs for amounts expended by the Developer for improvement constructed after the organization date, from the date of verification.

As of December 31, 2020, outstanding advances for capital related costs and accrued interest totaled \$0, and outstanding accrued interest on organization costs totaled \$5,059.

**Operation Funding Agreements (OFAs)**

The District and the Original Developer entered into various operation funding agreements prior to 2016, including the 2012 Operation Funding Agreement, dated June 27, 2012, the 2013 Operation Funding Agreement, dated November 28, 2012, the 2014 Operation Funding Agreement, dated December 11, 2013, and the 2015 Operation Funding Agreement, dated December 4, 2014, (collectively, the Original OFAs). The Original OFAs were terminated pursuant to the Termination Agreement. The Developer is entitled to reimbursement from the District for all the advances made by the Original Developer under the Original OFAs. Interest for advances made by the Original Developer under the Original OFAs shall accrue at 10% per annum.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Operation Funding Agreements (OFAs) (Continued)**

On January 27, 2016 (effective December 31, 2015), the District and DIA Tech Center, LLC (Developer) entered into the 2016 Operation Funding Agreement (2016 OFA). The 2016 OFA provides for the Developer to advance funds for ongoing operations expenses incurred by the District through December 31, 2016 in an amount not to exceed \$43,000. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. The 2016 OFA expires on December 31, 2056, unless terminated earlier by the mutual agreement of all parties. Any obligations of the Developer to advance funds under the 2016 OFA expired on March 31, 2017. Any obligation of the District to reimburse the Developer expires on December 31, 2055. In the event that the District has not reimbursed the Developer for any Developer Advance made pursuant to the 2016 OFA on or before December 31, 2055, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

On December 1, 2016 (effective January 1, 2017), the District and the Developer entered into the 2017 Operation Funding Agreement (2017 OFA), as amended on December 7, 2017, on December 6, 2018 and on December 4, 2020. The 2017 OFA provides for the Developer to advance funds for ongoing operations expenses incurred by the District for fiscal years 2017 through 2021 in an aggregate amount not to exceed \$75,000 (Shortfall Amount). However, if the District requires additional advances above the shortfall amount, the District may request additional funding in writing. The District agrees to repay any advances received from any funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses, which repayment is subject to annual budget and appropriation. Interest shall accrue at 8% per annum. The 2017 OFA expires on December 31, 2051, unless terminated earlier by the mutual agreement of the Parties. Any obligation of the Developer to advance funds will expire upon advance to the District of amounts sufficient to pay expenses incurred in 2017 through 2021, not to exceed the shortfall amount. Any obligation of the District to reimburse the Developer shall expire on December 31, 2051. In the event the District has not reimbursed the Developer for any Developer advance made pursuant to this agreement on or before December 31, 2051, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

As of December 31, 2020, outstanding advances for operations totaled \$169,767 and accrued interest totaled \$68,240.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 NET POSITION**

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

The 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 a restricted net position as of December 31, 2020, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 5,600
Debt Service	510,547
Capital Projects	71,345
Total Restricted Net Position	\$ 587,492

The District has a deficit in unrestricted net position. This deficit is primarily due to interest paid on debts to date, and operating expenses paid by advances from Developer.

**NOTE 7 AGREEMENTS**

**Intergovernmental Agreement with Commerce City**

On July 17, 2012, the District and Commerce City entered into an Intergovernmental Agreement. In the agreement, the District agrees to dedicate certain public improvements to the City as defined in the District’s Service Plan. The City authorizes the District to provide operations and maintenance of landscape improvements and covenant enforcement services. Under this agreement, the District is not to apply for any Conservation Trust Funds, Great Outdoors Colorado Funds or any other funds available from or through governmental or nonprofit entities that the City is eligible to apply for except pursuant to an intergovernmental agreement with the City. This does not apply to specific ownership taxes.

The District shall not issue debt greater than \$40,500,000 and the maximum mill levy is 50 mills for debt service.

The District shall send an annual report to the City by August 1 of each year which includes any boundary changes, agreements with other governmental entities, list of all facilities and improvements constructed or acquired and those dedicated to the City as of December 31, audit or audit exemption report, notice of continuing disclosure for events of default and any inability of the District to pay its obligations.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement with ECAGID and South Adams County Water and Sanitation District**

On May 20, 2013, the District, the ECAGID and the South Adams County Water & Sanitation District through its enterprise (SACWSD), entered into an IGA in which the District agrees to provide certain water and sanitation improvements with funding from the ECAGID. The ECAGID will be the owner of the improvements until the loan is repaid by the District. At that time the ECAGID will transfer ownership to the SACWSD. There was no activity related to this agreement in 2020.

