

**TOWN CENTER METROPOLITAN DISTRICT
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**TOWN CENTER METROPOLITAN DISTRICT
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Independent Auditor's Report

Board of Directors
Town Center Metropolitan District
City and County of Denver, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Town Center Metropolitan District (the "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 an opinion 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Town Center Metropolitan District as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund and special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and 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 relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

The other 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 them.

Sincerely,



Wipfli LLP
Lakewood, Colorado

September 29, 2021

BASIC FINANCIAL STATEMENTS

**TOWN CENTER METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 5,029,592
Cash and Investments - Restricted	1,279,852
Prepaid Expenses	1,939
Receivable from County Treasurer	5,473
Property Taxes Receivable	1,665,710
Other Receivables	252,217
Capital Assets:	
Capital Assets Not Being Depreciated	28,963,663
Capital Assets, Net of Depreciation	<u>17,543,388</u>
Total Assets	<u>54,741,834</u>
LIABILITIES	
Accounts Payable	421,958
Retainage Payable	265,144
Due to Other Districts	14,044
Prepaid Assessments	4,671
Noncurrent Liabilities:	
Due in More than One Year	<u>208,448</u>
Total Liabilities	<u>914,265</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>1,665,710</u>
Total Deferred Inflows of Resources	<u>1,665,710</u>
NET POSITION	
Net Investment in Capital Assets	46,507,051
Restricted for:	
Emergencies (TABOR)	72,300
Capital Projects	1,207,552
Unrestricted	<u>4,374,956</u>
Total Net Position	<u><u>\$ 52,161,859</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER 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	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 5,481,427	\$ 470,244	\$ 2,823,042	\$ 8,761,442	\$ 6,573,301
Interest and Related Costs on Long-Term Debt	13,298	-	-	-	(13,298)
Total Governmental Activities	\$ 5,494,725	\$ 470,244	\$ 2,823,042	\$ 8,761,442	6,560,003
 GENERAL REVENUES					
Property Taxes					1,507,477
Specific Ownership Taxes					78,155
Net Investment Income					64,378
Other Revenue					246,080
Total General Revenues					1,896,090
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					43,705,766
 NET POSITION - END OF YEAR					
					\$ 52,161,859

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Special Revenue Funds	Capital Projects Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 495,454	\$ 339,232	\$ 4,194,906	\$ 5,029,592
Cash and investments - Restricted	10,300	62,000	1,207,552	1,279,852
Accounts Receivable	86,762	109,772	32,106	228,640
Due from Ebert Metropolitan District	8,142	-	-	8,142
Due from First Creek Village Metropolitan District	1,391	-	-	1,391
Due from Other Funds	69,482	-	15,450	84,932
Due from Other Districts	1,876	12,168	-	14,044
Prepaid Expenses	940	999	-	1,939
Receivable from County Treasurer	58	5,415	-	5,473
Property Taxes Receivable	23,248	1,642,462	-	1,665,710
	\$ 697,653	\$ 2,172,048	\$ 5,450,014	\$ 8,319,715
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 175,337	\$ 194,107	\$ 52,514	\$ 421,958
Retainage Payable	-	-	265,144	265,144
Due to Other Funds	-	84,932	-	84,932
Due to Other Districts	8,335	5,709	-	14,044
Prepaid assessments	-	4,671	-	4,671
Total Liabilities	183,672	289,419	317,658	790,749
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	23,248	1,642,462	-	1,665,710
Total Deferred Inflows of Resources	23,248	1,642,462	-	1,665,710
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	940	999	-	1,939
Restricted for:				
Emergencies (TABOR)	10,300	62,000	-	72,300
Capital Projects	-	-	1,207,552	1,207,552
Assigned to:				
Capital Replacement	-	-	554,037	554,037
Capital Projects	-	-	3,370,767	3,370,767
Subsequent Year's Expenditures	262,384	108,482	-	370,866
Unassigned:				
General Government	217,109	-	-	217,109
Subdistrict - Special Revenues	-	68,686	-	68,686
Total Fund Balances	490,733	240,167	5,132,356	5,863,256
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 697,653	\$ 2,172,048	\$ 5,450,014	
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				
				46,507,051
Long-term liabilities are not due and payable within the current period and, therefore, are not reported in the funds:				
Developer Advance Payable				(188,080)
Accrued Interest on Developer Advance				(20,368)
Net Position of Governmental Activities				\$ 52,161,859

See accompanying Notes to Basic Financial Statements.

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

	General	Special Revenue Funds	Capital Projects Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 19,772	\$ 1,487,705	\$ -	\$ 1,507,477
Specific Ownership Taxes	837	77,318	-	78,155
Net Investment Income	4,249	1,320	58,809	64,378
Intergovernmental Revenue	-	164,160	-	164,160
Ebert Conservation Trust Fund Revenue	-	-	20,000	20,000
Ebert Revenue - Replacement Projects	-	-	869,293	869,293
Ebert Services Revenue	2,372,032	-	-	2,372,032
First Creek Village Services Revenue	171,850	-	-	171,850
Landscape Escrow Forfeits	92,000	-	-	92,000
Reimbursed Expenditures	-	-	1,392,829	1,392,829
Net Investment Income on Reimbursed Expenditures	-	-	1,514,754	1,514,754
System Development Fees	-	-	975,429	975,429
Customer/Tenant Billings	-	470,244	-	470,244
Other Revenue	226,402	19,678	-	246,080
Total Revenues	<u>2,887,142</u>	<u>2,220,425</u>	<u>4,831,114</u>	<u>9,938,681</u>
EXPENDITURES				
General Government	660,017	535,786	136,314	1,332,117
Operations and Maintenance	1,992,443	1,476,547	-	3,468,990
Capital Outlay	-	3,989,137	8,910,871	12,900,008
Total Expenditures	<u>2,652,460</u>	<u>6,001,470</u>	<u>9,047,185</u>	<u>17,701,115</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	234,682	(3,781,045)	(4,216,071)	(7,762,434)
OTHER FINANCING SOURCES (USES)				
Developer Contribution	-	4,012,137	-	4,012,137
Developer Advance	-	35,500	-	35,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,047,637</u>	<u>-</u>	<u>4,047,637</u>
NET CHANGE IN FUND BALANCES	234,682	266,592	(4,216,071)	(3,714,797)
Fund Balances (Deficits) - Beginning of Year	<u>256,051</u>	<u>(26,425)</u>	<u>9,348,427</u>	<u>9,578,053</u>
FUND BALANCES - END OF YEAR	<u>\$ 490,733</u>	<u>\$ 240,167</u>	<u>\$ 5,132,356</u>	<u>\$ 5,863,256</u>

See accompanying Notes to Basic Financial Statements.

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

Net Changes in Fund Balances - Total Governmental Funds \$ (3,714,797)

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the net capital outlay activity for the year:

Capital Outlay	12,900,008
Depreciation	(680,320)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt is as follows:

Current Year Developer Advances	(35,500)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued Interest Payable - Change in Liability	(13,298)
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Change in Net Position of Governmental Activities	\$ 8,456,093
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**TOWN CENTER METROPOLITAN DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2020**

	<u>Custodial Fund</u>
ASSETS	
Cash and Investments	\$ 270,890
Accounts Receivable	128,494
Total Assets	<u>399,384</u>
LIABILITIES	
Accounts Payable	<u>399,384</u>
Total Liabilities	<u>399,384</u>
Total Net Position	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2020**

