



THORNTON, COLORADO



FINANCIAL STATEMENTS
As of and for the 12-month period ended
December 31, 2020

Table of Contents

STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES.....	2
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES.....	5
GENERAL FUND	6
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	6
GENERAL FUND EXPENDITURE	7
DETAILS– BUDGET AND ACTUAL.....	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	25
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL.....	26
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL.....	27
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY.....	28
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED.....	29
OTHER SUPPLEMENTARY INFORMATION	30
CHANGE IN TOTAL OVERLAPPING MILL LEVY	31
HISTORICAL DEBT RATIOS	32

INDEPENDENT AUDITOR'S REPORT

July 20, 2021

To the Board of Directors
Mayfield Metropolitan District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Mayfield Metropolitan 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 and relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and the major funds of Mayfield Metropolitan District, as of December 31, 2020 and the respective changes in financial position and the budgetary comparison for the General Fund, Reserve Fund and Debt 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 an opinion on the financial statements that collectively comprise Mayfield Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The Supplementary information, as 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.

B F Boyer CPA PC

Certified Public Accountants
Lakewood, CO

MAYFIELD METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 465,976
Cash and investments – restricted	1,103,381
Accounts receivable – specific ownership taxes	1,834
Accounts receivable - homeowners	3,359
Property taxes receivable	424,800
Prepaid expenses	9,317
Total Assets	2,008,667
LIABILITIES	
Accounts payable and accrued liabilities	101
Accrued interest payable	147,543
Current portion of municipal bonds	-
Municipal bonds	9,912,000
Total Liabilities	10,059,644
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	424,800
NET POSITION	
Non-spendable	9,317
Restricted:	
Emergency reserves	5,500
Debt service	1,097,881
Capital projects	-
Unassigned:	(9,588,475)
Total Net Position	(\$ 8,475,777)

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

MAYFIELD METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended December 31, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General government activities	(\$)	\$ 2,682	\$ -	\$ -	\$
Interest and related costs on long-term debt		-	-	-	
Capital project activities	-	-	-	-	-
	<u>(\$8,991,946)</u>	<u>\$ 2,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(8,989,264)</u>
General Revenues					
					335,097
					22,758
					8,075
					<u>365,930</u>
					<u>(8,623,334)</u>
					<u>147,557</u>
					<u>(\$ 8,475,777)</u>

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

MAYFIELD METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2020

	General	Debt Service	Capital Projects	Total Government Funds
ASSETS				
Cash and investments	\$ 465,976	\$ -	\$ -	\$ 465,976
Cash and investments - Restricted	5,500	1,097,881	-	1,103,381
Accounts receivable – spec ownership taxes	1,834	-	-	1,834
Accounts receivable – homeowners	3,359	-	-	3,359
Property taxes receivable	169,700	255,100	-	424,800
Prepaid expenses	9,317	-	-	9,317
TOTAL ASSETS	\$ 655,686	\$ 1,352,981	\$ -	\$ 2,008,667
LIABILITIES				
Accounts payable and accrued liabilities	101	-	-	101
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	169,700	255,100	-	424,800
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	169,801	255,100	-	424,901
FUND BALANCES				
Non-spendable	9,317	-	-	9,317
Restricted:				
Emergencies (TABOR)	5,500	-	-	5,500
Debt service	-	1,097,881	-	1,097,881
Capital projects	-	-	-	-
Unrestricted	471,068	-	-	471,068
Total Fund Balances	485,885	1,097,881	-	1,583,766
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 655,686	\$ 1,352,981	\$ -	

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

Other long-term assets are not available or otherwise cannot be converted to cash to pay for current expenditures and, therefore, are recorded as expenditures in the funds

Property, structures and equipment, net -

Land -

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 (9,912,000)

Accrued interest payable (147,543)

Net position of governmental activities (\$8,475,777)

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

MAYFIELD METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
12-Month Period Ended December 31, 2020

