

**SOUTH AURORA REGIONAL IMPROVEMENT
AUTHORITY
City of Aurora, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
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YEAR ENDED DECEMBER 31, 2020**

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Independent Auditor's Report

Board of Directors
South Aurora Regional Improvement Authority
City of Aurora, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of South Aurora Regional Improvement Authority (the "Authority") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

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

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

Sincerely,



Wipfli LLP
May 25, 2021

BASIC FINANCIAL STATEMENTS

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 238,125
Cash and Investments - Restricted	1,987,369
Prepaid Expense	2,300
Total Assets	2,227,794
LIABILITIES	
Accounts Payable	3,772
Noncurrent Liabilities:	
Due in More Than One Year	12,430,382
Total Liabilities	12,434,154
NET POSITION	
Restricted for:	
Capital Projects	10,630
Unrestricted	(10,216,990)
Total Net Position	\$ (10,206,360)

See accompanying Notes to Basic Financial Statements.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 52,290	\$ -	\$ 261,408	\$ -	\$ 209,118
Public Works	1,200,000	-	-	-	(1,200,000)
Debt Service on Long-Term Debt	744,513	-	-	-	(744,513)
Total Governmental Activities	\$ 1,996,803	\$ -	\$ 261,408	\$ -	(1,735,395)
GENERAL REVENUES					
					18,599
					18,599
CHANGE IN NET POSITION					(1,716,796)
					(8,489,564)
NET POSITION - END OF YEAR					\$ (10,206,360)

See accompanying Notes to Basic Financial Statements.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 238,125	\$ -	\$ -	\$ 238,125
Cash and Investments - Restricted	-	502	1,986,867	1,987,369
Prepaid Insurance	2,300	-	-	2,300
Total Assets	\$ 240,425	\$ 502	\$ 1,986,867	\$ 2,227,794
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 3,480	\$ 292	\$ -	\$ 3,772
Total Liabilities	3,480	292	-	3,772
 FUND BALANCES				
Nonspendable:				
Prepaid Insurance	2,300	-	-	2,300
Assigned	2,492	-	-	2,492
Restricted:				
Debt Service	-	210	-	210
Capital Projects	-	-	1,986,867	1,986,867
Unrestricted	232,153	-	-	232,153
Total Fund Balances	236,945	210	1,986,867	2,224,022
Total Liabilities and Fund Balances	\$ 240,425	\$ 502	\$ 1,986,867	

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

Long-term liabilities are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Accrued Bond Interest Payable	(1,165,382)
Bonds Payable	(11,265,000)
Subtotal	(12,430,382)

Net Position of Governmental Activities	\$ (10,206,360)
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**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Intergovernmental Revenues:				
Southlands Metropolitan District No. 2	\$ -	\$ 13,144	\$ -	\$ 13,144
Beacon Point Metropolitan District	-	39,339	-	39,339
High Plains Metropolitan District	-	43,946	-	43,946
Forest Trace Metropolitan District No. 3	-	14,425	-	14,425
Pronghorn Valley Metropolitan District	-	1,113	-	1,113
Sorrel Ranch Metropolitan District	-	21,283	-	21,283
Wheatlands Metropolitan District	-	48,311	-	48,311
Inspiration Metropolitan District	-	53,735	-	53,735
Whispering Pines Metropolitan District No. 1	-	26,112	-	26,112
Net Investment Income	1,212	32	17,355	18,599
Total Revenues	<u>1,212</u>	<u>261,440</u>	<u>17,355</u>	<u>280,007</u>
EXPENDITURES				
Accounting	26,231	-	-	26,231
Auditing	4,750	-	-	4,750
Directors' Fees	2,700	-	-	2,700
Dues and Licenses	350	-	-	350
Insurance and Bonds	2,234	-	-	2,234
District Management	8,733	-	-	8,733
Legal Services	7,039	-	-	7,039
Miscellaneous	46	-	-	46
Payroll Taxes	207	-	-	207
Bond Interest	-	182,000	-	182,000
Paying Agent Fees	-	3,500	-	3,500
Aurora Pkwy Ln Addition - Design	-	-	700,000	700,000
Gartrell Rd Improvements - Design	-	-	500,000	500,000
Total Expenditures	<u>52,290</u>	<u>185,500</u>	<u>1,200,000</u>	<u>1,437,790</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(51,078)	75,940	(1,182,645)	(1,157,783)
OTHER FINANCING SOURCES (USES)				
Transfer In (Out)	75,750	(75,750)	-	-
Total Other Financing Sources (Uses)	<u>75,750</u>	<u>(75,750)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	24,672	190	(1,182,645)	(1,157,783)
Fund Balances - Beginning of Year	<u>212,273</u>	<u>20</u>	<u>3,169,512</u>	<u>3,381,805</u>
FUND BALANCES - END OF YEAR	<u>\$ 236,945</u>	<u>\$ 210</u>	<u>\$ 1,986,867</u>	<u>\$ 2,224,022</u>