	<u>Custodial Fund</u>
ADDITIONS	
Transfer Fees Collected	\$ 746,351
Total Additions	<u>746,351</u>
DEDUCTIONS	
Transfer Fees Distributed:	
To Developer	(559,763)
To GVR Foundation	<u>(186,588)</u>
Total Deductions	<u>(746,351)</u>
Net Position - Beginning of Year	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 19,802	\$ 19,802	\$ 19,772	\$ (30)
Specific Ownership Taxes	1,200	1,200	837	(363)
Net Investment Income	3,200	4,300	4,249	(51)
Ebert Services Revenue	2,394,183	2,394,183	2,372,032	(22,151)
First Creek Village Services Revenue	175,189	175,189	171,850	(3,339)
Landscape Escrow Forfeits	15,000	92,000	92,000	-
Other Revenue	50,000	230,000	226,402	(3,598)
Total Revenues	<u>2,658,574</u>	<u>2,916,674</u>	<u>2,887,142</u>	<u>(29,532)</u>
EXPENDITURES				
General Government:				
Accounting	198,000	200,000	177,670	22,330
Accounting - Ebert	40,000	40,500	40,432	68
Audit	15,000	14,500	14,250	250
Bank Fees	200	200	184	16
County Treasurer's Fees	199	199	201	(2)
Conferences	1,000	-	-	-
Directors' Fees	3,000	3,600	3,600	-
District Management	175,000	160,000	159,781	219
District Management - Ebert	35,000	52,000	51,817	183
Dues and Licenses	12,000	4,000	3,448	552
Election	40,000	37,000	36,077	923
Insurance and Bonds	30,000	30,500	30,350	150
Legal	75,000	108,000	107,900	100
Legal - Ebert	15,000	31,500	31,230	270
Miscellaneous	5,000	1,600	1,537	63
Miscellaneous COVID-19	-	1,300	1,265	35
Payroll Taxes	230	275	275	-
Contingency	116,371	5,826	-	5,826
Operations and Maintenance:				
Administrative Management/Architectural Control	200,000	330,000	328,043	1,957
Covenant Control	30,000	30,000	29,343	657
Events	58,000	7,000	6,975	25
Fence Repairs	100,000	40,000	39,199	801
Landscape Escrow Refunds	25,000	14,000	13,750	250
Landscape Maintenance	725,000	780,000	779,388	612
Repairs and Maintenance	175,000	200,000	195,897	4,103
Scada Computer and Software	-	6,500	6,050	450
Snow Removal	25,000	103,000	102,186	814
Tree Replacement	100,000	160,000	157,579	2,421
Utilities - Electric	75,000	85,000	83,909	1,091
Utilities - Storm Drainage	6,000	9,500	9,437	63
Utilities - Water	160,000	215,000	212,684	2,316
Water Rights	30,000	8,000	7,072	928
Water Well Maintenance	30,000	21,000	20,931	69
Total Expenditures	<u>2,500,000</u>	<u>2,700,000</u>	<u>2,652,460</u>	<u>47,540</u>
NET CHANGE IN FUND BALANCE	158,574	216,674	234,682	18,008
Fund Balance - Beginning of Year	<u>137,377</u>	<u>256,051</u>	<u>256,051</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 295,951</u>	<u>\$ 472,725</u>	<u>\$ 490,733</u>	<u>\$ 18,008</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 1
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)
REVENUES			
Property Taxes	\$ 442,546	\$ 442,342	\$ (204)
Specific Ownership Taxes	26,550	23,142	(3,408)
Net Investment Income	300	517	217
Other Revenue	-	595	595
Intergovernmental Revenue	165,361	164,160	(1,201)
Total Revenues	<u>634,757</u>	<u>630,756</u>	<u>(4,001)</u>
EXPENDITURES			
General Government:			
Accounting	36,000	29,740	6,260
County Treasurer's Fees	4,426	4,424	2
District Management	65,000	53,256	11,744
Insurance and Bonds	4,000	1,876	2,124
Legal settlement	-	9,000	(9,000)
Miscellaneous COVID-19	-	4,882	(4,882)
Contingency	2,074	-	2,074
Operations and Maintenance:			
Clubhouse Management	181,000	161,690	19,310
Clubhouse Operations and Maintenance	110,000	104,728	5,272
Construction/Maintenance Management	5,000	-	5,000
Clubhouse Events	55,500	29,090	26,410
Fitness Programs	25,000	5,310	19,690
General Clubhouse Maintenance	15,000	16,780	(1,780)
General Clubhouse Repairs	10,000	6,725	3,275
Irrigation Repairs	2,500	4,087	(1,587)
Landscape Maintenance	32,000	9,866	22,134
Pool Maintenance	25,000	30,483	(5,483)
Pool Repairs	5,000	8,463	(3,463)
Plumbing/Electric Repairs	5,000	4,121	879
Repairs and Maintenance	10,000	1,588	8,412
Snow Removal	10,000	4,940	5,060
Utilities - Electric	28,000	22,408	5,592
Utilities - Storm Drainage	4,000	1,847	2,153
Utilities - Water	4,500	8,119	(3,619)
Interior/Exterior Repairs	6,000	5,803	197
Clubhouse	10,000	-	10,000
Clubhouse Equipment	5,000	-	5,000
Total Expenditures	<u>660,000</u>	<u>529,226</u>	<u>130,774</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,243)	101,530	126,773
OTHER FINANCING SOURCES (USES)			
Developer Contribution	30,000	23,000	(7,000)
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>23,000</u>	<u>(7,000)</u>
NET CHANGE IN FUND BALANCE	4,757	124,530	119,773
Fund Balance (Deficit) - Beginning of Year	19,887	(13,240)	(33,127)
FUND BALANCE - END OF YEAR	<u>\$ 24,644</u>	<u>\$ 111,290</u>	<u>\$ 86,646</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 701,001	\$ 701,001	\$ 700,574	\$ (427)
Specific Ownership Taxes	42,060	35,600	36,187	587
Net Investment Income	700	750	698	(52)
Water Fees	200,000	275,000	292,969	17,969
Total Revenues	943,761	1,012,351	1,030,428	18,077
EXPENDITURES				
General Government:				
Accounting	28,000	28,000	26,007	1,993
County Treasurer's Fees	7,011	7,011	6,994	17
District Management	55,000	47,000	52,356	(5,356)
Miscellaneous	-	1,200	1,132	68
Water Billing Expense	35,000	26,000	27,172	(1,172)
Contingency	5,639	5,289	-	5,289
Operations and Maintenance:				
Construction Management	5,000	-	-	-
Driveway Repairs	15,000	3,500	2,249	1,251
Sewer Line Repair	12,000	-	-	-
Winter Watering	5,000	-	-	-
Irrigation Repairs	10,000	35,000	29,902	5,098
Fencing Repairs	10,000	1,000	887	113
Water Line Repairs	6,000	-	-	-
Landscape Maintenance - Common Areas	10,000	12,500	9,884	2,616
Landscape Maintenance - Front Yards	250,000	250,000	259,795	(9,795)
Pocket Park Repairs	2,000	-	-	-
Repairs and Maintenance	1,000	1,000	1,658	(658)
Snow Removal	200,000	200,000	161,714	38,286
Tree Replacement	30,000	-	10,500	(10,500)
Utilities - Electric	350	500	689	(189)
Utilities - Irrigation	18,000	22,000	22,559	(559)
Water Expenses	200,000	275,000	289,592	(14,592)
Total Expenditures	905,000	915,000	903,090	11,910
NET CHANGE IN FUND BALANCE	38,761	97,351	127,338	29,987
Fund Balance - Beginning of Year	28,467	15,093	15,093	-
FUND BALANCE - END OF YEAR	\$ 67,228	\$ 112,444	\$ 142,431	\$ 29,987

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 3
STATEMENT 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)
REVENUES			
Property Taxes	\$ 187,303	\$ 187,303	\$ -
Specific Ownership Taxes	11,240	9,812	(1,428)
Net Investment Income	-	31	31
Other Revenue	-	2,545	2,545
Total Revenues	198,543	199,691	1,148
EXPENDITURES			
General Government:			
Accounting	12,000	15,159	(3,159)
County Treasurer's Fees	1,873	1,873	-
District Management	15,000	19,105	(4,105)
Insurance and Bonds	-	446	(446)
Miscellaneous COVID-19	-	1,352	(1,352)
Contingency	7,477	-	7,477
Operations and Maintenance:			
ADA Equipment Repairs	2,000	-	2,000
Building Maintenance and Repairs	5,000	-	5,000
Century Link/DSL	3,100	3,953	(853)
Chemicals	10,000	-	10,000
Cleaning Facility	3,000	3,350	(350)
Events	2,000	-	2,000
Fencing Maintenance and Repairs	2,500	1,889	611
Gate Contingency	2,500	-	2,500
Gate Data Monitoring	2,500	2,406	94
Gated Entrance Security	4,000	2,966	1,034
Gate Maintenance and Repairs	5,000	6,688	(1,688)
Guardhouse Maintenance and Repairs	3,500	3,677	(177)
Landscape Maintenance	10,000	5,933	4,067
Handyman Services	2,500	490	2,010
Irrigation Repairs	500	-	500
Other Operations	5,000	-	5,000
Pest Control	1,000	-	1,000
Pool Maintenance	25,000	25,410	(410)
Pool Management	10,000	12,805	(2,805)
Pool Repairs	5,000	648	4,352

