

**Talon Pointe Metropolitan District
Adams County, Colorado**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2020

Talon Pointe Metropolitan District

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December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Talon Pointe Metropolitan District
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Talon Pointe 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Economic Dependency

The District has not yet established a revenue base sufficient to pay its operational costs. As discussed in Noted 9, the District may be dependent upon the developer of the District's service area to provide cash for such expenditures.

Required Supplementary Information

Management has omitted 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 statement in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
July 29, 2021

BASIC FINANCIAL STATEMENTS

Talon Pointe Metropolitan District
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities
Assets	
Cash and investments	\$ 8,180
Cash and investments - restricted	4,840,642
Accounts receivable	5,000
Receivable - County Treasurer	61,644
Due from Developer	10,000
Prepaid expense	4,919
Property taxes receivable	443,891
Capital assets, not being depreciated	6,251,672
Capital assets, net	1,635,200
Total Assets	13,261,148
 Deferred Outflow of Resources	
Loss on bond refunding	67,528
Total Deferred Outflow of Resources	67,528
 Liabilities	
Accounts payable	11,000
Due to other governments	1,254
Accrued interest payable	101,902
Noncurrent liabilities:	
Due within one year	20,250
Due in more than one year	24,906,994
Total Liabilities	25,041,400
 Deferred Inflow of Resources	
Property tax revenue	443,891
Total Deferred Inflow of Resources	443,891
 Net Position (Deficit)	
Restricted for:	
Emergencies	3,700
Debt service	2,079,127
Capital projects	2,714,092
Unrestricted	(16,953,534)
Total Net Position (Deficit)	\$ (12,156,615)

The accompanying Notes to Financial Statements are an integral part of these statements.

Talon Pointe Metropolitan District
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Functions/Programs:	Program Revenues			Net (Expense)	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Primary government					Governmental Activities
General government	\$ (178,976)	\$ -	\$ -	\$ -	\$ (178,976)
Interest on long-term debt and related costs	(1,822,123)	-	-	316,100	(1,506,023)
Total primary government	<u>\$ (2,001,099)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,100</u>	<u>(1,684,999)</u>
		General Revenues:			
					402,786
					29,560
					21,901
					454,247
					(1,230,752)
					(10,925,863)
					<u>\$ (12,156,615)</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Talon Pointe Metropolitan District
BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and investments	\$ 8,180	\$ -	\$ -	\$ 8,180
Cash and investments - restricted	3,700	2,122,850	2,714,092	4,840,642
Receivable - County Treasurer	17,211	44,433	-	61,644
Due fro Developer	-	10,000	-	10,000
Accounts receivable	-	5,000	-	5,000
Prepaid Expense	4,919	-	-	4,919
Property taxes receivable	121,724	322,167	-	443,891
Total Assets	155,734	2,504,450	2,714,092	5,374,276
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities				
Accounts payable	11,000	-	-	11,000
Due to other governments	-	1,254	-	1,254
Total Liabilities	11,000	1,254	-	12,254
Deferred Inflows of Resources				
Property tax revenue	121,724	322,167	-	443,891
Total Deferred Inflows of Resources	121,724	322,167	-	443,891
Fund Balances				
Restricted for:				
Emergencies	3,700	-	-	3,700
Debt service	-	2,181,029	-	2,181,029
Capital expenditures	-	-	2,714,092	2,714,092
Assigned				
Subsequent years expenditures	10,492	-	-	10,492
Unassigned	8,818	-	-	8,818
Total Fund Balances	23,010	2,181,029	2,714,092	4,918,131
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 155,734	\$ 2,504,450	\$ 2,714,092	

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

Long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Capital assets	7,886,872
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(23,910,000)
Developer advance payable - operations	(60,882)
Developer advance payable - capital	(156,030)
Bond premium, net of accumulated amortization	(457,983)
Loss on refunding, net of accumulated amortization	67,528
Accrued interest Developer advances - operations	(10,500)
Accrued interest Developer advances - capital	(103,695)
Accrued interest - bonds	(330,056)

Net position (deficit) of governmental activities **\$ (12,156,615)**

The accompanying Notes to Financial Statements are an integral part of these statements.