See accompanying Notes to Basic Financial Statements.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ (1,157,783)

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability (559,013)

Change in Net Position of Governmental Activities \$ (1,716,796)

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ -	\$ 1,212	\$ 1,212
Total Revenues	<u>-</u>	<u>1,212</u>	<u>1,212</u>
EXPENDITURES			
Accounting	35,000	26,231	8,769
Auditing	5,000	4,750	250
Directors' Fees	5,000	2,700	2,300
Dues and Licenses	500	350	150
Insurance and Bonds	2,500	2,234	266
District Management	20,000	8,733	11,267
Legal Services	35,000	7,039	27,961
Miscellaneous	-	46	(46)
Payroll Taxes	500	207	293
Total Expenditures	<u>103,500</u>	<u>52,290</u>	<u>51,210</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(103,500)	(51,078)	52,422
OTHER FINANCING SOURCES (USES)			
Transfers from Debt Service Fund	75,750	75,750	-
Total Other Financing Sources (Uses)	<u>75,750</u>	<u>75,750</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(27,750)	24,672	52,422
Fund Balance - Beginning of Year	<u>205,595</u>	<u>212,273</u>	<u>6,678</u>
FUND BALANCE - END OF YEAR	<u>\$ 177,845</u>	<u>\$ 236,945</u>	<u>\$ 59,100</u>

See accompanying Notes to Basic Financial Statements.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

South Aurora Regional Improvement Authority (the Authority) was formed by resolution passed by the City Council of Aurora, Colorado (the City) pursuant to the Colorado Revised Statutes. An Establishment Agreement (the Establishment Agreement) was entered into by participating Member Districts to establish a legal, separate entity in conformity and subject to 29-1-203.5, C.R.S. to provide certain regional improvements.

The Authority currently has 16 Member Districts as shown in the following table.

Member District	County
Beacon Point Metropolitan District	Arapahoe
Forest Trace Metropolitan District No. 1	Arapahoe
Forest Trace Metropolitan District No. 2	Arapahoe
Forest Trace Metropolitan District No. 3	Arapahoe
High Plains Metropolitan District	Arapahoe
Inspiration Metropolitan District	Douglas
Kings Point Metropolitan District No. 1	Arapahoe
Kings Point Metropolitan District No. 2	Arapahoe
Kings Point Metropolitan District No. 3	Arapahoe
Kings Point South Metropolitan District No. 1	Douglas
Kings Point South Metropolitan District No. 2	Douglas
Pronghorn Valley Metropolitan District	Arapahoe
Sorrel Ranch Metropolitan District	Arapahoe
Southlands Metropolitan District No. 2	Arapahoe
Wheatlands Metropolitan District	Arapahoe
Whispering Pines Metropolitan District No. 1	Arapahoe

The Authority was formed by the City and the Member Districts to provide regional street and transportation improvements in the southeastern portion of the City. The Authority was formed on July 10, 2017, upon the execution of the South Aurora Regional Improvement Establishment Agreement by and among the City and 11 of the current 16 Member Districts (the Members). In 2018, five additional Member Districts joined the Authority. The Establishment Agreement has been amended pursuant to a First Amendment. The Original Establishment Agreement, as amended, is referred to herein as the "Establishment Agreement". At such time as a Member District has approved an ARI Master Plan, as defined in the Establishment Agreement, the Member District is required to remit revenues resulting from imposition of its respective Aurora Regional Improvement (ARI) Mill Levy to the Authority for the purposes of funding Regional Improvements.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

Pursuant to the Establishment Agreement, the Authority is governed by the Board. Each Member District is entitled to appoint one representative to the Board. The Authority has no independent taxing authority and is entirely reliant upon the property taxes derived from the imposition of the ARI Mill Levy by the Member Districts in the limited amounts and for the limited terms described herein, to fund its operations and to pay debt service on the Bonds. The Member Districts are obligated pursuant to their respective Service Plans to impose the ARI Mill Levy and are obligated by the Establishment Agreement to pay the revenues generated thereby to the Authority. Each Member District is controlled by an independent Board of Directors; therefore, the Authority has no control over the Member Districts and is reliant upon the Member Districts' compliance with their obligations under their respective Service Plans and under the Establishment Agreement.

