

# RICHARDS FARM METROPOLITAN DISTRICT

ARVADA  
JEFFERSON COUNTY, COLORADO



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

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Dazzio & Associates, PC

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Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Richards Farm Metropolitan District  
Jefferson County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Richards Farm Metropolitan District as of and for the year 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.

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## Opinions

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

## Other Matters

### *Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Richards Farm Metropolitan District's basic financial statements. The Supplementary Information and the Other Supplementary Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Supplementary Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Duzzio & Associates, P.C.*

June 18, 2021

**RICHARDS FARM METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
December 31, 2020

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 124,987
Cash and investments – restricted	4,778
Accounts receivable – specific ownership taxes	3,004
Property taxes receivable	424,200
Prepaid expenses	851
Capital assets, net of depreciation	524,783
Land	3,970
<b>Total Assets</b>	<b>1,086,573</b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	7,260
Accrued interest payable	18,303
Current portion of Senior Loan payable	85,000
Senior Loan payable	3,765,000
Series 2019B Subordinate Limited Tax GO Bonds	430,000
<b>Total Liabilities</b>	<b>4,305,563</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax revenue	424,200
<b>NET POSITION</b>	
Restricted:	
Emergency reserves	4,600
Unrestricted	( 3,647,790)
<b>Total Net Position</b>	<b>(\$ 3,643,190)</b>

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

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

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government:</b>					
<b>Government Activities:</b>					
General government activities	(\$ 123,976)	\$ -	\$ -	\$ -	(\$ 123,976)
Interest and related costs on long-term debt	( 208,502)	-	-	-	( 208,502)
Capital project activities	( 137,867)	-	-	-	( 137,867)
	<u>(\$ 470,345)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>( 470,345)</u>
<b>General Revenues</b>					
	Property taxes				451,104
	Specific ownership taxes				33,774
	Fines – enforcement activities				50
	Net investment income				1,535
	Total general revenue				<u>486,463</u>
	Change in net position				<u>16,118</u>
	<b>Net Position (Deficit) – Beginning of Year</b>				<u>( 3,659,308)</u>
	<b>Net Position (Deficit) – End of Year</b>				<u>(\$ 3,643,190)</u>

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

**RICHARDS FARM METROPOLITAN DISTRICT**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
December 31, 2020

	General	Debt Service	Capital Projects	Total Government Funds
<b>ASSETS</b>				
Cash and investments	\$ 124,987	\$ -	\$ -	\$ 124,987
Cash and investments - Restricted	4,600	17	161	4,778
Accounts receivable – spec ownership taxes	1,268	1,736	-	3,004
Property taxes receivable	163,000	261,200	-	424,200
Prepaid expenses	851	-	-	851
<b>TOTAL ASSETS</b>	<b>\$ 294,706</b>	<b>\$ 262,953</b>	<b>\$ 161</b>	<b>\$ 557,820</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 7,260	\$ -	\$ -	\$ 7,260
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	163,000	261,200	-	424,200
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>170,260</b>	<b>261,200</b>	<b>-</b>	<b>431,460</b>
<b>FUND BALANCES</b>				
Non-spendable	851	-	-	851
Restricted:				
Emergencies (TABOR)	4,600	-	-	4,600
Debt service	-	1,753	-	1,753
Capital projects	-	-	161	161
Assigned	69,300	-	-	69,300
Unassigned	49,695	-	-	49,695
<b>Total Fund Balances</b>	<b>124,446</b>	<b>1,753</b>	<b>161</b>	<b>126,360</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 294,706</b>	<b>\$ 262,953</b>	<b>\$ 161</b>	

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

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

Property, structures and equipment, net	524,783
Land	3,970

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

Long-term debt payable	( 4,280,000)
Accrued interest payable	( 18,303)

Net position of governmental activities	<u>(\$3,643,190)</u>
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These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