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)			
Operations and Maintenance (Continued):			
Pool Supplies and Equipment	10,000	5,721	\$ 4,279
Repairs and Maintenance	1,000	1,507	(507)
Street Light Repairs	3,300	105	3,195
Street Sweeping	1,000	-	1,000
Tree Replacement	-	6,300	(6,300)
Waste Management	2,000	524	1,476
Winter Watering	500	-	500
Security Cameras	15,000	7,431	7,569
Security Monitoring	5,000	1,260	3,740
Snow Removal	8,500	7,769	731
Utilities - Electric	5,250	9,078	(3,828)
Utilities - Storm Drainage	2,000		2,000
Utilities - Water	31,000	11,862	19,138
Total Expenditures	<u>225,000</u>	<u>159,707</u>	<u>65,293</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,457)	39,984	66,441
OTHER FINANCING SOURCES (USES)			
Developer Advances	30,000	-	(30,000)
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
NET CHANGE IN FUND BALANCE	3,543	39,984	36,441
Fund Balance (Deficit) - Beginning of Year	<u>129</u>	<u>2,355</u>	<u>2,226</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,672</u>	<u>\$ 42,339</u>	<u>\$ 38,667</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 157,486	\$ 157,000	\$ 157,486	\$ 486
Specific Ownership Taxes	9,450	8,000	8,177	177
Landscape Maintenance Fees	84,080	80,000	82,533	2,533
Net Investment Income	-	40	74	34
Other Revenue	-	-	14,600	14,600
Total Revenues	251,016	245,040	262,870	17,830
EXPENDITURES				
General Government:				
Accounting	18,000	20,000	19,459	541
Billing Services	6,150	15,000	16,080	(1,080)
County Treasurer's Fees	1,575	1,570	1,576	(6)
District Management	20,000	18,000	20,537	(2,537)
Intergovernmental Expenditures	165,361	163,430	164,160	(730)
Irrigation Repairs	4,320	5,800	3,862	1,938
Contingency	1,394	1,200	-	1,200
Operations and Maintenance:				
Landscape Maintenance - Front Yards	43,200	44,000	41,700	2,300
Snow Removal	20,000	35,000	33,478	1,522
Tree Replacement	-	6,000	-	6,000
Total Expenditures	280,000	310,000	300,852	9,148
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,984)	(64,960)	(37,982)	26,978
OTHER FINANCING SOURCES (USES)				
Developer Advances	25,000	68,000	35,500	(32,500)
Total Other Financing Sources (Uses)	25,000	68,000	35,500	(32,500)
NET CHANGE IN FUND BALANCE	(3,984)	3,040	(2,482)	(5,522)
Fund Balance - Beginning of Year	4,207	974	974	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 223	\$ 4,014	\$ (1,508)	\$ (5,522)

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – GVR TOWER COMMONS RETAIL
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)
REVENUES			
Tenant Billing	\$ 65,000	\$ 45,813	\$ (19,187)
Other Revenue	2,000	-	(2,000)
Total Revenues	<u>67,000</u>	<u>45,813</u>	<u>(21,187)</u>
EXPENDITURES			
General Government:			
Accounting	8,000	9,702	(1,702)
District Management	12,000	12,194	(194)
Contingency	2,500	-	2,500
Operations and Maintenance:			
Landscape Maintenance	20,000	12,060	7,940
Repairs and Maintenance	5,000	2,093	2,907
Snow Removal	5,000	13,420	(8,420)
Tree Replacement	5,000	-	5,000
Utilities - Electric	1,000	297	703
Utilities - Water	6,500	-	6,500
Total Expenditures	<u>65,000</u>	<u>49,766</u>	<u>15,234</u>
NET CHANGE IN FUND BALANCE	2,000	(3,953)	(5,953)
Fund Balance (Deficit) - Beginning of Year	<u>(1,583)</u>	<u>(3,972)</u>	<u>(2,389)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 417</u>	<u>\$ (7,925)</u>	<u>\$ (8,342)</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – TOWNS AT OAK CREST
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Homeowner Fees	\$ 48,960	\$ 48,960	\$ 48,929	\$ (31)
Other Revenue	-	53,970	1,938	(52,032)
Total Revenues	<u>48,960</u>	<u>102,930</u>	<u>50,867</u>	<u>(52,063)</u>
EXPENDITURES				
General Government:				
Accounting	1,250	4,000	4,674	(674)
District Management	18,000	18,000	18,499	(499)
Billing Services	2,500	9,000	10,269	(1,269)
Contingency	1,040	1,650	-	1,650
Operations and Maintenance:				
Landscape Maintenance	10,120	11,000	10,099	901
Retaining Wall Maintenance	250	300	297	3
Concrete Repairs	600	500	166	334
Covenant Control	4,000	5,000	3,793	1,207
Events	500	-	-	-
Irrigation Repair	500	1,800	1,510	290
Repairs and Maintenance	-	3,000	3,250	(250)
Snow Removal	6,500	17,000	17,135	(135)
Planting Replacement	2,500	-	-	-
Utilities - Electric	240	250	-	250
Utilities - Water	2,000	1,000	-	1,000
Waterline Repairs	-	2,500	-	2,500
Total Expenditures	<u>50,000</u>	<u>75,000</u>	<u>69,692</u>	<u>5,308</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,040)</u>	<u>27,930</u>	<u>(18,825)</u>	<u>(46,755)</u>
NET CHANGE IN FUND BALANCE	(1,040)	27,930	(18,825)	(46,755)
Fund Balance (Deficit) - Beginning of Year	<u>3,914</u>	<u>(27,635)</u>	<u>(27,635)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ 2,874</u></u>	<u><u>\$ 295</u></u>	<u><u>\$ (46,460)</u></u>	<u><u>\$ (46,755)</u></u>

See accompanying Notes to Basic Financial Statements.

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

NOTE 1 DEFINITION OF REPORTING ENTITY

Town Center Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, Colorado (City), on September 12, 1983, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City. The District's service area is located within the City.

The District was organized concurrently with Ebert Metropolitan District (Ebert). The District has the power to provide sanitation, storm drainage, streets, traffic and safety controls and park and recreation improvements and other related improvements for the benefit of taxpayers and service users within Ebert's and the District's boundaries.

The District is intended to serve as the "operating district" while Ebert is intended to serve as the "financing district." The operating district is responsible for providing the day-to-day construction operations and administrative management of both districts per a Second Amended and Restated District Facilities Construction, Funding, and Service Agreement entered into in 2018. During 2017, the District entered into a District Facilities Agreement with First Creek Village Metropolitan District (FCV). The District will provide day-to-day management services for FCV similar to what is provided for Ebert. FCV will impose a mill levy not to exceed 17.000 mills, as adjusted for changes in the method of assessing residential property in the State, to be remitted to the District as a Service Levy.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including Ebert, FCV, and the City. The financial operations of Town Center Metropolitan District Subdistrict Nos. 1-4 are included within these financial statements.

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

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

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 of resources and the sum of liabilities and deferred inflows of resources is reported as net position.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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, specific ownership taxes, and system development fees. 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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

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 Special Revenue Fund - Subdistrict No. 1 is used to account for financial resources to be used for the general operations related to the Town Center Subdistrict No. 1 subarea.

The Special Revenue Fund - Subdistrict No. 2 is used to account for financial resources to be used for the general operations related to the Town Center Subdistrict No. 2 subarea.

The Special Revenue Fund - Subdistrict No. 3 is used to account for financial resources to be used for the general operations related to the Town Center Subdistrict No. 3 subarea.

The Special Revenue Fund - Subdistrict No. 4 is used to account for financial resources to be used for the general operations related to the Town Center Subdistrict No. 4 subarea.

The Special Revenue Fund - Subdistrict No. 5 is used to account for financial resources to be used for the general operations related to the Town Center Subdistrict No. 5 subarea.

The Special Revenue Fund – GVR Tower Commons Retail is used to account for financial resources to be used for the general operations related to a retail center being serviced by the District.

The Special Revenue Fund – Towns at Oak Crest is used to account for financial resources to be used for the general operations related to a residential townhome community being serviced by the District.

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

The Capital Replacement Fund is used to account for financial resources accumulated for the repair and replacement of capital assets that will be maintained by the District.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

Additionally, the District reports the following fund type:

Fiduciary Fund

Custodial funds are accounted for using the accrual basis of accounting. The fund is used to account for assets held in a trustee capacity by the District in connection with the collection and disbursement of transfer fees imposed on any home resold in the District (see Note 8). A comparison of budgeted and actual amounts is not presented in the financial statements.

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.

The District amended its annual budget for the year ended December 31, 2020.

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.

Each of the Special Revenue Funds – Subdistrict Nos. 1-4 has its own cash and investment accounts. Subdistrict No. 5 will have its own cash and investment accounts beginning in 2021. The only substantive 2020 financial activity for Subdistrict No. 5 was the accrual of property taxes receivable and deferred property taxes due in 2021. Additionally, the District has a custodial investment account into which the property taxes of Ebert are deposited monthly and are disbursed in accordance with the Regional Facilities Construction Agreements (see Note 7).

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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.