Talon Pointe Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 112,458	\$ 290,328	\$ -	\$ 402,786
Specific ownership taxes	8,253	21,307	-	29,560
System development fees	-	148,000	-	148,000
LOC fees	-	37,000	-	37,000
Interest income	1,415	12,628	7,858	21,901
Total revenues	<u>122,126</u>	<u>509,263</u>	<u>7,858</u>	<u>639,247</u>
Expenditures				
General government				
Audit	5,500	-	-	5,500
Insurance and bonds	3,148	-	-	3,148
Treasurer's fees	1,708	4,410	-	6,118
Transfer to Talon Pointe Coordinating District	106,835	-	-	106,835
Debt service				
Bond interest - Series 2019	-	1,119,038	-	1,119,038
LOC fee payment	-	37,000	-	37,000
Trustee fee	-	7,500	-	7,500
Transfer to Talon Pointe Coordinating District	-	439,898	-	439,898
Cost of issuance	-	10,000	-	10,000
Total expenditures	<u>117,191</u>	<u>1,617,846</u>	<u>-</u>	<u>1,735,037</u>
Excess of revenue over (under) expenditures	<u>4,935</u>	<u>(1,108,583)</u>	<u>7,858</u>	<u>(1,095,790)</u>
Other financing sources (uses)				
Developer contribution	-	131,100	-	131,100
Transfers in/(out)	-	(5,297)	5,297	-
Total other financing sources (uses)	<u>-</u>	<u>125,803</u>	<u>5,297</u>	<u>131,100</u>
Net change in fund balances	4,935	(982,780)	13,155	(964,690)
Fund balances - beginning	<u>18,075</u>	<u>3,163,809</u>	<u>2,700,937</u>	<u>5,882,821</u>
Fund balances - ending	<u>\$ 23,010</u>	<u>\$ 2,181,029</u>	<u>\$ 2,714,092</u>	<u>\$ 4,918,131</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Talon Pointe Metropolitan District
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds		\$ (964,690)
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 deprecial assets over the estimated useful life of the asset.		
Depreciation		(57,375)
Some revenues and 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 bond interest payable - change in liability		(208,933)
Accrued interest payable developer advances - change in liability		(15,905)
Amortization of loss on refunding		(3,919)
Amortization of bond premium		20,070
		20,070
Change in net position of governmental activities		\$ (1,230,752)

The accompanying Notes to Financial Statements are an integral part of these statements.

Talon Pointe Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 112,459	\$ 112,459	\$ 112,458	\$ (1)
Specific ownership taxes	7,872	7,872	8,253	381
Interest income	100	5,000	1,415	(3,585)
Total revenues	<u>120,431</u>	<u>125,331</u>	<u>122,126</u>	<u>(3,205)</u>
EXPENDITURES				
General government				
Audit	7,500	7,500	5,500	2,000
Insurance and bonds	2,500	2,500	3,148	(648)
Treasurer fees	1,687	1,687	1,708	(21)
Transfer to Talon Pointe Coordinating District	102,000	102,000	106,835	(4,835)
Contingency	2,000	7,000	-	7,000
Total expenditures	<u>115,687</u>	<u>120,687</u>	<u>117,191</u>	<u>3,496</u>
Excess of revenues over (under) expenditures	<u>4,744</u>	<u>4,644</u>	<u>4,935</u>	<u>291</u>
Fund balance - beginning	<u>11,353</u>	<u>18,076</u>	<u>18,075</u>	<u>(1)</u>
Fund balance - ending	<u>\$ 16,097</u>	<u>\$ 22,720</u>	<u>\$ 23,010</u>	<u>\$ 290</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Talon Pointe Metropolitan District
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Note 1 – Reporting Entity

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on January 9, 2007, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City of Thornton, Adams County, Colorado. The District was established to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of public improvements.

On November 1, 2018, the District and Talon Pointe Coordinating Metropolitan District (TPCMD) entered into a District Coordinating Services Agreement. The agreement sets forth the services that TPCMD will perform on behalf of the District. (See Note 8).

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.

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

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 (i.e., the statement of net position and the statement of activities) report information on 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 of the District is reported as net position.

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

The capital projects fund is used to account for financial resources to be used for the purchase, construction, operation, and maintenance of capital equipment and facilities.