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

	General	Debt Service	Capital Projects	Total Government Funds
<b>REVENUES</b>				
Property taxes	\$ 190,426	\$ 260,678	\$ -	\$ 451,104
Specific ownership taxes	14,257	19,517	-	33,774
Fines – enforcement activities	50	-	-	50
Net investment income	472	474	589	1,535
<b>Total revenues</b>	<b>205,205</b>	<b>280,669</b>	<b>589</b>	<b>486,463</b>
<b>EXPENDITURES</b>				
General and administration	65,965	10,410	-	76,375
Landscaping maintenance	33,691	-	-	33,691
Trash pick-up service	18,778	-	-	18,778
Other district expenses	5,542	-	-	5,542
Debt service				
Series 2019B Bonds – principal repayments	-	34,000	-	34,000
Loan – principal repayments	-	50,000	-	50,000
Series 2019B Bonds – interest payments	-	30,411	-	30,411
Loan – interest payments	-	167,681	-	167,681
Public infrastructure maintenance	-	-	100,000	100,000
<b>Total Expenditures</b>	<b>123,976</b>	<b>292,502</b>	<b>100,000</b>	<b>516,478</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>81,229</b>	<b>( 11,833)</b>	<b>( 99,411)</b>	<b>( 30,015)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Fund transfers	( 6,968)	6,968	-	-
<b>Other Financing Sources (Uses), Net</b>				
<b>NET CHANGE IN FUND BALANCE</b>	<b>74,261</b>	<b>( 4,865)</b>	<b>( 99,411)</b>	<b>( 30,015)</b>
<b>FUND BALANCES – BEGINNING OF YEAR</b>	<b>50,185</b>	<b>6,618</b>	<b>99,572</b>	<b>156,375</b>
<b>FUND BALANCES – END OF YEAR</b>	<b>\$ 124,446</b>	<b>\$ 1,753</b>	<b>\$ 161</b>	<b>\$ 126,360</b>

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

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

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

Net change in fund balances – Total government funds	(\$ 30,015)
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bonds – principal payment	34,000
Loan – principal payment	50,000

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:

Depreciation expense on property, structures and equipment	( 37,867)
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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.

Change in accrued interest payable on debt	-
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<b>Changes in net position of governmental activities</b>	<b>\$ 16,118</b>
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These financial statements should be read only in connection with  
the accompanying notes to the financial statements.

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

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Property taxes	\$ 190,789	\$ 190,426	(\$ 363)
Specific ownership taxes	15,263	14,257	( 1,006)
Fines – enforcement activities	-	50	50
Net investment income	640	472	( 168)
<b>Total revenues</b>	<u>206,692</u>	<u>205,205</u>	<u>( 1,487)</u>
<b>EXPENDITURES</b>			
General and administration	106,865	60,103	46,762
Landscaping maintenance	38,435	33,690	4,745
Trash pick-up expenses	20,400	18,778	1,622
Other district expenses	28,300	11,405	16,895
<b>Total expenditures</b>	<u>194,000</u>	<u>123,976</u>	<u>70,024</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>12,692</u>	<u>81,229</u>	<u>68,537</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	-	( 6,968)	( 6,968)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>( 6,968)</u>	<u>( 6,968)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>12,692</u>	<u>74,261</u>	<u>61,569</u>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<u>36,646</u>	<u>50,185</u>	<u>13,539</u>
<b>FUND BALANCE – END OF YEAR</b>	<u>\$ 49,338</u>	<u>\$ 124,446</u>	<u>\$ 75,108</u>