	General	Debt Service	Capital Projects	Total Government Funds
REVENUES				
Property taxes	\$ 335,097	\$ -	\$ -	\$ 335,097
Specific ownership taxes	22,758	-	-	22,758
Maintenance fees	2,682	-	-	2,682
Net investment income	1,176	6,899	-	8,075
Total revenues	361,713	6,899	-	368,612
EXPENDITURES				
General and administration	8,121	76,580	13,849	98,550
Landscaping maintenance	5,743	-	-	5,743
Other district expenses	3,400	-	-	3,400
Debt service				
Bond interest payments	-	249,576	-	249,576
Bond principal payments	-	-	-	-
Series 2020 Bond issuance costs	-	434,630	-	434,630
Public infrastructure acquisitions	-	-	8,060,232	8,060,232
Total Expenditures	17,264	760,786	8,074,081	8,852,131
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	344,449	(753,887)	(8,074,081)	(8,483,519)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of Series 2020 Bonds	-	9,912,000	-	9,912,000
Fund transfers	(13,849)	(8,060,232)	8,074,081	-
NET CHANGE IN FUND BALANCE	330,600	1,097,881	-	1,428,481
FIND BALANCES – BEGINNING OF YEAR	155,285	-	-	155,285
FUND BALANCES – END OF YEAR	\$ 485,885	\$1,097,881	\$ -	\$ 1,583,766

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

MAYFIELD METROPOLITAN DISTRICT
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**
12-Month Period Ended December 31, 2020

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

Net change in fund balances – Total government funds	\$ 1,428,481
--	--------------

The issuance of long-term debt (e.g., bonds) 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.

Issuance of Series 2020 Bonds	(9,912,000)
-------------------------------	--------------

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.

Write-off of accounts receivable	7,728
----------------------------------	-------

Increase in accrued bond interest payable	(147,543)
---	------------

Changes in net position of governmental activities	(\$ 8,623,334)
---	-----------------------

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

MAYFIELD METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
12-Month Period Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 335,096	\$ 335,097	\$ 1
Specific ownership taxes	26,808	22,758	(4,050)
Maintenance fees	21,600	2,682	(18,918)
Working capital fees	12,500	-	(12,500)
Net investment income	500	1,176	676
Total revenues	396,504	361,713	(34,791)
EXPENDITURES			
General and administration	94,557	8,121	86,436
Land scape maintenance	158,000	5,743	152,257
Other district expenses	42,500	3,400	39,100
Contingency	248,055	-	248,055
Total expenditures	543,112	17,264	525,848
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(146,608)	344,449	491,057
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	(13,849)	(13,849)
Total other financing sources (uses)	-	(13,849)	(13,849)
NET CHANGE IN FUND BALANCE	(146,608)	330,600	477,208
FUND BALANCE – BEGINNING OF YEAR	146,608	155,285	8,677
FUND BALANCE – END OF YEAR	\$ -	\$ 485,885	\$ 485,885

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

**MAYFIELD METROPOLITAN DISTRICT
GENERAL FUND EXPENDITURE
DETAILS– BUDGET AND ACTUAL
12-Month Period Ended December 31, 2020**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
GENERAL AND ADMINISTRATION			
District management and accounting fees	\$ 43,000	\$ 45,905	(\$ 2,905)
Administrative costs	2,000	2,058	(58)
Collection fees – County Treasurer	5,026	5,029	(3)
Board of Directors’ fees	-	1,600	(1,600)
Insurance	9,000	3,604	5,396
Legal fees	25,000	7,589	17,411
Election costs	1,500	15,416	(13,916)
Indirect cost allocation	-	(73,080)	73,080
Contingency	9,031	-	9,031
Total General and Administration	\$ 94,557	\$ 8,121	86,436
LANDSCAPING MAINTENANCE			
Ground maintenance fees	\$ 85,000	\$ -	\$ 85,000
Tree maintenance/replacement	-	-	-
Perimeter fence maintenance	7,000	-	7,000
Monument sign maintenance	5,000	-	5,000
Sprinkler repairs	15,000	-	15,000
Sprinklers – water	25,000	5,743	19,257
Sprinklers – electricity	5,500	-	5,500
Grounds improvements	10,000	-	10,000
Other landscape maintenance services	5,500	-	5,500
Total Landscaping Maintenance	\$ 158,000	\$ 5,743	\$ 152,257
OTHER DISTRICT EXPENSES			
Snow removal	\$ 25,000	\$ -	\$ 25,000
Covenant enforcement services	5,000	3,400	1,600
Holiday decorations	5,000	-	5,000
Park & recreation events	5,000	-	5,000
Vandalism	2,500	-	2,500
Total Other District Expenses	\$ 42,500	\$ 3,400	\$ 39,100

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

MAYFIELD METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
12-Month Period Ended December 31, 2020

NOTE 1 – DEFINITION OF REPORTING ENTITY

Mayfield Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 18, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by City of Thornton (City) in February 2006 and amended with City approval on May 09, 2017. The District's service area is located in Adams County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the design, acquisition, construction and installation of streets, traffic and safety controls, park and recreation, sanitary sewer, storm drainage and other improvements (Public Improvements) within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was also established to (1) maintain various open spaces within the District (not otherwise owned and maintained by the City), (2) maintain perimeter fencing, and (3) provide covenant enforcement and architectural review services.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organizations 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 organizations 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 significant accounting policies of the District are as follows:

Government-wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly

These notes are an integral part of the accompanying financial statements.

benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

Budgets

In accordance with Colorado State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate 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.