**84<sup>th</sup> Avenue Cost Sharing and Reimbursement Intergovernmental Agreement**

The Developer financed the construction of 84<sup>th</sup> Avenue, which costs of construction, totaling \$1,839,682, were certified by an independent engineer and accepted by the District. 84<sup>th</sup> Avenue benefits the District and Nexus North at DIA Metropolitan District (Nexus North). On November 3, 2020, the District and Nexus North entered into an intergovernmental agreement (“IGA”) agreeing to equally split the construction costs of 84<sup>th</sup> Avenue. The IGA also provides that simple interest of 4% per annum shall accrue on the Nexus North’s share from the date of the IGA until paid. Following Nexus North’s bond issuance on April 1, 2021, the District received Nexus North’s share in the amount of \$934,861.45, representing Nexus North’s share of \$919,841.57 plus accrued interest. The IGA was terminated upon receipt by the District of Nexus North’s share. As of December 31, 2020, the District recorded the amount due from Nexus North, with a corresponding deferred revenue.

**NOTE 8 RELATED PARTIES**

The property within the District is being developed by the Developer. During 2020, all of the members of the board of directors were officers or employees of, or otherwise associated with the Developer, and may have conflicts of interest in matters involving the District. The District has entered into various funding agreements with the Developer as discussed in Note 5.

**NOTE 9 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 (the 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.

**DIATC METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

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

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On May 8, 2012, the District's voters passed an election question to increase property taxes \$1,000,000, annually, without limitation of rate, to pay the District's operational and maintenance costs. Additionally, the District's electors also authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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.

## **SUPPLEMENTARY INFORMATION**

**DIATC METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 943,105	\$ 943,105	\$ -
Specific Ownership Taxes	75,500	69,215	(6,285)
Interest Income	25,000	11,541	(13,459)
Total Revenues	<u>1,043,605</u>	<u>1,023,861</u>	<u>(19,744)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	14,147	14,168	(21)
Paying Agent Fees	4,000	4,000	-
Bond Interest - Series 2019	987,700	987,700	-
Contingency	9,153	-	9,153
Total Expenditures	<u>1,015,000</u>	<u>1,005,868</u>	<u>9,132</u>
<b>NET CHANGE IN FUND BALANCE</b>	28,605	17,993	(10,612)
Fund Balance - Beginning of Year	<u>2,191,339</u>	<u>2,195,612</u>	<u>4,273</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>2,219,944</u></u>	<u><u>2,213,605</u></u>	<u><u>(6,339)</u></u>

**DIATC METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ 40,000	\$ 24,312	\$ (15,688)
Total Revenues	<u>40,000</u>	<u>24,312</u>	<u>(15,688)</u>
<b>EXPENDITURES</b>			
Engineering - Costs Verification	30,000	13,468	16,532
Pubic Improvements	9,772,376	5,956,862	3,815,514
Repay Developer Advance - Principal and Interest	9,772,376	4,440,715	5,331,661
Appraisal and Valuation	-	4,000	(4,000)
Total Expenditures	<u>19,574,752</u>	<u>10,415,045</u>	<u>9,159,707</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(19,534,752)	(10,390,733)	9,144,019
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	<u>9,772,376</u>	<u>3,972,909</u>	<u>(5,799,467)</u>
Total Other Financing Sources (Uses)	<u>9,772,376</u>	<u>3,972,909</u>	<u>(5,799,467)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(9,762,376)	(6,417,824)	3,344,552
Fund Balance - Beginning of Year	<u>9,762,376</u>	<u>9,073,472</u>	<u>(688,904)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,655,648</u>	<u>\$ 2,655,648</u>