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

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

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>GENERAL AND ADMINISTRATION</b>			
District management and accounting fees	\$ 7,500	\$ 37,024	(\$ 29,524)
Administrative costs	40,909	1,442	39,467
Audit fees	4,700	4,700	-
Collection fees – County Treasurer	2,862	2,856	6
Board of Directors’ fees	-	1,900	( 1,900)
Board training and conferences	-	-	-
Insurance	5,260	6,175	( 915)
Legal fees	40,000	6,006	33,994
Contingency	5,634	-	5,634
<b>Total General and Administration</b>	<b>\$ 106,865</b>	<b>\$ 60,103</b>	<b>\$ 46,762</b>
<b>LANDSCAPING MAINTENANCE</b>			
Ground maintenance services	\$ 20,000	\$ 12,335	\$ 7,665
Tree maintenance/replacement	5,000	2,258	2,742
Perimeter fence maintenance	-	-	-
Monument sign maintenance	-	1,178	( 1,778)
Sprinkler repairs	1,225	4,998	( 3,773)
Sprinklers – water	9,610	10,148	( 538)
Sprinklers – electricity	200	128	72
Ground improvements	-	-	-
Miscellaneous costs	2,400	2,645	( 245)
<b>Total Landscaping Maintenance</b>	<b>\$ 38,435</b>	<b>\$ 33,690</b>	<b>\$ 4,745</b>
<b>OTHER DISTRICT EXPENSES</b>			
Snow removal	\$ 10,000	\$ 5,365	\$ 4,635
Covenant enforcement services	16,000	5,863	10,137
Social activities	1,000	177	823
Newsletter publications	300	-	300
Miscellaneous	1,000	-	1,000
<b>Total Other District Expenses</b>	<b>\$ 28,300</b>	<b>\$ 11,405</b>	<b>\$ 16,895</b>

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

RICHARDS FARM METROPOLITAN DISTRICT  
**NOTES TO FINANCIAL STATEMENTS**  
12-Month Period Ended December 31, 2020

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Richards Farm Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on September 03, 2015, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by City of Arvada (City) on April 06, 2015. The District's service area is located in Jefferson County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the design, acquisition, construction and installation of streets, traffic and safety controls, park and recreation, sanitary sewer, storm drainage and other improvements (Public Improvements) within and without the District boundaries for the benefit of the taxpayers and inhabitants of the District. The District was also established to (1) maintain various open spaces within the District (not otherwise owned and maintained by the City), (2) maintain perimeter fencing, and (3) provide covenant enforcement and architectural review services.

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

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the District are as follows:

**Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

### **Budgets**

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

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

## **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.

Investments are carried at fair value.

## **Property Taxes**

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

On November 3, 2015, District voters authorized the District to assess property taxes up to \$5,000,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

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

## **Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. In 2020, the District's share of Specific ownership taxes was equal to approximately 7.5% of property taxes collected.

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

## **Property Maintenance Fines**

Covenant violation fines are assessed, in accordance with the District's covenant enforcement policy, against homeowners whom the District deems to be in violation of the restrictive covenants provided in the Covenants and Restrictions of Richards Farm filed with the Jefferson County Clerk & Recorder's Office on January 14, 2016 at reception number 2016004460 (the Declaration). Covenant violation fines are recognized as income after the violation has been identified, the homeowner has been notified and the period has expired for the homeowner to request a hearing to dispute the violation. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien.

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

## **Reimbursable Costs**

Legal fees and other costs incurred by the District related to covenant enforcement actions and other services provided to specific properties within the District are charged back to the respective property owners. The District presents reimbursable costs on a net basis. Factors considered by the District in determining whether to present reimbursable cost chargeback revenue on a gross or net basis include whether risks exist that the District will be unable to recover such costs from property owners. Pursuant to 32-1-1001(1)(j)(I) CRS, fines and reimbursable costs are secured on and against each respective property by a perpetual lien, which has priority over all other encumbrances on a property.

## **Capital Assets**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

When purchased or constructed, the District classifies newly acquired property, equipment and structures by functional area. The depreciable lives assigned to each functional area is as follows: perimeter fencing (20 years), monument signage (20 years), landscaping including sprinkler systems (15 years), and roads, curbs and sidewalks (40 years). The estimated depreciable lives assigned to each asset class are based on the assumption that such assets are reasonably and regularly maintained and used for their intended purpose.