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

Property Taxes

Property taxes are levied 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 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 and December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measureable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

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 level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation by fund without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column of the government-wide financial statements. Capital assets are defined by the District as those assets with a cost of \$5,000 or greater. 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 progress, 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 asset lives are not capitalized. Major outlays for capital assets

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

and improvements for which the District retains title are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Parks and Recreation	30 Years
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Bond Issuance Costs and Original Issue Discount/Premium

In the government-wide financial statements, bond discounts/premiums are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

In the fund financial statements, bond discounts/premiums and issuance costs are recognized during the current period. The face amount of debt issued and premiums on issuance are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Loss on Bond Refunding

In the government-wide financial statements, the deferred loss on bond refunding is amortized over the life of the defeased bonds using the effective interest method. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the loss on refunding is deferred and recognized as an outflow of resources in the period that the amounts are incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element 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, deferred property tax

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

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 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:

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

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

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

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Note 3 – Cash and Investments

Cash and investments are reflected on the December 31, 2020 Statement of net position as follows:

Cash and investments	\$ 8,180
Cash and investments - restricted	4,840,642
Total cash and investments	<u>\$ 4,848,822</u>

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

Deposits with financial institutions	\$ 3,880
Investments	4,844,942
Total cash and investments	<u>\$ 4,848,822</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. As of December 31, 2020, the federal insurance limit was \$250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

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

At December 31, 2020, the District's cash deposits had a bank balance of \$3,880 and a carrying balance of \$3,880.

Investments

The District has not adopted a formal investment policy, but follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District.

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

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- 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

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Morgan Stanley Institutional Liquidity Funds Government Portfolio (MSILF # 8352)	Less than 1 year	<u>4,844,942</u>
Total Investments		<u>\$ 4,844,942</u>

Morgan Stanley Institutional Liquidity Funds Government Portfolio (MSILF)

The debt service and capital project money that is included in the trust accounts at United Missouri Bank is invested in the Morgan Stanley Institutional Liquidity Funds Government Portfolio (MSILF). This portfolio invests in U.S. agency securities, repurchase agreements and U.S. Treasury securities. The portfolio is rated AAAm by Standard and Poor's. The District has \$4,844,942 invested in this portfolio at December 31, 2020.

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

Note 4 – Capital Assets

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

	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020
Capital assets, not being depreciated				
Construction in progress	\$ 6,251,672	\$ -	\$ -	\$ 6,251,672
Total capital assets, not being depreciated	6,251,672	-	-	6,251,672
Capital assets, being depreciated				
Parks and recreation	1,721,262	-	-	1,721,262
Total capital assets, being depreciated	1,721,262	-	-	1,721,262
Less accumulated depreciation for:				
Parks and recreation	28,687	57,375	-	86,062
Total accumulated depreciation	28,687	57,375	-	86,062
Total capital assets being depreciated, net	1,692,575	(57,375)	-	1,635,200
Capital assets, net	\$ 7,944,247	\$ (57,375)	\$ -	\$ 7,886,872

Depreciation expense of \$57,375 was charged to general government activities for the year ended December 31, 2020.

Note 5 – Long-Term Obligations

The District's outstanding long-term obligations at December 31, 2020, are as follows:

	Balance at December 31, 2019	Additions	Deletions	Balance at December 31, 2020	Due Within One Year
Bonds Payable:					
2019A General Obligation Bonds	\$ 21,315,000	\$ -	\$ -	\$ 21,315,000	\$ -
2019B Subordinate General Obligation Bonds	2,595,000	-	-	2,595,000	-
Accrued Interest - 2019B Subordinate Bonds	19,220	208,933	-	228,153	-
Other Debt:					
Developer advances - operations	60,882	-	-	60,882	-
Developer advances - capital	156,030	-	-	156,030	-
Accrued interest - operations	7,115	3,386	-	10,501	-
Accrued interest - capital	91,176	12,519	-	103,695	-
Subtotal	24,244,423	224,838	-	24,469,261	-
Premium on 2019A Bonds	478,053	-	20,070	457,983	20,250
Total Long-Term Obligations	\$ 24,722,476	\$ 224,838	\$ 20,070	\$ 24,927,244	\$ 20,250

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

The detail of the District's long-term obligations is as follows:

General Obligation Refunding and Improvement (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A (Series 2019A Bonds) and Subordinated Limited Tax General Obligation Refunding and Improvement Bonds, Series 2019B (Series 2019B Bonds, and together with the 2019A Senior Bonds, the 2019 Bonds)

Bond Details

On November 12, 2019, the District issued General Obligation Refunding and Improvement (Limited Tax Convertible to Unlimited Tax) Bonds – Series 2019A Bonds with a par amount of \$21,315,000 and with an original issuance premium on the 2019A Bonds of \$479,301, a total bond proceeds amount of \$21,794,301. The 2019A Bonds were issued for the purposes of: (i) paying or reimbursing Project Costs; (ii) refunding a portion of the District's outstanding 2008 Bonds; (iii) funding a portion of the interest to accrue on the Series 2019A Senior Bonds; (iv) funding the Senior Reserve Fund; (v) paying the costs of issuance on the Series 2019B Subordinate Bonds; (vi) paying costs incurred in connection with the issuance of the Series 2019A Senior Bonds.

Interest on the 2019A Bonds is payable semiannually on June 1 and December 1 each year, commencing on December 1, 2019 at the rate of 5.25% per annum. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond. The District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

On November 12, 2019, the District issued Subordinate Limited Tax General Obligation Refunding and Improvement Bonds – Series 2019B with a par amount of \$2,595,000. The 2019B Bonds were issued for the purposes of: (i) paying or reimbursing Project Costs; (ii) refunding a portion of the District's outstanding 2008 Bonds.

Interest on the 2019B Bonds is payable on December 15 each year to the extent of Subordinate Pledged Revenue available, commencing on December 15, 2019 at the rate of 8% per annum. The Bonds are structured as "cash flow" bonds meaning that there are no scheduled payments of principal thereof prior to the final maturity. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until the Bond Termination Date and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on the Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond. The District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the 2019B Bonds including all payments of principal, premium if any, and interest. All 2019B Bonds will be deemed defeased and no longer outstanding upon the payment of the District of such amount. All of the 2019B Bonds

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

and interest thereon will be deemed paid, satisfied, and discharged on December 16, 2053 (“the Bond Termination Date”) regardless of the amount of principal and interest paid prior to the Bond Termination Date.

Optional Redemption

The 2019A Bonds are subject to redemption prior to maturity, at the option of the District on December 1, 2025, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest thereon to the date of redemption, together with (if applicable) a redemption premium of a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
December 1, 2025 to November 30, 2026	3.00%
December 1, 2026 to November 30, 2027	2.00%
December 1, 2027 to November 30, 2028	1.00%
December 1, 2028 and thereafter	0.00%

The 2019B Bonds are subject to redemption prior to maturity, at the option of the District on December 15, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
December 15, 2025 to November 30, 2026	3.00%
December 15, 2026 to November 30, 2027	2.00%
December 15, 2027 to November 30, 2028	1.00%
December 15, 2028 and thereafter	0.00%

Security

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

The 2019A Bonds are also secured by amounts on deposit in the Senior Reserve Fund in an amount equal to \$1,644,325, and amounts, if any, accumulated in the Senior Surplus Fund up to the Maximum Surplus Amount of \$1,500,000. At December 31, 2020, the balance in the Senior Reserve Fund was \$1,649,681, and the balance in the Senior Surplus Fund was \$0.

The 2019B Bonds are secured by and payable from the moneys derived by the District from the following sources, net of any costs of collection: (i) the Subordinate Required Mill Levy; (ii) the

Talon Pointe Metropolitan District

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2020

portion of the Specific Ownership Tax which is collected as a result of the imposition of the Subordinate Required Mill Levy; (iii) the amounts, if any, from the Development Fees remaining after payment of the Series 2019A Senior Bonds; (iv) the amounts, if any, in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

Required Mill Levy

Pursuant to the Senior Indenture, the District has covenanted to impose a Senior Required Mill Levy in an amount sufficient to fund the Senior Bond Fund for the relevant Bond Year and pay the Bonds as they come due, and if necessary, an amount sufficient to replenish the Reserve fund to the amount of the Required Reserve, but (i) not in excess of 50.000 mills, and (ii) for so long as the Surplus Fund is required to be maintained hereunder and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 50.000 mills, or such lesser mill levy which will fund the Senior Bond Fund for the relevant Bond Year and pay the Bonds as they come due, will replenish the Reserve Fund to the amount of the Reserve Requirement and, for so long as the Surplus Fund to the Maximum Surplus Amount; provided however, that if, after January 1, 2004, there were or are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cur or abatement; the minimum and maximum mill levies shall be increased or decreased to offset such changes. The District has determined that as a result of changes in the method of calculating assessed valuation occurring after January 1, 2004, the 50.000 mills has been adjusted upwards to 51.633 for collection year 2020.