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

These notes are an integral part of the accompanying financial statements.

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.

Investments are carried at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

On May 08, 2018, District voters authorized the District to assess property taxes up to \$1 million annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

The Service Plan establishes a Maximum Debt Mill Levy of 50 mills that can be assessed on property owners within the District to fund the District's debt repayment costs. The Maximum Debt Mill Levy may be adjusted for changes in the ratio of taxable valuation to assessed valuation of real property since January 01, 2004. As of January 01, 2004, the ratio was 7.96%. The ratio for 2020 was 7.15%, which caused the Maximum Mill Levy for 2020 to be 55.664.

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.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. In 2020, the District's share of Specific ownership taxes was equal to approximately 6.79% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

Operations Fees

On November 04, 2019, the District adopted a resolution implementing an annual Operations Fee of \$150 on each Developed Lot (defined as a Lot upon which a residential structure has been constructed and for which a certificate of occupancy has been issued by the City). The purpose of the Operations Fee is to fund the general operations of and services provided by the District. The District began assessing the annual Operations Fee effective July 01, 2020.

Beginning in 2021, the District will no longer assess the annual Operations Fee on developed Lots

These notes are an integral part of the accompanying financial statements.

Administrative Fees

On November 04, 2019, the District adopted a resolution implementing an Administrative Fee of \$100 to be assessed on each Lot at the time such Lot is sold or otherwise transferred to a third party. The purpose of the Administrative Fee is to offset certain administrative costs incurred by the District related to the management of property owners' records and accounts with the District. The District began assessing the Administrative Fee effective July 01, 2020.

Beginning in 2021, the District will no longer assess the Administrative Fee on Lots

Collection Costs

Collection costs incurred by the District related to the collection of property taxes includes all costs incurred by the District that enable and support the District's ability to collect property taxes revenue. Generally, such costs include (a) operating and reporting compliance costs that protect the District's right to collect property taxes (e.g. financial statement audit fees, fees paid to professionals to prepare mandatory periodic financial and operational reports to the City and State, etc), (b) professional fees related to applying and monitoring accounting controls over the collection of District revenues, (c) costs related to managing the District's annual property tax assessment process and (d) insurance protecting the District from liability exposure that potentially could arise from performing these activities.

Because the District provided minimal services to District residents in 2020, the District allocated indirect collection costs between its general fund (10% cost allocation) and its debt fund (90% cost allocation). Direct collection costs such as county treasurer collection fees are proportionally allocated to each fund on the basis of each property tax revenue allocable to each fund proportion to total property tax revenue assessed by the District.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2020 are comprised of property taxes due from Adams County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District has assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

These notes are an integral part of the accompanying financial statements.

When purchased or constructed, the District classifies newly acquired property, equipment and structures by functional area. The estimated depreciable lives assigned to each asset class are based on the assumption that such assets are reasonably and regularly maintained and used for their intended purpose.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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: non-spendable, 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:

- **Non-spendable fund balance** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a 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 a 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 a 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 a 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 policy to use the most restrictive classification first.

NOTE 3 – CASH AND INVESTMENTS

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

These notes are an integral part of the accompanying financial statements.

These notes are an integral part of the accompanying financial statements.

Statement of net position:	
Cash and investments – unrestricted	\$ 465,976
Cash and investments – restricted	1,103,381
Total cash and investments	\$ 1,569,357

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

Deposits with financial institutions	\$ 36,504
Investments	1,532,853
Total cash and investments	\$ 1,569,357

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, the District's cash deposits had a bank balance of \$37,013 and a carrying balance of \$36,504.

Investments

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

The District generally limits its concentration of investments to those listed below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to 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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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

- Obligations of the United States, certain U.S. government agency securities, and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation

These notes are an integral part of the accompanying financial statements.

- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2020, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 342,749
ColoTrust Plus Fund	Weighted Average Under 60 Days	1,190,104
		\$ 1,532,853

CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

NOTE 4 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2020:

	Balance at Dec. 31, 2019	Additions	Retirements	Balance at Dec. 31, 2020	Due within one year
Series 2020A G.O. Bonds	\$ -	\$7,135,000	\$ -	\$ 7,135,000	\$ -
Accrued Interest – Series 2020A G.O. Bonds	-	293,366	(249,576)	43,790	-
Series 2020B G.O. Bonds	-	1,244,000	-	1,244,000	-
Accrued Interest – Series 2020B G.O. Bonds	-	73,387	-	73,387	-
Series 2020C Second Sub Bonds	-	1,533,000	-	1,533,000	-
Accrued Interest – Series 2020C Junior Lien Bonds	-	30,366	-	30,366	-

These notes are an integral part of the accompanying financial statements.

Total	\$	-	\$10,309,119	(\$ 249,576)	\$ 10,059,543	\$	-
--------------	-----------	----------	---------------------	---------------------	----------------------	-----------	----------

Details regarding the District's long-term obligations are as follows:

Series 2020A General Obligation Refunding and Improvement Bonds (Senior Bonds)

On April 14, 2020, the District issued \$7,135,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2020A (the Senior Bonds). The stated interest rate on the Senior Bonds is 5.750%, and the Bonds are payable semi-annually on June 1 and December 1, beginning on June 01, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The Senior Bonds mature on December 1, 2050. In the event any amounts due and owing on the Senior Bonds remain outstanding on December 16, 2060, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Senior Bonds were used as follows:

Bond proceeds	\$	7,135,000
Less:		
Capitalized interest costs	(820,525)
Funds restricted for the Senior Reserve Fund	(596,613)
Underwriter's discount	(142,700)
Legal, accounting and other costs of issuance	(205,280)
Net bond proceeds available for funding costs of public improvements within and without the District	\$	5,369,882

The Senior Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which is comprised of the following:

- a) all Senior Property Tax Revenues (generated by the imposition of the Senior Required Mill Levy);
- b) all Senior Specific Ownership Taxes (attributable to the Senior Required Mill Levy);
- c) any other legally available amounts that the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Amounts on deposit in the Senior Reserve Fund and, prior to the Conversion Date, amounts on deposit in the Senior Surplus Fund also secure payment of the Senior Bonds. Available Senior Pledged Revenue, if any, is to be first accumulated in the Senior Reserve Fund up to \$596,613 ("Required Reserve") and second accumulated in the Senior Surplus Fund up to \$713,500 ("Maximum Surplus Amount").

The Senior Bonds are subject to redemption prior to maturity, at the option of the District on June 01, 2025, 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:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
June 01, 2025, to May 31, 2026	3.0%	\$ 214,050
June 01, 2026, to May 31, 2027	2.0%	\$ 142,700
June 01, 2027, to May 31, 2028	1.0%	\$ 71,350

These notes are an integral part of the accompanying financial statements.

June 01, 2028, and thereafter 0.0% \$ -

Outstanding bond principal and interest on the Senior Bonds mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 410,263	\$ 410,263
2022	-	410,263	410,263
2023	5,000	410,263	415,263
2024	60,000	409,975	469,975
2025	65,000	406,525	471,525
2026 to 2030	465,000	1,966,214	2,431,214
2031 to 2035	755,000	1,800,614	2,555,614
2036 to 2040	1,150,000	1,541,576	2,691,576
2041 to 2045	1,665,000	1,154,888	2,819,888
2046 to 2050	2,970,000	599,151	3,569,151
Total	\$ 7,135,000	\$ 9,109,732	\$ 16,244,732

The District's detail debt service schedule for its Senior Bonds is provided on page 26.

Series 2020B Subordinate Limited Tax G.O. Bonds (Subordinate Bonds)

On April 14, 2020, the District issued \$1,244,000 Subordinate General Obligation Limited Tax Bonds, Series 2020B (the Subordinate Bonds). The stated interest rate on the Subordinate Bonds is 8.25% per annum, and the Bonds are payable annually on December 15, beginning December 15, 2020, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event any amounts due and owing on the Subordinate Bonds remain outstanding on December 15, 2060, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The proceeds from the sale of the Subordinate Bonds were used as follows:

Bond proceeds	\$ 1,244,000
Less:	
Underwriter's discount	(37,320)
Net bond proceeds available for funding costs of public improvements within and without the District	\$ 1,206,680

The Subordinate Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

- a) all Subordinate Property Taxes (generated by the imposition of the Subordinate Required Mill Levy);
- b) all Subordinate Specific Ownership Taxes (attributable to the Subordinate Required Mill Levy);
- c) any amounts in the Senior Surplus Fund upon the termination of such fund pursuant to the terms of the Senior Indenture; and

These notes are an integral part of the accompanying financial statements.