## **Deferred Outflows of Resources and Deferred Inflows of Resources**

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

## **Liabilities**

The District identifies and records liabilities that meet the following three essential characteristics of a liability as defined by FASB Concept Statement No. 6:

- 1) it embodies a present duty or responsibility to one or more other entities that entails settlement by probable future transfer or use of assets at a specified or determinable date, on occurrence of a specified event, or on demand;
- 2) the duty or responsibility obligates a particular entity, leaving it little or no discretion to avoid the future sacrifice; and
- 3) the transaction or other event obligating the entity has already happened.

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

Agreements where amounts payable by the District are subject to annual appropriation and are not multiple-fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution do not meet the definition of a liability and are considered contingent obligations.

## Equity

### Net Position

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

### Fund Balance

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

- ***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 a fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- ***Committed fund balance*** – The portion of a fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- ***Assigned fund balance*** – The portion of a fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- ***Unassigned fund balance*** – The residual portion of a fund balance that does not meet any of the criteria described above.

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

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

### 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 – unrestricted	\$ 124,987
Cash and investments – restricted	4,778
<b>Total cash and investments</b>	<b>\$ 129,765</b>

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

Deposits with financial institutions	\$ 7,672
Investments	122,093
<b>Total cash and investments</b>	<b>\$ 129,765</b>

#### Deposits with Financial Institutions

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

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

At December 31, 2020, the District's cash deposits had a bank balance and a carrying balance of \$7,672.

#### Investments

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

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

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

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

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

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

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

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

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 122,093
		<b>\$ 122,093</b>

#### **CSAFE**

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

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

## NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the 12-month period ended December 31, 2020, follows:

	Balance at Dec. 31, 2019	Additions	Deletions	Balance at Dec. 31, 2020	Accumulated Depreciation
<b>Capital assets not being depreciated</b>					
Land	\$ 3,970	\$ -	\$ -	\$ 3,970	
Total capital assets not being depreciated	3,970	-	-	3,970	
<b>Capital assets subject to depreciation</b>					
Perimeter fencing	277,000	-	-	277,000	(\$ 19,700)
Landscaping in open spaces	150,000	-	-	150,000	( 37,467)
Monument sign	55,000	-	-	55,000	( 8,700)
W 72 <sup>nd</sup> Ave road and curb	110,000	-	-	110,000	( 1,350)
Total capital assets subject to depreciation	592,000	-	-	592,000	( 67,217)
<b>Governmental activities – Capital assets, net</b>	<b>\$ 595,970</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 595,970</b>	<b>(\$ 67,217)</b>

On various dates in 2019, the Developer dedicated to the District five tracts of land (approximately 3.8 acres) located within the boundaries of the District. Improvements on these land tracts includes landscaping, perimeter fencing, entryway monument signage and W 72<sup>nd</sup> Avenue. The District does not anticipate acquiring any additional land from the Developer. The District has recorded the public land at a nominal value of \$3,970.

## NOTE 5 – LONG-TERM DEBT

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

	Balance at Dec. 31, 2019	Additions	Retirements	Balance at Dec. 31, 2020	Due within one year
Senior Loan Payable	\$ 3,900,000	\$ -	(\$ 50,000)	3,850,000	\$ 85,000
Accrued Interest – Senior Loan Payable	16,733	167,681	( 167,681)	16,733	-
Series 2019B G.O Bonds	464,000	-	( 34,000)	430,000	31,000
Accrued Interest – Series 2019B G.O. Bonds	1,570	30,411	( 30,411)	1,570	-
<b>Total</b>	<b>\$ 4,382,303</b>	<b>\$ 198,092</b>	<b>(\$ 282,092)</b>	<b>\$ 4,382,303</b>	<b>\$ 116,000</b>

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

### Senior Loan Payable (Senior Loan)

On November 26, 2019, the District entered into an agreement with Academy Bank, N.A. to borrow \$3,900,000 (Senior Loan). Senior Loan bore interest at an annual rate of 4.35% until the Series 2015A and Series 2015B bonds are defeased (which occurred on September 17, 2020). After the Series 2015A and Series 2015B bonds were defeased, the Senior Loan then bore interest at the annual rate of 3.30%. Interest payments are payable semi-annually on June 1 and December 1, beginning on June 01, 2020. Annual mandatory principal payments are due on December 1,

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

beginning on December 01, 2020. The Senior Loan matures on December 01, 2045. The District may prepay any additional principal payments due on the Senior Loan without penalty.