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy in the amount of 50.000 mills less the amount of the Senior Bond Mill Levy, or such lesser mill levy which will fund the Subordinate Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided however that if, after January 1, 2004, there were or are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cur or abatement, the maximum mill levy provided shall be increased or decreased to offset such changes. It is the intent that if the Senior Mill Levy equals or exceeds 50.000 mills in any year, adjusted for changes in the actual valuation to assessed valuation, the Subordinate Mill Levy for that year shall be zero.

Project Funds

Proceeds of \$4,916,005 and \$105,000 from the sale of the 2019A Bonds were deposited to a Senior Project Fund and a Senior Restricted Project Fund respectively. Proceeds of \$2,595,000 from the sale of the 2019B Bonds were deposited into a Subordinate Restricted Project Fund. During 2020, the District amended the parameters of the draw provisions on the Subordinate Project fund with the Trustee, evidenced by the First and Second Amendments to the Indenture of Trust on the 2019B Subordinate Bonds. The Developer contributed \$121,100 on June 5, 2020 to cover seven months of interest associated with the First Amendment. Subsequent to year end, the Developer contributed \$69,200 to cover four months of interest associated with the Second Amendment. The Project Funds are held by the Trustee and funds

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

are only released to the District after a "Requisition" is submitted for reimbursement of approved project costs in accordance with the Senior Indenture and the Subordinate Indenture, as applicable. Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid from the Project Funds, any balance remaining in the Project Funds shall be credited to the appropriate Bond Fund. The Project Funds shall terminate at such time as no further moneys remain therein.

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

Year Ended December 31,	Principal	Interest	Total
2021	\$ -	\$ 1,119,038	\$ 1,119,038
2022	-	1,119,038	1,119,038
2023	90,000	1,119,038	1,209,038
2024	205,000	1,114,313	1,319,313
2025	120,000	1,103,550	1,223,550
2026-2030	1,405,000	5,353,426	6,758,426
2031-2035	2,195,000	4,907,175	7,102,175
2036-2040	3,260,000	4,223,886	7,483,886
2041-2045	4,605,000	3,234,787	7,839,787
2046-2050	6,315,000	1,851,149	8,166,149
2051	3,120,000	163,800	3,283,800
	<u>\$ 21,315,000</u>	<u>\$ 25,309,200</u>	<u>\$ 46,624,200</u>

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

Non-revolving Line of Credit Note (Junior) Series 2020

On August 13, 2020, the District authorized the issuance of its Non-revolving Line of Credit Note (Junior), Series 2020, in an amount not to exceed \$2,090,000 (Note) to reimburse ELG Development, LLC (Lender) for advances under the Infrastructure Acquisition and Reimbursement Agreement dated October 13, 2010 between the District and the Lender related to the funding of costs of certain improvements to be located within the boundaries of and/or benefitting property owned by the Lender and/or has or will construct the Improvements for subsequent acquisition by the District, and the District has agreed to reimburse the Lender. As of December 31, 2020, no amounts have been advanced to the District under the Note.

The Note will accrue interest at a rate of 8% per annum. Principal and interest shall be payable annually on December 16 of each year after all payments due and owing on the Senior Obligations in that year have been fully paid, commencing on December 16, 2021 and shall mature on December 16, 2046. To the extent principal on the Note is not paid when due, such principal shall remain outstanding until paid. To the extent interest on the Note is not paid when due, such interest shall compound annually, on each December 16, at the rate then borne by the Note. The District shall not be obligated to pay more than the amount permitted by law and

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

its electoral authorization in repayment of the note, including all payments of principal, premium if any, and interest, and the Note will be deemed defeased and no longer outstanding upon the payment by the District of such amount. The Note shall be deemed paid, satisfied, and discharged on December 16, 2053 (the Note Termination Date), regardless of the amount of principal and interest paid prior to the Note Termination Date.