- d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Under the Subordinate Indenture, any amounts in the Senior Surplus Fund (which is funded up to the Maximum Surplus Amount) upon termination of such fund are pledged to the payment of the Subordinate Bonds.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on June 01, 2025, 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:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
June 01, 2025, to May 31, 2026	3.0%	\$ 37,320
June 01, 2026, to May 31, 2027	2.0%	\$ 24,880
June 01, 2027, to May 31, 2028	1.0%	\$ 12,440
June 01, 2028, and thereafter	0.0%	\$ -

Per the 2020 Financial Forecast included with the Subordinate Bond Offering document, the Subordinate Bonds are projected to only be partially repaid by December 16, 2060. Interest payments per the 2020 Financial Forecast totaled \$11,695,834, which equates to an annual net effective interest rate of 23.1%. Per TABOR elections held on May 08, 2018, November 04, 2014 and May 02, 2006, the eligible voters within the District approved the issuance of debt with a net effective interest rate that cannot exceed 18%.

Series 2020C Second Subordinate Bonds (Second Subordinate Bonds)

On May 04, 2020, the District issued \$1,533,000 Taxable Second Subordinate General Obligation Limited Tax Bonds, Series 2020C (“Second Subordinate Bonds”). The Second Subordinate Bonds accrue interest at the rate of 3.00% from the date of issuance to May 31, 2025 and an interest rate of 8.25% from June 01, 2025 to the maturity date of December 15, 2050. Interest is payable annually on December 15, beginning December 15, 2020, from, and to the extent of, Second Subordinate Pledged Revenue is available, if any.

The Second Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Second Subordinate Bonds compounds annually on each December 15. In no event is any principal or interest to be paid on the Second Subordinate Bonds until the Subordinate Bonds, and to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations, have been paid in full or defeased.

The Second Subordinate Bonds are secured by and payable from Junior Lien Pledged Revenue, net of any costs of collection, which includes:

- a) all Junior Lien Property Taxes (generated by the imposition of the Junior Lien Required Mill Levy);
- b) all Junior Lien Specific Ownership Taxes (attributable to the Junior Lien Required Mill Levy);
- c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

These notes are an integral part of the accompanying financial statements.

The Second Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on June 01, 2025, 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:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
June 01, 2025, to May 31, 2026	3.0%	\$ 45,990
June 01, 2026, to May 31, 2027	2.0%	\$ 30,660
June 01, 2027, to May 31, 2028	1.0%	\$ 15,330
June 01, 2028, and thereafter	0.0%	\$ -

Per the 2020 Financial Forecast included with the Series 2020 Senior and Subordinate Bonds Offering documents, Subordinate Pledged Revenue is not sufficient to repay in full the principal and interest on the Subordinate Bonds by December 2060. Consequently, projected property tax revenue through December 2060 will not be sufficient to make any payments towards the Second Subordinate Bonds.

Debt Authorization

Debt Authorization – Service Plan

The District’s Amended and Restated Service Plan, which was approved by the City of Thornton on May 09, 2017, authorizes the District to issue up to \$12 million in debt over a term not to exceed 40 years. The repayment of the District’s debt can exceed 40 years if the majority of the District’s Board are residents of the District and the District’s Board has voted in favor of refunding a part or all of the District’s debt (which must result in a net present value savings).

The District’s Amended and Restated Service Plan also establishes a Maximum Mill levy the District is permitted to impose on taxable property within the District for the payment of debt. As long as the District’s total outstanding debt exceeds 50% of the assessed valuation of all taxable property within the District, the Maximum Debt Mill Levy is 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 1, 2004. As of January 1, 2004, the ratio was 7.96%. The ratio for 2020 was 7.15%, which caused the District’s Maximum Mill Levy for debt service for 2020 to be 55.664.

As of December 31, 2020, total remaining debt issuance authorization under the District’s Amended and Restated Service Plan is as follows:

Authorized maximum debt issuance per Service Plan	\$ 12,000,000
Less:	
2020A Senior Bonds	(7,135,000)
2020B Subordinate Bonds	(1,244,000)
2020C Junior Lien Bonds	(1,533,000)
Unused, authorized debt issuance as of Dec. 31, 2020	\$ 2,088,000

Debt Authorization – TABOR

These notes are an integral part of the accompanying financial statements.