The proceeds from the Senior Loan were used to repay the Series 2015A and Series 2015B bonds in full and fund a portion of the costs related to completing this refinancing transaction. See note below for further details regarding the defeasance of the Series 2015A and Series 2015B bonds.

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

- a) all property tax revenues generated by the imposition of the Senior Required Debt Mill Levy;
- b) all specific ownership taxes attributable to the Senior Required Debt Mill Levy;
- c) any other legally available amounts that the District determines, in its sole discretion, to credit to the Senior Loan.

The Senior Required Mill Levy is defined in the Senior Loan Agreement as a rate that is sufficient to pay the principal of and interest on the Senior Loan, but such rate cannot exceed the Maximum Mill Levy (see “Debt Authorization – Service Plan” below) as established in the District’s Service Plan.

The minimum annual principal payments and related interest payments due on the Senior Loan is as follows:

	<b>Minimum Principal Payments</b>	<b>Planned Payments</b>		
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 30,000	\$ 85,000	\$ 127,050	\$ 212,050
2022	35,000	90,000	124,245	214,245
2023	35,000	95,000	121,275	216,275
2024	40,000	100,000	118,140	218,140
2025	45,000	105,000	114,840	219,840
2026 to 2030	300,000	625,000	517,770	1,142,770
2031 to 2035	455,000	780,000	404,745	1,184,745
2036 to 2040	665,000	1,000,000	261,855	1,261,855
2041 to 2045	1,170,000	970,000	81,840	1,051,840
		<b>\$3,850,000</b>	<b>\$ 1,871,760</b>	<b>\$ 5,721,760</b>

The District’s anticipates actual annual principal payments on the Senior Loan will exceed the minimum annual required principal payments. The District’s schedule of planned debt service payments to maturity is provided on page 25.

### **Series 2019B Subordinate Limited Tax G.O. Bonds (Series 2019B Bonds)**

On December 12, 2019, the District issued Subordinate Limited Tax G.O. Bonds, Series 2019B in the amount of \$464,000. The Series 2019B Bonds were issued at the compounding annual rate of 6.50% and are payable annually on December 15, beginning December 15, 2020, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that

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

there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

The Series 2019B Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes:

- a) all property taxes revenues generated by the imposition of the Subordinate Required Mill Levy;
- b) all specific ownership taxes attributable to the Subordinate Required Mill Levy;
- c) any other legally available moneys which the District determines, in its sole discretion, to credit to the Series 2019B Bonds.

The Subordinate Required Mill Levy is defined in the Series 2019B Bond Offering Document as the Maximum Mill Levy (see “Debt Authorization – Service Plan” below) less the Senior Required Mill Levy.

The Series 2019B are subject to redemption prior to maturity, at the option of the District on December 01, 2024, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium (%)	Redemption Premium (\$)
December 15, 2024, to December 14, 2025	3.0%	\$ 8,520
December 15, 2025, to December 14, 2026	2.0%	\$ 4,800
December 15, 2026, to December 14, 2027	1.0%	\$ 1,420
December 15, 2027, and thereafter	0.0%	\$ -

## Debt Authorization

### Debt Authorization – Service Plan

The District’s Service Plan authorizes the District to issue up to \$7 million in debt over a term not to exceed 40 years. The repayment of the District’s debt can exceed 40 years if the majority of the District’s Board are residents of the District and the District’s Board has voted in favor of refunding a part or all of the District’s debt (which must result in a net present value savings).

The District’s Service Plan also establishes a Maximum Mill levy the District is permitted to impose on taxable property within the District for the payment of debt. As long as the District’s total outstanding debt exceeds 50% of the assessed valuation of all taxable property within the District, the Maximum Debt Mill Levy is 40 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 1, 2004. As of January 1, 2004, the ratio was 7.96%. The ratio for 2020 was 7.15%, which caused the District’s Maximum Mill Levy for debt service for 2020 to be 44.531.