Development Fees

On January 1, 2016, the District entered into an Amended and Restated Facilities Construction, Funding and Service Agreement with Ebert (see Note 7). The responsibility for setting, collecting and spending the development fees passed from Ebert to Town. Fees are increased annually. As of March 1, 2015, the fees in effect were \$37,500 per acre for single family development, \$43,500 per acre for multi-family development, \$45,500 per acre for commercial development, \$16,000 per acre for school sites, and \$16,000 per acre for churches. No increases in fees have been made since March 1, 2015.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Any construction in process that will be dedicated to another entity is not depreciated. Land and certain landscaping improvements are not depreciated. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings, Water Wells, Monumentation	50 Years
Fencing	20 Years
Irrigation Systems, Cart Paths	15 Years
Furniture and Equipment	5 to 10 Years

Water Rights

The cost of water rights includes acquisition cost, legal, and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

Deficits

The following individual funds had deficits reported in the fund financial statements as of December 31, 2020:

Special Revenue Fund - Subdistrict No. 4	\$	(1,508)
Special Revenue Fund - GVR Tower Commons Retail	\$	(7,925)
Special Revenue Fund - Towns at Oak Crest	\$	(46,460)

These deficits are anticipated to be eliminated with the receipt of property taxes, tenant billings, homeowner fees, and developer contributions in 2021.

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	\$	5,029,592
Cash and Investments - Restricted		1,279,852

Statement of Fiduciary Net Position:

Cash and Investments		270,890
Total Cash and Investments	\$	<u><u>6,580,334</u></u>

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

Deposits with Financial Institutions	\$	323,563
Investments		6,256,271
Cash on Hand		500
Total Cash and Investments	\$	<u><u>6,580,334</u></u>

Deposits with Financial Institutions

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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.

On December 31, 2020, the District's cash deposits had a bank balance of \$549,809 and a carrying balance of \$323,563.

Investments

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

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ <u>6,256,271</u>

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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

NOTE 4 CAPITAL ASSETS

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

<u>By Classification</u>	Balance at December 31, 2019	Additions	Transfers and Retirements	Balance at December 31, 2020
Capital Assets, Not Being Depreciated:				
Landscape Improvements	\$ 7,350,796	\$ 910,954	\$ -	\$ 8,261,750
Plaza, Lake, Amphitheater	1,189,292	-	-	1,189,292
Water Rights	2,226,731	-	-	2,226,731
Land	3,681,056	-	-	3,681,056
Construction in Process	5,771,730	7,833,104	-	13,604,834
Total Capital Assets, Not Being Depreciated	20,219,605	8,744,058	-	28,963,663
Capital Assets, Being Depreciated:				
Fencing	2,904,037	166,813	-	3,070,850
Furniture and Equipment	181,984	-	-	181,984
Irrigation System	4,973,770	-	-	4,973,770
Golf Course Buildings	3,644,637	-	-	3,644,637
Community Center	2,103,216	3,989,137	-	6,092,353
Cart Paths	91,776	-	-	91,776
Monumentation	791,981	-	-	791,981
Campus Building	4,602,734	-	-	4,602,734
Water Wells	3,232,515	-	-	3,232,515
Total Capital Assets, Being Depreciated	22,526,650	4,155,950	-	26,682,600
Less Accumulated Depreciation for:				
Fencing	(1,537,595)	(150,071)	-	(1,687,666)
Furniture and Equipment	(62,590)	(18,065)	-	(80,655)
Irrigation System	(3,540,437)	(207,585)	-	(3,748,022)
Golf Course Buildings	(1,223,536)	(72,892)	-	(1,296,428)
Community Center	(206,816)	(48,713)	-	(255,529)
Cart Paths	(91,776)	-	-	(91,776)
Monumentation	(189,798)	(15,840)	-	(205,638)
Campus Building	(598,355)	(92,055)	-	(690,410)
Water Wells	(1,007,989)	(75,099)	-	(1,083,088)
Total Accumulated Depreciation	(8,458,892)	(680,320)	-	(9,139,212)
Total Capital Assets, Being Depreciated, Net	14,067,758	3,475,630	-	17,543,388
Governmental Activities - Capital Assets, Net	\$ 34,287,363	\$ 12,219,688	\$ -	\$ 46,507,051

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

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Government Activities:	
General Government	<u>\$ 680,320</u>

It is intended that upon completion of construction, all water facilities, except for those constructed or acquired for the purpose of irrigation or other nonpotable uses, will be dedicated to the Denver Water Board (DWB) for operation and maintenance. It is intended that all other completed capital facilities, with the exception of certain park facilities, will be dedicated to and maintained by the City and County of Denver (City). Certain park facilities shall be owned, operated and maintained by the District. The District expects all applicable construction in progress to be completed and transferred within two to three years.

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:

	Restated Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Other Debts:					
Developer Advances - Operations					
Subdistrict No. 3	\$ 83,508	\$ -	\$ -	\$ 83,508	\$ -
Subdistrict No. 4	69,071	35,500	-	104,571	-
Accrued Interest on:					
Developer Advances - Operations					
Subdistrict No. 3	3,634	6,681	-	10,315	-
Subdistrict No. 4	3,436	6,618	-	10,054	-
Subtotal of Other Debts	<u>159,649</u>	<u>48,799</u>	<u>-</u>	<u>208,448</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 159,649</u>	<u>\$ 48,799</u>	<u>\$ -</u>	<u>\$ 208,448</u>	<u>\$ -</u>

Developer Advances

During 2020, the Developer advanced funds to Subdistrict No. 3 in the amount of \$35,500. It is anticipated that the Subdistrict Nos. 3-4 will enter into a Financing and Reimbursement Agreement during 2021. It is assumed that the advances bear interest at the rate of 8% per annum simple interest from the date of advancement. Accrued interest on the advances on December 31, 2020, is \$20,369.

The Developer has also contributed \$23,000 of operational funds to Subdistrict No. 1 and \$3,989,137 of capital improvements to Subdistrict Nos. 3 and 4, which are not subject to any reimbursement agreements.

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 3, 1998, the District's electors authorized the incurrence of general obligation bonds totaling \$29,500,000 at an interest rate not to exceed 15% for a maximum term of 20 years. On December 31, 2020, the District has authorized but unissued indebtedness for the following purposes:

	Authorized November 3, 1998 Election	Remaining at December 31, 2020
Street Improvements	\$ 10,000,000	\$ 10,000,000
Traffic Controls	1,000,000	1,000,000
Water System	9,000,000	9,000,000
Sanitary Sewer	5,000,000	5,000,000
Parks and Recreation	4,000,000	4,000,000
Operations and Maintenance	500,000	500,000
Total	\$ 29,500,000	\$ 29,500,000

NOTE 6 NET POSITION

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

The net investment in capital assets component of net position consists of capital assets that are owned by the District, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2020, the net investment in capital assets was \$46,507,051.

The restricted component of net position consists of amounts that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2020, the District had restricted net position as follows:

	Government Activities
Restricted Net Position:	
TABOR Reserves	\$ 72,300
Capital Projects	1,207,552
Total	\$ 1,279,852

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

NOTE 7 INTERGOVERNMENTAL AGREEMENTS

Regional Facilities Construction Agreements

The District entered into a Regional Facilities Construction Agreement (Old Agreement) with Ebert on December 1, 1999. Under the Old Agreement, the District is to provide capital construction and administrative services to Ebert. The District is to own, operate, maintain, and construct the facilities benefiting both Districts. Ebert will, to the extent that Ebert is to benefit, pay the capital and service costs of construction, operation and maintenance of such facilities. At special elections held within Ebert on November 2, 1999, and on November 7, 2000, Ebert's qualified electors approved \$33,000,000 and \$66,000,000, respectively, for a total amount of \$99,000,000, for the Old Agreement.

On April 28, 2005, the District and Ebert entered into a District Facilities Construction, Funding and Service Agreement (New Agreement), which replaced the Old Agreement. Under the New Agreement, the obligations of the District and Ebert remain essentially the same. In addition, the District may draw against Ebert's project funds, without further need of Ebert's consent, to pay the capital costs expected to be paid pursuant to the New Agreement. Ebert also agrees to levy a minimum service levy of not less than 10 mills and not greater than 50 mills to pay the service costs expected to be paid pursuant to the New Agreement.

The District and Ebert entered into an Amended and Restated Facilities, Construction, Funding and Service Agreement effective January 1, 2016 (Amended Agreement). Under the Amended Agreement, Ebert will pay a maximum of \$21,635,477 to the District for service costs, which represents voted authorization of \$99,000,000 less all service costs paid to the District through December 31, 2015. Service costs comprise all operations, maintenance, and administration costs incurred by the District in the performance of the duties and services required by the Amended Agreement. Ebert agrees to levy a minimum service levy of 19 mills that may be adjusted to account for constitutional or legislative changes in computing assessed valuation of Ebert's property, provided that the levy shall never exceed 50 mills. Payments for capital costs contemplated by the Amended Agreement are to be funded from the proceeds of Ebert's 2016C Note.