## **OTHER INFORMATION**

**DIATC METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2020**

\$20,580,000 General Obligation Limited Tax  
Refunding and Improvement Bonds, Series 2019  
Dated September 12, 2019  
Interest rate 3.25%-5.00%  
Principal Due December 1  
Interest Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 987,700	\$ 987,700
2022	-	987,700	987,700
2023	265,000	987,700	1,252,700
2024	295,000	979,087	1,274,087
2025	305,000	969,500	1,274,500
2026	345,000	959,588	1,304,588
2027	355,000	948,375	1,303,375
2028	390,000	936,838	1,326,838
2029	405,000	924,163	1,329,163
2030	445,000	911,000	1,356,000
2031	465,000	888,750	1,353,750
2032	515,000	865,500	1,380,500
2033	545,000	839,750	1,384,750
2034	600,000	812,500	1,412,500
2035	630,000	782,500	1,412,500
2036	690,000	751,000	1,441,000
2037	720,000	716,500	1,436,500
2038	785,000	680,500	1,465,500
2039	825,000	641,250	1,466,250
2040	900,000	600,000	1,500,000
2041	945,000	555,000	1,500,000
2042	1,020,000	507,750	1,527,750
2043	1,075,000	456,750	1,531,750
2044	1,155,000	403,000	1,558,000
2045	1,215,000	345,250	1,560,250
2046	1,305,000	284,500	1,589,500
2047	1,370,000	219,250	1,589,250
2048	1,470,000	150,750	1,620,750
2049	1,545,000	77,250	1,622,250
Total	<u>\$ 20,580,000</u>	<u>\$ 20,169,401</u>	<u>\$ 40,749,401</u>

**DIATC METROPOLITAN DISTRICT  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2016	\$ 599,510	10.000	50.000	\$ 35,971	\$ 35,971	100.00 %
2017	586,550	10.000	50.000	35,194	35,193	100.00
2018	585,610	5.000	50.000	32,209	32,209	100.00
2019	9,906,870	5.000	50.000	544,878	544,878	100.00
2020	18,862,100	7.500	50.000	1,084,571	1,084,571	100.00
Estimated for the Year Ending December 31,						
2021	\$ 23,046,870	7.500	50.000	\$ 1,325,195		

**CONTINUING DISCLOSURE OBLIGATION – ADDITIONAL  
INFORMATION REQUIRED BY GENERAL OBLIGATION LIMITED TAX  
REFUNDING AND IMPROVEMENT BONDS SERIES 2019**

**DIATC METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2020**

Levy/ Collection Year	History of Assessed Valuation and Mill Levies				
	Assessed Valuation		Mill Levies		
	Amount	Percent Change	Debt Service Mill Levy	Operations Mill Levy	Total Levy
2020/2021	\$ 23,046,870	22.19 %	50.000	7.500	57.500
2019/2020	18,862,100	90.39	50.000	7.500	57.500
2018/2019	9,906,870	1591.72	50.000	5.000	55.000
2017/2018	585,610	(0.16)	50.000	5.000	55.000
2016/2017	586,550	(2.16)	50.000	10.000	60.000

Property Tax Collections in the District				
Levy/ Collection Year	Taxes Levied	Current Tax Collection	Collection Rate	
2020/2021	\$ 1,325,195	\$ 1,206,669 (1)	91 %	
2019/2020	1,084,571	1,084,571	100	
2018/2019	544,878	544,878	100	
2017/2018	32,209	32,209	100	
2016/2017	35,194	35,193	100	

Assessed and "Actual" Valuation of Classes of Property in the District			
Property Class	"Actual" Valuation	Total Assessed Valuation (2)	Percentage of Total Assessed Valuation
Vacant Land	\$ 5,204,586	\$ 1,509,330	6.55 %
Commercial	66,318,655	19,232,410	83.45
State Assessed	3,690	1,070	0.00
Personal Property	7,809,034	2,264,620	9.83
Industrial	136,000	39,440	0.17
Total	<u>\$ 79,471,966</u>	<u>\$ 23,046,870</u>	<u>100.00 %</u>

(2) Collections through August 2021

(2) The assessed valuation presented was certified as of December 2020.