As of December 31, 2020, total remaining debt issuance authorization under the District’s Service Plan is \$2,876,970.

### Debt Authorization – TABOR

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

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

	Authorized Nov. 2015 Election	Authorization Used		Remaining Authorized Debt
		Series 2015A and 2015B Bonds	Senior Loan and Series 2019B Bonds	
Street improvements	\$ 7,000,000	(\$2,150,700)	(\$ 453,073)	\$ 4,396,227
Park and recreational facilities	7,000,000	( 96,800)	( 136,138)	6,767,062
Water supply systems	7,000,000	( 301,800)	( 63,576)	6,634,624
Storm water / sanitary sewer systems	7,000,000	( 760,700)	( 160,243)	6,079,057
Public transportation systems	7,000,000	-	-	7,000,000
Mosquito control facilities and equipment	7,000,000	-	-	7,000,000
Traffic and safety controls	7,000,000	-	-	7,000,000
Fire protection facilities and equipment	7,000,000	-	-	7,000,000
Television and relay	7,000,000	-	-	7,000,000
Security service facilities and equipment	7,000,000	-	-	7,000,000
Intergovernmental agreements	7,000,000	-	-	7,000,000
Private agreements	7,000,000	-	-	7,000,000
Operations and maintenance	7,000,000	-	-	7,000,000
Special assessment-secured debt	7,000,000	-	-	7,000,000
Multiple-year service contracts	7,000,000	-	-	7,000,000
<b>Subtotal</b>	<b>105,000,000</b>	<b>( 3,310,000)</b>	<b>( 813,030)</b>	<b>100,876,970</b>
Refunding of debt	7,000,000	-	-	7,000,000
<b>Total</b>	<b>\$ 112,000,000</b>	<b>(\$3,310,000)</b>	<b>(\$ 813,030)</b>	<b>\$ 107,876,970</b>

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

- \$100,876,970 will expire in November 2035 - 20 years after the original debt authorization election.
- Debt refunding authorization will expire when the District's current general obligation debt is paid down to a balance of \$400,000 or less

## NOTE 6 – NET POSITION (DEFICIT)

### Restricted Net Position

The District's restricted net position as of December 31, 2020 in the general fund, debt service fund and capital projects fund totaled \$4,600, \$1,753 and \$161, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 10 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the District's debt obligations. The restricted net position within the capital project fund is comprised of funds restricted for funding the construction of public infrastructure.

### Unrestricted Net Position

The District's unrestricted net position as of December 31, 2020 totaled (\$3,647,790). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the City of Arvada and the District.

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

## **NOTE 7 – RELATED PARTIES**

For the 4-month period through April 03, 2020, four of the five directors serving on the District's board were residents of the District and reported no conflicts of interest arising from their participation on the District's board. One director on the District's board was an employee of a company that is owned by a group that also owns the Developer and, consequently, had conflicts of interest with various past transactions occurring between the Developer and the District, which was financed with the District's debt. For the 8-month period from April 04, 2020 through December 31, 2020, all five directors serving on the District's board were residents of the District and reported no conflicts of interest arising from their participation on the District's board.

## **NOTE 8 – FUND TRANSFERS**

The District adopted its 2020 budget on November 12, 2019 – 14 days before the District completed the refinancing of its debt. Because budgeted expenses and revenues in the debt fund did not align with revenue and expenses required to fund the District's new debt, actual debt costs exceeded revenues in the debt fund by \$9,052 in 2020. The District transferred \$6,968 from the General Fund to the Debt Fund to ensure adequate cash existed in the Debt Fund to fund debt payments and related fund management costs.