The District and Ebert entered into a Second Amended and Restated District Facilities Construction, Funding and Service Agreement dated effective November 1, 2018 (New Service Agreement). The New Service Agreement provides that Ebert will fund the construction of certain facilities necessary to complete the development in Ebert and the District will own, operate and maintain certain facilities identified therein and provide covenant enforcement and design review services for the benefit of Ebert. For the purposes of paying the costs incurred by the District for such purposes, the New Service Agreement further provides that Ebert will levy the Minimum Service Levy (a levy of not less than eighteen (18) mills against all taxable property within its boundaries, adjusted to account for constitutional and legislative changes, including new exemptions, in the manner, method or base percentage calculation for the computation of assessed values of taxable property, provided that the levy shall never exceed fifty (50) mills until such time as the New Service Agreement is terminated or when Ebert has paid to the District the Maximum Service Amount of \$16,947,741. The Maximum Service Amount represents the future maximum costs that can be incurred by the District for operations, maintenance and administration in the performance of its duties under the New Service Agreement. On December 31, 2020, the Maximum Service Amount remaining was \$12,489,177.

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

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Regional Facilities Construction Agreements (Continued)

The New Service Agreement establishes and funds Ebert's Capital Repair and Replacement Fund (the "CRRF"). One mill of Ebert's Minimum Service Levy is to be reserved for the purpose of funding the CRRF. The amounts in the CRRF are to be used for the limited purpose of repairing, replacing and/or maintaining public improvements and for creating reserves for those purposes, all at the direction of Ebert's Board acting in its discretion. The District agrees in the New Service Agreement, subject to funding provided by Ebert from the CRRF, to repair, replace and/or maintain public improvements in consultation with or as requested by Ebert's Board. Additionally, pursuant to the New Service Agreement, Ebert agrees to allow the District to withdraw, at the direction of Ebert, up to \$2,300,000 of proceeds from Ebert's Series 2018 A-2 Bonds for funding the construction or acquisition of certain facilities. During 2020 \$869,293 of these proceeds were transferred to the District.

Development Agreement

On February 20, 2003, and as amended on May 25, 2007, March 13, 2012, and November 17, 2014, the District entered into a development agreement with Ebert (collectively, the Districts); the City, Denver School District No. 1 (the School); and C&H Ranch Company LLC, Oakwood Commercial Ventures LLC, and HC Development & Management Services, Inc. (collectively, the Developers). The purpose of the agreement was to modify and supersede prior annexation agreements between the City, the School, and the Developers in order to coordinate all present and future plans for the development of the area in the vicinity of the Districts, known as Green Valley Ranch (GVR).

The agreement outlines the capital improvement responsibilities of the Districts, the Developers, and the City. Under the agreement, the City is responsible for the funding and construction of a regional park, regional trails, arterial roads and medians surrounding GVR (less the first 22 feet of pavement, curb, gutter, and sidewalks of the arterial roads), and 50% of the costs associated with arterial road bridges. The City will also contribute funding toward the construction of a recreation center (see below). The Districts are responsible for construction and funding of five scenic viewing areas, neighborhood and pocket parks, the landscaping of the regional trails that lie within GVR, collector streets which link local streets to arterial streets, and the first 22 feet of pavement, curb, gutter, and sidewalks of the arterial roads. The Districts are also responsible for the construction and balance of funding of a recreation center. The Developer is responsible for the construction and funding of local or neighborhood roads and medians, interior arterial roads, the interior road bridges, 50% of the costs associated with arterial road bridges, and all storm drainage improvements within GVR. The Developers may assign or transfer all of their rights and obligations for collector and arterial improvements in this agreement to the Districts, which they have done.

The public golf course and wetlands owned by the District are considered Metropolitan District Open Space and Wetlands and shall at all times be owned by a public entity and be maintained for the public golf course or other public open space or public recreational purposes.

In order to facilitate the completion of the arterial roads, the City and the District have agreed to undertake the other's obligations and have entered into written road development agreements (see below).

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

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Development Agreement (Continued)

The City has acknowledged that the Developers have undertaken certain public improvements within GVR that were the obligation of the City under the terms of the prior annexation agreements. The City has given the Developer a credit of \$5,900,000 that will be applied by the City for payment or reimbursement for the benefit of the District, the District's share of arterial costs. As of December 31, 2020, all credits had been received by the District.

The City will own, operate, and maintain the regional park, the recreation center, the arterial roads, bridges, and medians, the interior roads and bridges, and the storm drainage for the recreation center and parks. The District will own, operate, and/or maintain the viewing areas, the landscaping improvements on the regional trails that are within the District, and the remainder of the storm drainage improvements.

Per this agreement, the District is responsible for funding, constructing, and maintaining certain improvements within GVR, which encompasses areas outside of the District's boundaries, including other metropolitan districts. The District is currently in the process of negotiating with the other metropolitan districts for reimbursement of the improvement costs that are benefiting the other districts. The approximate cost of these improvements is \$3 million.

On May 9, 2008, GVR Metropolitan District and the Developers entered into a Mutual Release and Settlement Agreement whereby certain disputes regarding infrastructure construction and system development fee credits were resolved. Additionally, GVR Metropolitan District agreed to waive its rights or claims to all system development fees due from the Developers on residential property within GVR Metropolitan District. The District is to collect the remaining system development fees of \$3,900 per lot.

Restated Agreement for Reimbursement of Costs

On January 11, 2017, the District and Green Valley Ranch Metropolitan District Nos. 6 and 7 (GVRE Districts) entered into a Restated Agreement for Reimbursement of Costs (Cost Reimbursement Agreement). The GVRE Districts agreed to reimburse the District 75% of the District's costs of certain street originally agreed to in 2008 in the total amount of \$1,392,829, plus accrued interest at the rate of 8% per annum. In 2020, Green Valley Ranch East Metropolitan District No. 6 (GVRE6) issued bonds and repaid the District \$1,044,622, plus \$1,136,065 of accrued interest in satisfaction of the Cost Reimbursement Agreement.

The remaining 25% of the original amount due is the responsibility of Green Valley Ranch Metropolitan District Nos. 1-5, which have subsequently been renamed and are referred to in this agreement as the TAH Districts. Upon issuance of its 2020 bonds, GVRE6 also reimbursed the District \$348,207, plus \$378,689 of accrued interest on behalf of the TAH Districts.

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

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Golf Club at Green Valley Ranch LLC

On April 14, 2000, the District entered into a Golf Course Development Agreement and a Golf Course Concession Agreement with the Golf Club at Green Valley Ranch LLC (Concessionaire).

The Concessionaire constructed various golf course improvements and was reimbursed \$2,500,000 under the terms of the Development Agreement.

The Concessionaire will operate the golf course, clubhouse and maintenance facility as a public facility for a period of 99 years. The Concessionaire will be responsible for routine repairs and maintenance of the golf course and facilities, including the irrigation system and parking areas. The District will be responsible for the nonroutine repairs and replacements of structures and systems, including the water supply and drainage improvements. The District shall be responsible for the cost, maintenance and repair of the water supply system and the water supplied to the Concessionaire from its wells, provided, however, that any extra costs of maintenance or repair of damage to the water system shall be the responsibility of the Concessionaire.

During 2005, the District amended and restated the Golf Facility Use Agreement, whereby the District and Concessionaire agree to provide improvements to the golf facilities to include a short course and learning center for a First Tee program, which is aimed at developing the interest and ability of youth in the sport of golf. Since 2005, the Colorado Open Golf Foundation (Foundation) has contributed \$336,250 to the District and an additional \$54,236 was contributed by a related party toward the funding of these improvements. The agreement provides that for the next 30 years, the Foundation shall have the use of the short course and learning center in order to administer the First Tee program. The Foundation will make payments if and when it can to reimburse the District for additional First Tee program costs. A receivable was not recorded, and no revenue was budgeted in 2020 associated with this amended agreement.

Effective January 1, 2005, the Golf Course Concession Agreement was amended whereby, for the next ten years, the Concessionaire will pay to the District a fee of 5% of gross revenues if gross revenues exceed operating expenses by \$300,000. No concession fee is due if revenues do not exceed expenses by \$300,000. Thereafter, the concession fee will be 5% of gross revenues if gross revenues exceed operating expenses. No concession fees were due or paid in 2020.

Inclusion Agreement

The District has entered into an Inclusion Agreement dated as of September 20, 2005 (the Inclusion Agreement), with Ebert and C.P. Bedrock LLC (C.P. Bedrock). Pursuant to the Inclusion Agreement, the parties set out the terms by which certain property owned by C.P. Bedrock has been and will be included into and excluded from Ebert. In addition, Ebert has agreed to limit its debt service mill levy to 65 mills, subject to certain adjustments for changes in law.

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

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Inclusion Agreement (Continued)

During 2008, the parties entered into an amendment to the Inclusion Agreement that modified the language in the Inclusion Agreement to describe the authorized adjustments to Ebert's 65-mill limit for changes in law and other provisions. As of December 31, 2016, the adjusted mill levy cap for Ebert was 74.717 mills. The parties also entered into an Escrow Agreement with United Missouri Bank (UMB) that modified the original escrow instructions delivered pursuant to the Inclusion Agreement. Pursuant to the Modified Escrow Agreement, \$4,657,010 of the proceeds of Ebert's 2007 bonds were deposited into an escrow account to be released as the District completes certain improvements benefiting property owned by C.P. Bedrock that is subject to the Inclusion Agreement. At December 31, 2020 the remaining balance in the escrow account held by Ebert was \$165,775.