On November 1, 2005, the District's authorized the issuance of indebtedness in an amount not to exceed \$5,100,000 for infrastructure improvements and operations at an interest rate not to exceed 18% and \$5,000,000 for refunding the District's debt.

On November 4, 2014, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$30,000,000 for infrastructure improvements and operations at an interest rate not to exceed 18% and \$6,000,000 for refunding the District's debt.

The District's authorized but unissued indebtedness in the following amounts allocated for the following purposes is as follows:

	Authorized May 2006 Election	Authorized Nov. 2014 Election	Authorized May 2018 Election	Total Voter Authorization
Street improvements	\$ 2,970,000	\$ 5,500,000	\$ 18,000,000	\$ 26,470,000
Park and recreational facilities	2,475,000	5,500,000	18,000,000	25,975,000
Sanitation facilities	55,000	5,500,000	18,000,000	23,555,000
Water supply facilities	-	5,500,000	18,000,000	23,500,000
Intergovernmental agreements	-	5,500,000	18,000,000	23,500,000
Operations and maintenance	100,000	5,500,000	18,000,000	23,600,000
Subtotal	5,600,000	33,000,000	108,000,000	146,600,000
Refunding of debt	5,500,000	5,500,000	18,000,000	29,000,000
Total	\$ 11,100,000	\$ 38,500,000	\$126,000,000	\$175,600,000

	Total Voter Authorization	2020 A & B Bonds	2020 Second Subordinate Bonds	Remaining Authorization
Street improvements	\$ 26,470,000	(\$5,254,274)	(\$ 961,308)	\$ 20,254,418
Park and recreational facilities	25,975,000	(790,990)	(144,718)	25,039,292
Sanitation facilities	23,555,000	(906,530)	(165,856)	22,482,614
Water supply facilities	23,500,000	(1,427,206)	(261,118)	21,811,676
Intergovernmental agreements	23,500,000	-	-	23,500,000
Operations and maintenance	23,600,000	-	-	23,600,000
Subtotal	146,600,000	(8,379,000)	(1,533,000)	136,688,000
Refunding of debt	29,000,000	-	-	29,000,000
Total	\$175,600,000	(\$8,379,000)	(\$ 1,533,000)	\$165,688,000

Per C.R.S 32-1-1101(2), the remaining, unused debt issuance authorization obtained from the District's electors will expire as follows:

- \$1,639,292 will expire in May 2026 - 20 years after the original debt authorization election.
- \$27,048,708 will expire in November 2034 - 20 years after the original debt authorization election.
- \$108,000,000 will expire in May 2038 - 20 years after the original debt authorization election.
- Debt refunding authorization will expire when the District's current general obligation debt is paid down to a balance of \$400,000 or less

These notes are an integral part of the accompanying financial statements.

NOTE 5 – CONTINGENT OBLIGATIONS

The District has entered into one contingent obligation agreement with the Developer (as defined in Note 7). The District has neither registered nor filed a notice of claim of exemption regarding this contingent obligation agreement with the Colorado Securities Commissioner (“Commissioner”). Interpretative Order No. 06-IN-001 issued by the Commissioner provides that neither a registration application nor notice of claim of exemption is required to be filed with the Commissioner for a contractual obligation to repay a developer for advanced funds if such obligation provides that it is not transferable. This contingent obligation agreement is not transferrable to third parties. The contingent obligations of the District contemplated in the agreement identified below is subject to annual appropriation and is not a multiple-fiscal year obligation for the purposes of Article X, Section 20 of the Colorado Constitution. The following contingent obligations exist, but are not necessarily owing, as of December 31, 2020:

Infrastructure Acquisition and Funding Agreement. Pursuant to the Infrastructure Acquisition and Funding Agreement entered into on March 09, 2020 (the IAF Agreement) between the District and Century at Mayfield, LLC (the Developer), the Developer agreed to design, construct and complete certain public improvements to serve the development within the District’s service area. In exchange, the District agreed to acquire such improvements from the Developer and, subject to written certification by an independent public accountant, professional engineer, appraiser or valuation consultant substantiating the amount of such costs, to pay the Developer for the costs of such improvements.

The District has neither registered nor filed a notice of claim of exemption regarding this contingent obligation agreement with the Colorado Securities Commissioner. This contingent obligation agreement is not transferrable to third parties. The contingent obligations of the District arising from the IAF Agreement are subject to annual appropriation and are not multiple-fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution. Per the terms of the IAF Agreement, any decision by the District to appropriate payment of any funds to the Developer is purely discretionary and non-obligatory.