The Note is subject to redemption, at the option of the District, in whole or in part, on any date, upon payment of par and accrued interest, without redemption premium. The Note is subject to mandatory redemption in part by lot on December 16 of each year (Mandatory Redemption Date) to the extent of moneys on deposit, if any, in the Mandatory Redemption Account on December 16 of each year, at a redemption price equal to the principal amount (with no redemption premium), plus accrued interest to the redemption date.

The Note is a limited tax obligation of the District secured by a Required Mill Levy, including the portion of the specific ownership tax that is collected as a result of the imposition of the Required Mill Levy, and any other legally available revenues which the District determines to credit to payment of the Note.

The District's Note contains a provision regarding certain events of default, for which acceleration is not a remedy. Events of default occur if the District fails to collect the Pledged Revenue or apply the Pledged Revenue as required by the Resolution authorizing the issuance of the Note, to impose the Required Mill Levy as provided in the Resolution to the extent any such mill levy is available pursuant to the Senior Bond documents, and other customary terms and conditions consistent with normal municipal financings.

Debt Authorization

On November 7, 2006 and November 6, 2007, the District's electorate authorized total indebtedness of \$163,400,000 for the purpose of providing certain improvements and facilities. The District's Service Plan limits the amount of bonds that the District has the authority to issue to \$26,000,000. After the issuance of the 2019 Bonds, the District's remaining debt authorization under its Service Plan is \$4,873,673. In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area within the limitations of the District's Service Plan.

Note 6 – Net Position

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

Restricted assets include net positions that are restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. At December 31, 2020 the District's has net position restricted for debt service and capital projects of \$2,079,127 and \$2,714,092, respectively. The District has \$3,700 restricted for emergency reserves (Note 12).

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

The District has an unrestricted deficit of \$16,953,534 as of December 31, 2020. This deficit amount is the result of the District being responsible for the repayment of bonds issued for public improvements which have been or will be conveyed to other governmental entities.

Note 7 – Related Parties

All of the Board of Directors of the District are employees, owners or otherwise associated with the Developer and/or its affiliates and may have conflicts of interest with respect to certain transactions which come before the Board.

Note 8 – Agreements

Intergovernmental Agreement – City of Thornton

On September 12, 2006, as amended April 12, 2007, April 24, 2007, August 10, 2007, and September 10, 2013 the District entered into an agreement with the City of Thornton, pursuant to the Service Plan, whereby the District will finance and construct public improvements which are necessary to provide municipal services within the District's boundaries as set forth in the Service Plan. Upon completion of the improvements, the District is planning to convey the improvements to other governmental entities. Upon acceptance, the government or agency is responsible for ownership, operation, maintenance, and repair of such improvements. Debt service on the cost of the improvements will be funded in part through a mill levy on taxable property.

District Coordinating Services Agreement

On November 1, 2018, the District entered into the District Coordinating Services Agreement with TPCMD. TPCMD will be the coordinating district and Talon Pointe will be the financing district. The agreement sets forth the services TPCMD will perform on behalf of the District related to administrative services and ownership, operation and maintenance of public improvements. The agreement is subject to annual appropriation and does not constitute a multiple fiscal year obligation.

Funding and Reimbursement Agreement

In 2010 the District entered into the Funding and Reimbursement Agreement with ELG Development, LLC (ELG), whereby the District agreed to reimburse the ELG for District operating costs incurred, including interest at prime plus 2%. In July of 2019, the District entered into the First Amendment to Funding and Reimbursement Agreement to be effective as of January 1, 2018. The amended agreement extends the funding agreement to December 31, 2020, and increases the maximum funding amount from \$200,000 to \$400,000.

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

Infrastructure Acquisition and Reimbursement Agreement

In 2010 the District entered into the Infrastructure Acquisition and Reimbursement Agreement with ELG Development, LLC (ELG), whereby the District agrees to reimburse ELG for “District Eligible Costs” (Costs) for public infrastructure improvements constructed on behalf of the District. Reimbursement is subject to the receipt by the District of a Cost Certification and an Engineer’s Certification that verifies that all improvements are fit for their intended purpose and were constructed in accordance with their design. The District will issue an acceptance letter to ELG, and will issue a Bill of Sale to the District. Amounts owing to ELG under this agreement bear interest at 8% from the date of acceptance to the date of reimbursement.