56th Avenue Improvements

The District entered into an agreement dated October 20, 2009, with the City for the construction of the 56th Avenue Right-of-Way Improvements – Phase I. The 56th Avenue Right-of-Way Improvements include: 1) a full 6-lane section, with median and sidewalk on each side, from Tower Road to Dunkirk Street; 2) three southerly lanes, with a half median on the north side and adjacent sidewalk on the south side, from Dunkirk Street to Piccadilly Road; 3) portions of the intersections of 56th Avenue with Tower Road, Argonne Street, Dunkirk Street, Ireland Street, Nepal Street, and Piccadilly Road; 4) certain related utility relocations and installation of conduit; 5) certain traffic signalization and; 6) certain street lighting, signage, and other incidental improvements. Phase I consists of the 56th Avenue Right-of-Way Improvements from the Tower Road intersection to and including the Ireland Street intersection. The District shall cause the Project to be completed in accordance with the Project Plans and terms of the agreement.

The project cost estimate for the Phase I improvements is \$3,227,940. The City has appropriated \$3,113,624 from various sources, including payments to the City from Denver High Point at DIA Metropolitan District and Gateway Regional Metropolitan District in accordance with agreements the City has with those districts. The District's share of the cost is \$114,316, of which \$61,844 is for design costs for drainage facilities benefitting the City of Aurora. Additionally, \$327,089 of the project cost estimate is for improvements located within the City of Aurora, which is currently not in a position to pay the cost of these improvements. The District, with the involvement and cooperation of the City, will diligently pursue agreements to have the Aurora improvements funded by the City of Aurora and/or adjacent private developers and/or metropolitan districts or other applicable governing authorities. Phase I was completed and accepted by the City in 2011.

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

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

56th Avenue Improvements (Continued)

Subsequent to December 31, 2017, the District entered into an intergovernmental agreement for 56th Avenue Improvements - Phase 2 with the City. This District will be responsible for construction of all roadway and right of way improvements for the three southerly lanes and adjacent sidewalk of 56th Avenue from Ireland Street through Piccadilly Street. The total cost of the project was \$5,392,993 million, which includes \$1,216,961 million of landscaping costs. The City will contribute \$1,081,938 of remaining credits associated with the above Development Agreement, plus an additional \$1,206,126 of the City's share of project costs. Payment was received in 2019.

The costs were initially accepted on October 1, 2019. Subject to a three-year warranty period, the City shall own, operate, and maintain the Project.

Z Place (Formerly Known as Building 5)

In 2012, the District entered into a "Design/Build Turnkey Contract and Funding Agreement for Building 5 at the Evie Garrett Dennis E12 Campus" with Denver Public School District No. 1 (SD1) and HC Development and Management Services, Inc. (HC Development). HC Development shall design and construct "Building 5," a public school and multiple use building on the Evie Garrett Dennis E12 Campus in the Green Valley Ranch area. Building 5 shall consist of one two-story building. The second floor and a section of the first floor are intended to be used as a DPS chartered middle school with associated educational offices and installations. The balance of the first floor will be owned by the District and is intended to be used for privately operated early learning education facilities, a Young Americans Bank branch, and a multi-use area suitable for community meetings and other multiple purpose uses, including District offices and board meetings. The ownership of the building will be governed pursuant to a condominium declaration with SD1 and the District as declarants. The condominium declaration has not been executed.

The estimated total cost of the project is \$9,580,406, with SD1 responsible for payment of 57.5% and the District responsible for 42.5% of the total estimated cost. SD1 affirms that it has appropriated and has funds on hand equal to its share of the cost. The District deposited its share of the project costs, \$3,231,893, into an escrow account per an escrow agreement associated with this agreement. Monies received for this project were paid to the District by the Developer and by the Foundation for Educational Excellence. All monies designated for this project have been spent and the District's final project cost was \$4,602,734. The District received \$3,971,737 from the Foundation for Educational Excellence and \$184,221 from the Developer to offset the costs of this project.

This information is also memorialized in a Memorandum of Understanding dated June 5, 2012, between SD1 and the District.

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

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is Clayton Properties Group II, Inc. (the Developer). The Developer is the owner of Oakwood Homes (Oakwood) and is successor in other Oakwood related entities. During 2020, the members of the Board of Directors were officers of, employees of, or consultants to Oakwood Homes. As such, these Board members may have conflicts of interest in dealing with the District.

The District has entered into a construction management agreement with the Developer whereby the District will pay a fee to the Developer for construction management services on various District projects. The District did not pay any fees to the Developer for construction management services during 2020.

A transfer fee in the amount of $\frac{1}{2}$ of 1% of sales price for any home resold in the District was established by the 2001 Master Declaration for the Development. The District is designated to collect the fee and remit 75% of the transfer fee to the Developer and 25% to GVR Foundation, a Developer-related entity. During 2020, \$746,351 of transfer fees were collected and paid per the Master Declaration, \$559,763 to the Developer, and \$186,588 to GVR Foundation. The financial activity related to the collection and disbursement of the transfer fees is reported in the Fiduciary Fund.

NOTE 9 RISK MANAGEMENT

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.

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

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 November 3, 1998, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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.

NOTE 11 SUBDISTRICTS

During 2011, the Board of Directors of the District by resolution allowed for the division of the District into one or more subareas. Different rates of levy for property tax purposes may be fixed against all the taxable property within the subareas for operations and/or repayment of indebtedness issued by the subareas to finance services, programs, and facilities furnished or to be furnished with the subareas.

Town Center Metropolitan District Subdistrict No. 1 (Subdistrict No. 1) was established on August 22, 2011. The electors of Subdistrict No. 1, at an election held on November 1, 2011, approved authorization to increase property taxes up to \$500,000 annually, as necessary, to pay for the costs of operating and maintaining the improvements within and/or benefiting Subdistrict No.1. Debt authorization was approved for the following improvements: \$1,500,000 for streets; \$1,500,000 for safety protection; \$1,500,000 for parks and recreation; \$1,500,000 for water supply; \$1,500,000 for sanitary and storm sewer; \$1,500,000 for mosquito control and \$1,500,000 for television relay. Debt authorization was also approved in the amount of \$15,000,000 for operations and maintenance, \$5,000,000 for refinance/refunding, and \$15,000,000 for executing intergovernmental agreements.

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

NOTE 11 SUBDISTRICTS (CONTINUED)

During 2016 a mill levy of 50.000 mills was levied against all taxable property within Subdistrict No. 1 for collection in 2017. The mill levy is subject to changes in the method of assessing residential property in the State. For tax collections in 2020, the mill levy was adjusted to 55.664 mills. Financial activity of Subdistrict No. 1 is displayed within the financial statements as a Special Revenue Fund.

Subdistrict No. 1 is an adult community (Fairway Villas) consisting of ranch homes with a club house serving the residents of the Subdistrict No. 1.

Town Center Metropolitan Subdistrict No. 2 (Subdistrict No. 2) was established on April 30, 2013. The organizational election for Subdistrict No. 2 approved authorization to increase property taxes up to \$2,000,000 annually, as necessary, to pay for the cost of constructing, operating and maintaining the improvements within and/or benefitting Subdistrict No. 2. The election also authorized Subdistrict No. 2 to enter into multi-fiscal year agreements and to collect, retain, and spend amounts collected annually from any and all revenue sources without regard to any limitations contained within Article X, Section 20, of the Colorado Constitution.

In 2016 a mill levy of 50.000 mills was levied against all taxable property within Subdistrict No. 2 for collection in 2017. The mill levy is subject to changes in the method of assessing residential property in the State. For tax collections in 2020, the mill levy was adjusted to 55.664 mills. Financial activity in Subdistrict No. 2 is displayed within the financial statements as a Special Revenue Fund.

Subdistrict No. 2 is a community (Carriage House) of cluster homes.

Town Center Metropolitan Subdistrict No. 3 (Subdistrict No. 3) was originally established on February 5, 2014 and reestablished on September 1, 2017. The organizational election for Subdistrict No. 3 held on November 3, 2015, and again on November 7, 2017, approved authorization to increase property taxes up to \$1,000,000 annually, as necessary, to pay for the cost of constructing, operating and maintaining the improvements within and/or benefitting Subdistrict No. 3. The election also authorized Subdistrict No. 3 to collect, retain, and spend amounts collected annually from any and all revenue sources without regard to any limitations contained within Article X, Section 20, of the Colorado Constitution. Financial activity in Subdistrict No. 3 is displayed within the financial statements as a Special Revenue Fund.