In the event that the District has not paid the Developer for any portion of the contingent obligations created under this IAF Agreement by March 09, 2060 (40 years from the date the IAF Agreement was executed), any contingent obligations outstanding on such date shall be deemed to be forever discharged and satisfied in full.

In 2020, the Developer submitted to the District requests for funding under IAF Agreement totaling \$10,365,829 for public infrastructure the Developer installed in (1) phases 1 and 2 of the 4-phase development plan for the Mayfield Subdivision, (2) improvements to Quebec Street and (3) a portion of the overall erosion control plan for the development. The District paid the Developer \$8,109,563 (comprised of cash totaling \$6,576,563 and the 2020 Second Subordinate Bonds with a face value of \$1,533,000) from the net 2020 Bond proceeds.

Per the amended Developer Agreement with the City of Thornton recorded with the Adams County Clerk & Recorder’s Office on November 01, 2016 at Reception #2016000093433, the Developer’s budget for installing all public infrastructure within the District is as follows:

Construction Phase	Developer’s Budgeted Cost
Phase 1	\$ 3,451,019
Phase 2	1,187,430
Phase 3	930,612
Phase 4	1,049,615
Erosion Control	529,561

These notes are an integral part of the accompanying financial statements.

Quebec Street	551,409
Total	\$ 7,699,645

The Developer’s budgeted cost per the amended Developer Agreement with the City of Thornton for (1) phases 1 and 2 of the 4-phase development plan for the Mayfield Subdivision, (2) improvements to Quebec Street and (3) a portion of the overall erosion control plan for the development totaled \$5,719,418. Payments to the Developer under the IAF Agreement exceeded budgeted costs by \$2,390,145 (or 41.8%).

NOTE 6 – NET POSITION (DEFICIT)

Non-Spendable Net Position

The District’s non-spendable net position as of December 31, 2020 in the general fund, debt service fund and capital project fund totaled \$9,317, \$0, and \$0, respectively.

Restricted Net Position

The District’s restricted net position as of December 31, 2020 in the general fund, debt service fund and capital projects fund totaled \$5,500, \$1,097,881 and \$0, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 9 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2020 Bonds. The restricted net position within the capital project fund is comprised of funds restricted for funding the construction of public infrastructure.

Unassigned Net Position

The District’s unassigned net position as of December 31, 2020 totaled (\$9,588,475). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the City of Thornton and the District.

NOTE 7 – RELATED PARTIES

All undeveloped land located within the District’s boundaries is owned and developed by Century at Mayfield, LLC (the Developer), a wholly owned subsidiary of Century Communities, Inc.

For the year-to-date period ended May 05, 2020, the District’s board was comprised of three directors – all of whom were employees of the Developer. To qualify themselves to serve as directors on the District’s board, all three directors relied on land purchase contracts they entered into with the Developer on or around October 2017.

In 2020, the District’s three directors approved purchasing public infrastructure constructed by the Developer for \$8,109,563.

Issuance of the Second Subordinate Bonds was approved by the District’s board, all of whom were employees of the District’s largest contractor, Century at Mayfield, LLC. The Second Subordinate Bonds were purchased by Century Communities Investments, LLC, a company controlled by the same ownership group that owns and controls Century at Mayfield, LLC.

These notes are an integral part of the accompanying financial statements.

On May 5, 2020, five directors were elected to the 5-member Board who reported no conflicts of interest or relationships with the Developer.

These notes are an integral part of the accompanying financial statements.

NOTE 8 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

NOTE 9 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution—referred to 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.

On May 8, 2018, District voters authorized the District to assess property taxes at no more than \$1,000,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

These notes are an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

MAYFIELD METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
12-Month Period Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Specific ownership taxes	-	-	-
Net investment income	-	6,899	6,899
Total revenues	-	6,899	6,899
EXPENDITURES			
Direct and indirect collection costs	-	76,580	(76,580)
Debt service			
Series 2020A Bonds – interest payment	-	249,576	(249,576)
Series 2020 Bond issuance costs	-	434,630	(434,630)
Total expenditures	-	760,786	(760,786)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(753,887)	(753,887)
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of Series 2020 Bonds	-	9,912,000	9,912,000
Transfers in (out)	-	(8,060,232)	(8,060,232)
Total other financing sources (uses)	-	1,851,768	1,851,768
NET CHANGE IN FUND BALANCE	-	1,097,881	1,097,881
FUND BALANCE – BEGINNING OF YEAR	-	-	-
FUND BALANCE – END OF YEAR	\$ -	\$ 1,097,881	\$ 1,097,881