**DIATC METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2020**

**Budget Summary and Comparison**  
**General Fund**

	2019 Budget (as amended)	2020 Budget	2020 Actual (unaudited)
<b>REVENUES</b>			
Property Taxes	\$ 49,534	\$ 141,466	\$ 141,466
Specific Ownership Taxes	3,500	11,317	10,379
Interest Income	300	500	280
Other Income	-	-	494
Construction Lease Revenue	-	-	33,565
Total Revenues	<u>53,334</u>	<u>153,283</u>	<u>186,184</u>
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	18,000	20,000	22,688
Audit	4,500	4,500	4,500
County Treasurer's Fees	747	2,122	2,124
Insurance and Dues	3,013	3,500	2,683
Legal	24,000	26,000	38,357
Miscellaneous	1,500	1,500	97
Election	-	1,000	1,655
Repairs and Maintenance	1,885	-	3,410
Contingency	1,355	3,969	-
Operations and Maintenance			
Street A & B ( @ 7 Eleven)	-	15,000	2,263
F9 Detention Pond	-	10,000	10,433
F10 Detention Pond	-	10,000	-
F11 Detention Pond	-	5,000	-
F6 Trail	-	2,500	-
81St Ave Entry	-	5,000	-
83Rd Ave Entry	-	5,000	-
Trash Clean Up	-	5,000	-
Weed Control/Spraying	-	7,000	-
Snow Plowing	-	17,000	-
Mowing - Perimeter Areas	-	5,000	756
Miscellaneous Maintenance	-	10,909	-
Total Expenditures	<u>55,000</u>	<u>160,000</u>	<u>88,966</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,666)</b>	<b>(6,717)</b>	<b>97,218</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	14,276	9,717	3,019
Total Other Financing Sources (Uses)	<u>14,276</u>	<u>9,717</u>	<u>3,019</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>12,610</b>	<b>3,000</b>	<b>100,237</b>
Fund Balance (Deficit) - Beginning of Year	<u>(11,010)</u>	<u>1,600</u>	<u>(4,994)</u>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,600</b>	<b>\$ 4,600</b>	<b>\$ 95,243</b>

**DIATC METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2020**

**Budget Summary and Comparison  
Debt Service Fund**

	<u>2019 Budget (as amended)</u>	<u>2020 Budget</u>	<u>2020 Actual (unaudited)</u>
<b>REVENUES</b>			
Property Taxes	\$ 495,344	\$ 943,105	\$ 943,105
Specific Ownership Taxes	35,300	75,500	69,215
Interest Income	16,000	25,000	11,541
Total Revenues	<u>546,644</u>	<u>1,043,605</u>	<u>1,023,861</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	7,469	14,147	14,168
Paying Agent Fees	2,750	4,000	4,000
Loan Interest - Series 2018 (Draw 1)	83,955	-	-
Loan Interest - Series 2018 (Draw 2)	92,671	-	-
Bond Interest - Series 2019	216,745	987,700	987,700
Non-Use Fees	22,518	-	-
Contingency	165,496	9,153	-
Total Expenditures	<u>591,604</u>	<u>1,015,000</u>	<u>1,005,868</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(44,960)	28,605	17,993
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from Other Funds	10,362,317	-	-
Refunding Payment	(8,908,396)	-	-
Total Other Financing Sources (Uses)	<u>1,453,921</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,408,961	28,605	17,993
Fund Balance - Beginning of Year	<u>716,882</u>	<u>2,191,339</u>	<u>2,195,612</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,125,843</u>	<u>\$ 2,219,944</u>	<u>\$ 2,213,605</u>

**DIATC METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2020**

**Budget Summary and Comparison  
Capital Projects Fund**

	<u>2019 Budget (as amended)</u>	<u>2020 Budget</u>	<u>2020 Actual (unaudited)</u>
<b>REVENUES</b>			
Interest Income	39,000	\$ 40,000	\$ 24,312
Total Revenues	<u>39,000</u>	<u>40,000</u>	<u>24,312</u>
<b>EXPENDITURES</b>			
Bond Issue Costs	628,179	-	-
Public Improvements	2,637,105	9,772,376	5,956,862
Engineer - Cost Verification	30,000	30,000	13,468
Repay Developer Advance - Principal and Interest	2,637,105	9,772,376	4,440,715
Appraisal and Valuation	-	-	4,000
Contingency	6,805,294	-	-
Total Expenditures	<u>12,737,683</u>	<u>19,574,752</u>	<u>10,415,045</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(12,698,683)	(19,534,752)	(10,390,733)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	2,641,105	9,772,376	3,972,909
Transfers to Other Funds	(10,262,317)	-	-
Bond Issuance	20,580,000	-	-
Bond Premium	1,316,366	-	-
Total Other Financing Sources (Uses)	<u>14,275,154</u>	<u>9,772,376</u>	<u>3,972,909</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,576,471	(9,762,376)	(6,417,824)
Fund Balance - Beginning of Year	<u>1,380,611</u>	<u>9,762,376</u>	<u>9,073,472</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,957,082</u>	<u>\$ -</u>	<u>\$ 2,655,648</u>