In 2019 a mill levy of 50.000 mills was levied against all taxable property within Subdistrict No. 2 for collection in 2020. The mill levy is subject to changes in the method of assessing residential property in the State. Financial activity in Subdistrict No. 2 is displayed within the financial statements as a Special Revenue Fund.

Subdistrict No. 3 is a gated community of single-family homes.

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

NOTE 11 SUBDISTRICTS (CONTINUED)

Town Center Metropolitan District Subdistrict No. 4 (Subdistrict No. 4) was established on February 5, 2014 and reestablished on September 1, 2017. The electors of Subdistrict No. 4, at an election held on November 3, 2015, approved authorization to increase property taxes and fees up to \$40,000 annually, as necessary, to pay for the costs of operating and maintaining the improvements within and/or benefiting Subdistrict No. 4. Debt authorization was approved for the following improvements: \$1,500,000 for streets; \$1,500,000 for security; \$1,500,000 for parks and recreation; \$1,500,000 for water supply; \$1,500,000 for sanitary and storm sewer; and \$1,500,000 for reimbursements with private entities. The election also authorized Subdistrict No. 4 to collect, retain, and spend amounts collected annually from any and all revenue sources without regard to any limitations contained within Article X, Section 20, of the Colorado Constitution. An election held on November 7, 2017, approved authorization to increase property taxes up to \$1,000,000 annually, as necessary, to pay for the cost of constructing, operating and maintaining the improvements within and/or benefitting Subdistrict No. 4. This election also reaffirmed Subdistrict No. 4's ability to collect, retain, and spend amounts collected annually from any and all revenue sources without regard to any limitations contained within Article X, Section 20, of the Colorado Constitution.

In 2019 a mill levy of 50.000 mills was levied against all taxable property within Subdistrict No. 2 for collection in 2020. The mill levy is subject to changes in the method of assessing residential property in the State. For tax collections in 2020, the mill levy was adjusted to 55.664 mills. Financial activity in Subdistrict No. 2 is displayed within the financial statements as a Special Revenue Fund.

Financial activity in Subdistrict No. 4 is displayed within the financial statements as a Special Revenue Fund.

Subdistrict No. 4 is intended to be an adult community similar to Subdistrict No. 1.

Town Center Metropolitan District Subdistrict No. 5 (Subdistrict No. 5) was established in 2019. The electors of Subdistrict No. 5, at an election held on November 5, 2019, approved authorization to increase property taxes and fees up to \$2,000,000 annually, as necessary, to pay for the costs of operating and maintaining the improvements within and/or benefiting Subdistrict No. 5. The electors also approved authorization to increase property taxes up to \$2,000,000 for the funding of capital costs authorized by the Service Plan. The election also authorized Subdistrict No. 5 to collect, retain, and spend amounts collected annually from any and all revenue sources without regard to any limitations contained within Article X, Section 20, of the Colorado Constitution and to enter into intergovernmental and multi-fiscal year agreements and to enter into contracts with private parties.

There was no substantive financial activity for District No. 5 in 2020. Property taxes receivable and the associated deferred inflow of resources is displayed on the combining balance sheet of the special revenue funds.

Subdistrict No. 5 is a community of single-family homes.

SUPPLEMENTARY INFORMATION

**TOWN CENTER METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Subdistrict 1 Special Revenue	Subdistrict 2 Special Revenue	Subdistrict 3 Special Revenue	Subdistrict 4 Special Revenue	Subdistrict 5 Special Revenue	GVR Tower Commons Retail Special Revenue	Towns at Oak Crest Special Revenue	Total Governmental Funds
ASSETS								
Cash and Investments	\$ 140,232	\$ 115,901	\$ 45,768	\$ 37,331	\$ -	\$ -	\$ -	\$ 339,232
Cash and investments - Restricted	19,000	31,000	6,000	3,000	-	1,400	1,600	62,000
Accounts Receivable	595	64,694	-	1,209	-	36,117	7,157	109,772
Due from Other Districts	5,868	-	-	6,300	-	-	-	12,168
Prepaid Expenses	999	-	-	-	-	-	-	999
Receivable from County Treasurer	1,613	2,535	691	576	-	-	-	5,415
Property Taxes Receivable	444,186	727,523	215,517	213,437	41,799	-	-	1,642,462
Total Assets	\$ 612,493	\$ 941,653	\$ 267,976	\$ 261,853	\$ 41,799	\$ 37,517	\$ 8,757	\$ 2,172,048
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)								
LIABILITIES								
Accounts Payable	\$ 55,141	\$ 71,435	\$ 10,120	\$ 43,223	\$ -	\$ 8,079	\$ 6,109	\$ 194,107
Due to Other Districts	1,876	-	-	3,833	-	-	-	5,709
Due to Other Funds	-	-	-	-	-	37,363	47,569	84,932
Prepaid Assessments	-	264	-	2,868	-	-	1,539	4,671
Total Liabilities	57,017	71,699	10,120	49,924	-	45,442	55,217	289,419
DEFERRED INFLOWS OF RESOURCES								
Property Tax Revenue	444,186	727,523	215,517	213,437	41,799	-	-	1,642,462
Total Deferred Inflows of Resources	444,186	727,523	215,517	213,437	41,799	-	-	1,642,462
FUND BALANCES (DEFICITS)								
Nonspendable:								
Prepaid Expenses	999	-	-	-	-	-	-	999
Restricted for:								
Emergencies (TABOR)	19,000	31,000	6,000	3,000	-	1,400	1,600	62,000
Assigned to:								
Subsequent Year's Expenditures	14,082	63,697	30,703	-	-	-	-	108,482
Unassigned:								
Subdistrict - Special Revenues	77,209	47,734	5,636	(4,508)	-	(9,325)	(48,060)	68,686
Total Fund Balances (Deficits)	111,290	142,431	42,339	(1,508)	-	(7,925)	(46,460)	240,167
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 612,493	\$ 941,653	\$ 267,976	\$ 261,853	\$ 41,799	\$ 37,517	\$ 8,757	\$ 2,172,048

**TOWN CENTER METROPOLITAN DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS)
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Subdistrict 1 Special Revenue	Subdistrict 2 Special Revenue	Subdistrict 3 Special Revenue	Subdistrict 4 Special Revenue	GVR Tower Commons Retail Special Revenue	Towns at Oak Crest Special Revenue	Total Governmental Funds
REVENUES							
Property Taxes	\$ 442,342	\$ 700,574	\$ 187,303	\$ 157,486	\$ -	\$ -	\$ 1,487,705
Specific Ownership Taxes	23,142	36,187	9,812	8,177	-	-	77,318
Net Investment Income	517	698	31	74	-	-	1,320
Intergovernmental Revenue	164,160	-	-	-	-	-	164,160
Customer/Tenant Billings	-	292,969	-	82,533	45,813	48,929	470,244
Other Revenue	595	-	2,545	14,600	-	1,938	19,678
Total Revenues	<u>630,756</u>	<u>1,030,428</u>	<u>199,691</u>	<u>262,870</u>	<u>45,813</u>	<u>50,867</u>	<u>2,220,425</u>
EXPENDITURES							
General Government	103,178	113,661	37,935	225,674	21,896	33,442	535,786
Operations and Maintenance	426,048	789,429	121,772	75,178	27,870	36,250	1,476,547
Total Expenditures	<u>529,226</u>	<u>903,090</u>	<u>159,707</u>	<u>300,852</u>	<u>49,766</u>	<u>69,692</u>	<u>2,012,333</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	101,530	127,338	39,984	(37,982)	(3,953)	(18,825)	208,092
OTHER FINANCING SOURCES (USES)							
Developer Contribution	23,000	-	-	-	-	-	23,000
Developer Advances	-	-	-	35,500	-	-	35,500
Total Other Financing Sources (Uses)	<u>23,000</u>	<u>-</u>	<u>-</u>	<u>35,500</u>	<u>-</u>	<u>-</u>	<u>58,500</u>
NET CHANGE IN FUND BALANCES	124,530	127,338	39,984	(2,482)	(3,953)	(18,825)	266,592
Fund Balances (Deficits) - Beginning of Year	<u>(13,240)</u>	<u>15,093</u>	<u>2,355</u>	<u>974</u>	<u>(3,972)</u>	<u>(27,635)</u>	<u>(26,425)</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 111,290</u>	<u>\$ 142,431</u>	<u>\$ 42,339</u>	<u>\$ (1,508)</u>	<u>\$ (7,925)</u>	<u>\$ (46,460)</u>	<u>\$ 240,167</u>