MAYFIELD METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL

12-Month Period Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Net investment income	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Accounting	-	13,849	(13,849)
Capital projects			
Developer funding	-	8,060,232	(8,060,232)
Total expenditures	-	8,074,081	(8,074,081)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(8,074,081)	(8,074,081)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	8,074,081	8,074,081
Total other financing sources (uses)	-	8,074,081	8,074,081
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE – BEGINNING OF YEAR	-	-	-
FUND BALANCE – END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MAYFIELD METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 December 31, 2020

The District's repayment schedule for its Series 2020A general obligation bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2021	\$ -	\$ 410,263	5.75%	\$ 410,263
2022	-	410,263	5.75%	410,263
2023	5,000	410,263	5.75%	415,263
2024	60,000	409,975	5.75%	469,975
2025	65,000	406,525	5.75%	471,525
2026	75,000	402,788	5.75%	477,788
2027	80,000	398,475	5.75%	478,475
2028	95,000	393,875	5.75%	488,875
2029	100,000	388,413	5.75%	488,413
2030	115,000	382,663	5.75%	497,663
2031	125,000	376,050	5.75%	501,050
2032	140,000	368,863	5.75%	508,863
2033	150,000	360,813	5.75%	510,813
2034	165,000	352,188	5.75%	517,188
2035	175,000	342,700	5.75%	517,700
2036	195,000	332,638	5.75%	527,638
2037	210,000	321,425	5.75%	531,425
2038	230,000	309,350	5.75%	539,350
2039	245,000	296,125	5.75%	541,125
2040	270,000	282,038	5.75%	552,038
2041	285,000	266,513	5.75%	551,513
2042	310,000	250,125	5.75%	560,125
2043	330,000	232,300	5.75%	562,300
2044	360,000	213,325	5.75%	573,325
2045	380,000	192,625	5.75%	572,625
2046	415,000	170,775	5.75%	585,775
2047	440,000	146,913	5.75%	586,913
2048	475,000	121,613	5.75%	596,613
2049	500,000	94,300	5.75%	594,300
2050	1,140,000	65,550	5.75%	1,205,550
	\$ 7,135,000	\$ 9,109,732		\$ 16,244,732

The original face value of these bonds totaled \$7,135,000. Interest is payable each year on June 1st and December 1st, and principal payments are due each year on December 1st.

No debt-to-maturity schedule is provided for the Series 2020B Subordinate Bonds and the Series 2020C Secondary Subordinate Bonds because such obligations are payable from subordinate pledged revenue, if and when such revenue is available to repay these bonds.

MAYFIELD METROPOLITAN DISTRICT
**SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED**
December 31, 2020

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2017	\$ 10,970	50.000	-	\$ 549	\$ 549	100.0%
2018	4,820	55.277	-	266	267	100.0%
2019	1,953,110	90.277	-	176,321	176,322	100.0%
2020	3,711,870	90.277	-	335,096	335,097	100.0%
2021	\$ 4,582,620	37.031	55.664	\$ 424,800	[TBD]	[TBD]

NOTE A: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

OTHER SUPPLEMENTARY INFORMATION

MAYFIELD METROPOLITAN DISTRICT
CHANGE IN TOTAL OVERLAPPING MILL LEVY
 December 31, 2020

	2020 Mill Levy **	2021 Mill Levy *	Change
Mayfield Metropolitan District	90.277	92.695	2.418
Adams 12 Five Star School District	69.984	69.785	(0.199)
Adams County	26.917	26.897	(0.020)
City of Thornton	10.210	10.210	-
Rangeview Library District	3.677	3.670	(0.007)
North Metro Fire District – Bond	1.400	1.400	-
Urban Drainage and Flood Control	0.900	0.900	-
Urban Drainage and Flood Control – South Platte	0.097	0.100	0.003
Total Mill Levy	203.462	205.657	2.195

* -- For property tax collections in 2021

** -- For property tax collections in 2020

MAYFIELD METROPOLITAN DISTRICT
HISTORICAL DEBT RATIOS
 December 31, 2020

	2016	2017	2018	2019	2020
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ 9,912,000
Accrued, unpaid interest - Bonds	\$ -	\$ -	\$ -	\$ -	\$ 147,543
Other TABOR debt	\$ -	\$ -	\$ -	\$ -	\$ -
Combined assessed property values within the District	\$ 10,970	\$ 4,820	\$ 1,953,110	\$ 3,711,870	\$ 4,582,620
Ratio of debt to assessed property values	N/A	N/A	N/A	N/A	219.5%