## **NOTE 9 – RISK MANAGEMENT**

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

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

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

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

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

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

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

On November 3, 2015, District voters authorized the District to assess property taxes at no more than \$5,000,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

On November 3, 2015, District voters authorized the District to assess property taxes at no more than \$5,000,000 annually, without limitation to rate, to pay the District's capital costs of public improvements. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

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

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

## SUPPLEMENTARY INFORMATION

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

	Original Budget	Amended Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>				
Property taxes	\$261,175	\$ 261,175	\$ 260,678	(\$ 497)
Specific ownership taxes	20,894	20,894	19,517	( 1,377)
Net investment income	1,808	1,808	474	( 1,334)
<b>Total revenues</b>	<b>283,877</b>	<b>283,877</b>	<b>280,669</b>	<b>( 3,208)</b>
<b>EXPENDITURES</b>				
Direct and indirect collection costs	11,986	10,500	10,410	90
<b>Debt Service</b>				
Series 2019B Bonds – principal payments	21,000	34,000	34,000	-
Loan – principal repayments	50,000	50,000	50,000	-
Series 2019B Bonds – interest payments	40,374	30,500	30,411	89
Loan – interest payments	159,640	167,700	167,681	19
<b>Total expenditures</b>	<b>283,000</b>	<b>292,700</b>	<b>292,502</b>	<b>198</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>877</b>	<b>( 8,823)</b>	<b>( 11,833)</b>	<b>( 3,010)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (to) from other funds	-	7,000	6,968	( 32)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>7,000</b>	<b>6,968</b>	<b>( 32)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>877</b>	<b>( 1,823)</b>	<b>( 4,865)</b>	<b>( 3,042)</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>123,087</b>	<b>123,087</b>	<b>6,618</b>	<b>( 116,469)</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$123,964</b>	<b>\$ 121,264</b>	<b>\$ 1,753</b>	<b>(\$ 119,511)</b>

RICHARDS FARM METROPOLITAN DISTRICT  
**CAPITAL PROJECTS FUND –**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
12-Month Period Ended December 31, 2020

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
<b>REVENUES</b>			
Net investment income	\$ -	\$ 589	\$ 589
Total revenues	-	589	589
<b>EXPENDITURES</b>			
Public infrastructure maintenance – fence staining	-	24,096	( 24,096)
Public infrastructure maintenance – landscape upgrades	-	75,094	( 75,094)
Major capital projects	100,000	-	100,000
Total expenditures	100,000	100,000	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>( 100,000)</b>	<b>( 99,411)</b>	<b>589</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Fund transfer from debt fund	-	-	-
Repayments on Developers advances	-	-	-
Total other financing sources (uses)	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(100,000)</b>	<b>( 99,411)</b>	<b>589</b>
<b>FUND BALANCE – BEGINNING OF YEAR</b>	<b>100,000</b>	<b>99,572</b>	<b>( 428)</b>
<b>FUND BALANCE – END OF YEAR</b>	<b>\$ -</b>	<b>\$ 161</b>	<b>\$ 161</b>

## OTHER SUPPLEMENTARY INFORMATION

RICHARDS FARM METROPOLITAN DISTRICT  
**SCHEDULE OF PLANNED DEBT SERVICE PAYMENTS TO MATURITY**  
 December 31, 2020

The District's planned repayment schedule for its 2019 Loan and Series 2019B bonds is as follows:

Year Ended Dec. 31,	2019 Loan (Academy Bank) Original Amount: \$3,900,000			Series 2019B Bonds Original Amount: \$464,000			Total Planned Debt Payments		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 85,000	\$ 127,050	\$ 212,050	\$ 31,000	\$ 27,950	\$ 58,950	\$ 116,000	\$ 155,000	\$ 271,000
2022	90,000	124,245	214,245	36,000	25,935	61,935	126,000	150,180	276,180
2023	95,000	121,275	216,275	37,000	23,595	60,595	132,000	144,870	276,870
2024	100,000	118,140	218,140	42,000	21,190	63,190	142,000	139,330	281,330
2025	105,000	114,840	219,840	44,000	18,460	62,460	149,000	133,300	282,300
2026	115,000	111,375	226,375	45,000	15,600	60,600	160,000	126,975	286,975
2027	115,000	107,580	222,580	53,000	12,675	65,675	168,000	120,255	288,255
2028	125,000	103,785	228,785	55,000	9,230	64,230	180,000	113,015	293,015
2029	130,000	99,660	229,660	58,000	5,655	63,655	188,000	105,315	293,315
2030	140,000	95,370	235,370	29,000	1,885	30,885	169,000	97,255	266,255
2031	140,000	90,750	230,750	-	-	-	140,000	90,750	230,750
2032	150,000	86,130	236,130	-	-	-	150,000	86,130	236,130
2033	155,000	81,180	236,180	-	-	-	155,000	81,180	236,180
2034	165,000	76,065	241,065	-	-	-	165,000	76,065	241,065
2035	170,000	70,620	240,620	-	-	-	170,000	70,620	240,620
2036	185,000	65,010	250,010	-	-	-	185,000	65,010	250,010
2037	190,000	58,905	248,905	-	-	-	190,000	58,905	248,905
2038	200,000	52,635	252,635	-	-	-	200,000	52,635	252,635
2039	205,000	46,035	251,035	-	-	-	205,000	46,035	251,035
2040	220,000	39,270	259,270	-	-	-	220,000	39,270	259,270
2041	225,000	32,010	257,010	-	-	-	225,000	32,010	257,010
2042	240,000	24,585	264,585	-	-	-	240,000	24,585	264,585
2043	245,000	16,665	261,665	-	-	-	245,000	16,665	261,665
2044	260,000	8,580	268,580	-	-	-	260,000	8,580	268,580
	<b>\$3,850,000</b>	<b>\$1,871,760</b>	<b>\$5,721,760</b>	<b>\$ 430,000</b>	<b>\$162,175</b>	<b>\$592,175</b>	<b>\$4,280,000</b>	<b>\$2,033,935</b>	<b>\$6,313,935</b>

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

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2016	\$ 1,060,135	50.000	-	\$ 53,008	\$ 53,008	100.00%
2017	1,120,931	20.000	40.000	67,256	67,256	100.00%
2018	4,109,433	24.111	44.222	280,810	280,810	100.00%
2019	5,491,671	32.305	44.222	420,261	420,262	100.00%
2020	5,864,004	32.530	44.531	451,964	451,104	99.80%
2021	5,896,431	27.644	44.298	424,200	[TBD]	[TBD]

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

RICHARDS FARM METROPOLITAN DISTRICT  
**CHANGE IN TOTAL OVERLAPPING MILL LEVY**  
 December 31, 2020

	2020 Mill Levy **	2021 Mill Levy *	Change
Richards Farm Metropolitan District	77.061	71.942	( 5.119)
Jefferson County School District	47.075	47.038	( 0.037)
Jefferson County	23.332	24.578	1.246
Arvada Fire Protection District	14.925	14.947	0.022
Apex Park & Recreation District	4.559	4.626	0.067
City of Arvada	4.310	4.310	-
Urban Drainage and Flood Control	0.900	0.900	-
Urban Drainage and Flood Control – South Platte	0.097	0.100	0.003
<b>Total Mill Levy</b>	<b>172.259</b>	<b>168.441</b>	<b>( 3.818)</b>

\* -- For property tax collections in 2021

\*\* -- For property tax collections in 2020

RICHARDS FARM METROPOLITAN DISTRICT  
**HISTORICAL DEBT RATIOS**  
 December 31, 2020

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Obligation Bonds	\$ 3,310,000	\$ 3,310,000	\$ 3,310,000	\$ 464,000	\$ 430,000
Other TABOR debt	\$ -	\$ -	\$ -	\$ 3,900,000	\$ 3,850,000
Combined assessed property values within the District	\$ 1,120,931	\$ 4,109,433	\$ 5,491,671	\$ 5,865,019	\$ 5,896,431
Ratio of debt to assessed property values	295.3%	80.5%	60.3%	74.4%	72.6%