**TOWN CENTER METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Subdistrict 3 Capital Projects	Subdistrict 4 Capital Projects	Capital Projects	Capital Replacement	Total Governmental Funds
ASSETS					
Cash and Investments	\$ -	\$ -	\$ 3,640,869	\$ 554,037	\$ 4,194,906
Cash and investments - Restricted	-	-	1,207,552	-	1,207,552
Accounts Receivable	-	-	32,106	-	32,106
Due from Other Funds	-	-	15,450	-	15,450
	<u>-</u>	<u>-</u>	<u>4,895,977</u>	<u>554,037</u>	<u>5,450,014</u>
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,895,977</u>	<u>\$ 554,037</u>	<u>\$ 5,450,014</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 52,514	\$ -	\$ 52,514
Retainage Payable	-	-	265,144	-	265,144
Total Liabilities	<u>-</u>	<u>-</u>	<u>317,658</u>	<u>-</u>	<u>317,658</u>
FUND BALANCES					
Restricted for:					
Capital Projects	-	-	1,207,552	-	1,207,552
Assigned to:					
Capital Replacement	-	-	-	554,037	554,037
Capital Projects	-	-	3,370,767	-	3,370,767
Total Fund Balances	<u>-</u>	<u>-</u>	<u>4,578,319</u>	<u>554,037</u>	<u>5,132,356</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,895,977</u>	<u>\$ 554,037</u>	<u>\$ 5,450,014</u>

**TOWN CENTER METROPOLITAN DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Subdistrict 3 Capital Projects	Subdistrict 4 Capital Projects	Capital Projects	Capital Replacement	Total Governmental Funds
REVENUES					
Net Investment Income	\$ -	\$ -	\$ 55,387	\$ 3,422	\$ 58,809
Ebert Conservation Trust Fund Revenue	-	-	20,000	-	20,000
Reimbursed Expenditures	-	-	1,392,829	-	1,392,829
System Development Fees	-	-	975,429	-	975,429
Net Investment Income on Reimbursed Expenditures	-	-	1,514,754	-	1,514,754
Ebert Revenue - Replacement Projects	-	-	869,293	-	869,293
Total Revenues	<u>-</u>	<u>-</u>	<u>4,827,692</u>	<u>3,422</u>	<u>4,831,114</u>
EXPENDITURES					
General Government:	-	-	136,314	-	136,314
Capital Outlay	<u>2,013,594</u>	<u>1,975,543</u>	<u>8,910,871</u>	<u>-</u>	<u>12,900,008</u>
Total Expenditures	<u>2,013,594</u>	<u>1,975,543</u>	<u>9,047,185</u>	<u>-</u>	<u>13,036,322</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,013,594)	(1,975,543)	(4,219,493)	3,422	(8,205,208)
OTHER FINANCING SOURCES (USES)					
Developer Contribution	<u>2,013,594</u>	<u>1,975,543</u>	<u>-</u>	<u>-</u>	<u>3,989,137</u>
Total Other Financing Sources (Uses)	<u>2,013,594</u>	<u>1,975,543</u>	<u>-</u>	<u>-</u>	<u>3,989,137</u>
NET CHANGE IN FUND BALANCES	-	-	(4,219,493)	3,422	(4,216,071)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,797,812</u>	<u>550,615</u>	<u>9,348,427</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,578,319</u>	<u>\$ 554,037</u>	<u>\$ 5,132,356</u>

**TOWN CENTER METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND – SUBDISTRICT NO. 3
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)
EXPENDITURES			
Capital Outlay:			
Phase 1, Roads and Gate House	\$ 1,000,000	\$ -	\$ 1,000,000
Phase 2, Pool and Club House	2,000,000	2,013,594	(13,594)
Total Expenditures	<u>3,000,000</u>	<u>2,013,594</u>	<u>986,406</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,000,000)	(2,013,594)	986,406
OTHER FINANCING SOURCES (USES)			
Developer Contribution	3,000,000	2,013,594	(986,406)
Total Other Financing Sources (Uses)	<u>3,000,000</u>	<u>2,013,594</u>	<u>(986,406)</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN CENTER METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND – SUBDISTRICT NO. 4
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)
EXPENDITURES			
Capital Outlay:			
Clubhouse	\$ 2,500,000	\$ 1,975,543	\$ 524,457
Total Expenditures	<u>2,500,000</u>	<u>1,975,543</u>	<u>524,457</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,500,000)	(1,975,543)	524,457
OTHER FINANCING SOURCES (USES)			
Developer Contribution	2,500,000	1,975,543	(524,457)
Total Other Financing Sources (Uses)	<u>2,500,000</u>	<u>1,975,543</u>	<u>(524,457)</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN CENTER 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)
REVENUES			
Net Investment Income	\$ 58,700	\$ 55,387	\$ (3,313)
Ebert Conservation Trust Fund Revenue	65,480	20,000	(45,480)
System Development Fees	2,974,000	975,429	(1,998,571)
Reimbursed Expenditures	-	1,392,829	1,392,829
Net Investment Income on Reimbursed Expenditures	-	1,514,754	1,514,754
Ebert Revenue - Replacement Projects	2,367,993	869,293	(1,498,700)
Total Revenues	<u>5,466,173</u>	<u>4,827,692</u>	<u>(638,481)</u>
EXPENDITURES			
General Government:			
Accounting	-	306	(306)
Construction Management	150,000	123,086	26,914
Engineering	15,000	13,730	1,270
Legal	-	6,442	(6,442)
Reserve Study	6,000	6,480	(480)
Capital Outlay:			
Fencing	50,000	166,813	(116,813)
Landscaping	30,000	57,401	(27,401)
Other Projects	1,117,993	-	1,117,993
Parks and Recreation	-	852,129	(852,129)
Pocket Parks and Tracts	100,000	-	100,000
Sanitary Sewer	2,000,000	748,135	1,251,865
Streets	6,625,976	6,147,872	478,104
Storm Drainage	2,000,000	8,170	1,991,830
Traffic Signal	-	6,044	(6,044)
Water	1,000,000	910,577	89,423
Contingency	10,031	-	10,031
Total Expenditures	<u>13,105,000</u>	<u>9,047,185</u>	<u>4,057,815</u>
NET CHANGE IN FUND BALANCE	(7,638,827)	(4,219,493)	3,419,334
Fund Balance - Beginning of Year	<u>7,715,379</u>	<u>8,797,812</u>	<u>1,082,433</u>
FUND BALANCE - END OF YEAR	<u>\$ 76,552</u>	<u>\$ 4,578,319</u>	<u>\$ 4,501,767</u>

**TOWN CENTER METROPOLITAN DISTRICT
CAPITAL REPLACEMENT 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)
REVENUES			
Net Investment Income	\$ 8,400	\$ 3,422	\$ (4,978)
Total Revenues	<u>8,400</u>	<u>3,422</u>	<u>(4,978)</u>
NET CHANGE IN FUND BALANCE	8,400	3,422	(4,978)
Fund Balance - Beginning of Year	<u>551,445</u>	<u>550,615</u>	<u>(830)</u>
FUND BALANCE - END OF YEAR	<u>\$ 559,845</u>	<u>\$ 554,037</u>	<u>\$ (5,808)</u>

OTHER INFORMATION

**TOWN CENTER METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
		General Service	Levied	Collected	
2016	\$ 406,090	84.000	\$ 34,112	\$ 33,844	99.21 %
	4,348,280	50.000	217,414 (A)	216,826	99.73
	2,075,890	50.000	103,795 (B)	96,927	93.38
2017	360,000	84.000	30,240	30,240	100.00
	5,008,290	50.000	250,415 (A)	250,415	100.00
	3,020,940	50.000	151,047 (B)	151,047	100.00
2018	330,460	90.861	30,026	30,026	100.00
	6,332,950	55.278	350,073 (A)	349,923	99.96
	5,360,830	55.278	296,336 (B)	296,334	100.00
2019	262,020	58.040	15,208	15,208	100.00
	7,116,600	55.278	393,391 (A)	386,313	98.20
	8,613,230	55.278	476,122 (B)	476,125	100.00
2020	339,540	58.319	19,802	19,772	99.85
	7,950,310	55.664	442,546 (A)	442,342	99.95
	12,593,430	55.664	701,001 (B)	700,574	99.94
	3,746,050	50.000	187,303 (C)	187,303	100.00
	2,829,230	55.664	157,486 (D)	157,486	100.00
Estimated for year ending December 31,					
2021	\$ 398,630	58.319	\$ 23,248		
	7,979,770	55.664	444,186 (A)		
	13,069,910	55.664	727,523 (B)		
	4,310,340	50.000	215,517 (C)		
	3,834,380	55.664	213,437 (D)		
	750,920	55.664	41,799 (E)		
			<u>\$ 1,665,710</u>		

NOTES:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

(A) Represents property included in the Town Center Metropolitan District Subdistrict No. 1.

(B) Represents property included in the Town Center Metropolitan District Subdistrict No. 2.

(C) Represents property included in the Town Center Metropolitan District Subdistrict No. 3.

(D) Represents property included in the Town Center Metropolitan District Subdistrict No. 4.

(E) Represents property included in the Town Center Metropolitan District Subdistrict No. 5.