Infrastructure Acquisition and Reimbursement Agreement

On September 10, 2020 the District entered into the Infrastructure and Reimbursement Agreement with ELG Investors, LLC (ELGI) whereby the District agrees to reimburse ELGI for “District Eligible Costs” incurred for the construction of Public Infrastructure on behalf of the District. Reimbursement is subject to the receipt by the District of a Cost Certification and Engineer’s Certification that verifies all improvements are fit for their intended purpose and were constructed substantially in accordance with their design. The District will evidence its acceptance of the Public Infrastructure by issuing an Acceptance Letter. Amounts owing to ELGI under this agreement shall bear simple interest at the rate of 8% from the date of acceptance by the District to the date of payment of such amount in full.

Note 9 – Economic Dependency

The District has not yet established a revenue base sufficient to pay the District’s operational costs. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

Note 10 – Interfund Transfers

The District transferred \$5,297 from the Debt Service Fund to the Capital Project Fund to account for the closure of the Cost of Issuance Fund pursuant to the Senior Trust Indenture.

Note 11 – Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special District Property and Liability Pool (the Pool) as of December 31, 2020. 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.

Talon Pointe Metropolitan District
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

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

Note 12 – 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.

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 interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTAL INFORMATION

Talon Pointe Metropolitan District
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
DEBT SERVICE FUND

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property taxes	\$ 290,330	\$ 290,330	\$ 290,328	\$ (2)
Specific ownership taxes	20,323	20,323	21,307	984
Development fees	528,000	528,000	148,000	(380,000)
LOC fees	132,000	132,000	37,000	(95,000)
Interest and other income	22,567	22,567	12,628	(9,939)
Total revenues	<u>993,220</u>	<u>993,220</u>	<u>509,263</u>	<u>(483,957)</u>
EXPENDITURES				
Bond interest - Series 2019	1,119,038	1,119,038	1,119,038	-
LOC fee payment	132,000	132,000	37,000	95,000
Trustee fees	7,000	7,000	7,500	(500)
Treasurer fees	4,355	4,355	4,410	(55)
Cost of issuance	-	-	10,000	(10,000)
Transfer to Talon Pointe Coordinating District	-	440,000	439,898	102
Contingency	25,000	25,000	-	25,000
Total expenditures	<u>1,287,393</u>	<u>1,727,393</u>	<u>1,617,846</u>	<u>109,547</u>
Excess of revenues (under) expenditures	<u>(294,173)</u>	<u>(734,173)</u>	<u>(1,108,583)</u>	<u>(374,410)</u>
Other financing sources (uses)				
Developer contribution	-	173,000	131,100	(41,900)
Transfers in/(out)	-	-	(5,297)	(5,297)
Total other financing sources (uses)	<u>-</u>	<u>173,000</u>	<u>125,803</u>	<u>(47,197)</u>
Net change in fund balance	<u>(294,173)</u>	<u>(561,173)</u>	<u>(982,780)</u>	<u>(421,607)</u>
Fund balance - beginning	<u>3,250,879</u>	<u>3,163,809</u>	<u>3,163,809</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,956,706</u>	<u>\$ 2,602,636</u>	<u>\$ 2,181,029</u>	<u>\$ (421,607)</u>

Talon Pointe Metropolitan District
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Interest income	\$ 55,000	\$ 7,858	\$ (47,142)
Total revenues	<u>55,000</u>	<u>7,858</u>	<u>(47,142)</u>
EXPENDITURES			
Capital outlay	2,764,000	-	2,764,000
Total expenditures	<u>2,764,000</u>	<u>-</u>	<u>2,764,000</u>
Excess of revenues (under) expenditures	<u>(2,709,000)</u>	<u>7,858</u>	<u>2,716,858</u>
Other financing sources (uses)			
Transfers in/(out)	-	5,297	5,297
Total other financing sources (uses)	<u>-</u>	<u>5,297</u>	<u>5,297</u>
Net change in fund balance	<u>(2,709,000)</u>	<u>13,155</u>	<u>2,722,155</u>
Fund balance - beginning	<u>2,709,000</u>	<u>2,700,937</u>	<u>(8,063)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,714,092</u>	<u>\$ 2,714,092</u>