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

The Authority 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 Authority are described as follows:

Government-Wide and Fund Financial Statements

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

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

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority 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 intergovernmental revenue from participants. All other revenue items are considered to be measurable and available only when cash is received by the Authority. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The Authority reports the following major governmental funds:

The General Fund is the Authority'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, interest and other costs related to the outstanding Bonds.

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

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

Pooled Cash and Investments

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

Intergovernmental Revenues

At such time as a Member District has approved an Aurora Regional Improvement Master Plan, as defined in the Establishment Agreement, the Member District is required to remit revenues resulting from imposition of its respective ARI Mill Levy to the Authority for the purposes of funding regional improvements.

The ARI Mill Levy is required to first be imposed by Member Districts in the year in which the applicable Member District first imposed a debt service mill levy for the payment of Local Improvement Debt. The Authority receives property tax revenue from all Member Districts that currently impose a District debt service mill levy. For those Member Districts that currently levy an ARI Mill Levy, the ARI Mill Levy is levied in the amount of 1.0 mill, as adjusted.

Capital Assets

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

Capital assets 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 component of the Authority's net position.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

In the government-wide financial statements, net position may be classified into three components: net investment in capital assets, restricted and unrestricted.

Fund Balance

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

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

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

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

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

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

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

SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 238,125
Cash and Investments - Restricted	<u>1,987,369</u>
Total Cash and Investments	<u><u>\$ 2,225,494</u></u>

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

Deposits with Financial Institutions	\$ 42,288
Investments	<u>2,183,206</u>
Total Cash and Investments	<u><u>\$ 2,225,494</u></u>

Deposits with Financial Institutions

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

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 Authority's cash deposits had a bank and carrying balance of \$42,288.

Investments

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

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

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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.

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 2,183,206
Total		<u>\$ 2,183,206</u>

CSAFE

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

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Construction in Progress:				
Aurora Pkwy Ln Addition - Design	\$ -	\$ 700,000	\$ 700,000	\$ -
Gartrell Rd Improvements - Design	-	500,000	500,000	-
Total Capital Assets, Not Being Depreciated	<u>\$ -</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>

NOTE 5 LONG-TERM OBLIGATIONS

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

<u>Governmental Activities</u>	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Special Revenue Bonds Payable:					
Series 2018	\$ 11,265,000	\$ -	\$ -	\$ 11,265,000	\$ -
Accrued Interest	606,369	741,013	182,000	1,165,382	-
Total	<u>\$ 11,871,369</u>	<u>\$ 741,013</u>	<u>\$ 182,000</u>	<u>\$ 12,430,382</u>	<u>\$ -</u>

The detail of the Authority's general obligation bonds outstanding during 2020 is as follows:

Special Revenue Bonds, Series 2018

Bond Details

The Authority issued Special Revenue Bonds, Series 2018 (the "Bonds"), on December 19, 2018, in the par amount of \$11,265,000. The Bonds consist of term bonds which bear interest at the rate of 6.25% per annum, payable annually on December 1, beginning December 1, 2019, but only to the extent of available Pledged Revenue. The Bonds are structured as cash flow bonds meaning that no scheduled principal payments are due prior to the maturity date of December 1, 2057. Unpaid interest on the Bonds compounds annually on each December 1. Any amounts due and owing on the Bonds after application of all Pledged Revenue available on December 1, 2067, shall be deemed discharged and no longer outstanding.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the Authority, on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2023, to November 30, 2024	3.00%
December 1, 2024, to November 30, 2025	2.00%
December 1, 2025, to November 30, 2026	1.00%
December 1, 2026, and thereafter	0.00%

Pledged Revenue

The Bonds are secured by and payable solely from Pledged Revenue which is comprised of: (a) all Pledged ARI Mill Levy Revenues and (b) any other legally available moneys which the Authority determines, in its absolute discretion, to credit to the Bond Fund. Pledged ARI Mill Levy Revenues consist of all ARI Mill Levy Revenues, commencing with the ARI Mill Levy Revenues collected in the Fiscal Year Ending December 31, 2019, less the applicable Permitted Annual Operations Amount for the year ending December 31, 2019 of \$75,000 and for each year thereafter the dollar amount for the prior year plus 1%. The permitted Annual Operations Amount shall be retained by the Authority from the first ARI Mill Levy Revenues in each fiscal year. ARI Mill Levy Revenues means all revenues resulting from imposition of the ARI Mill Levy required to be imposed by each Member District's Service Plan and payable to the Authority in accordance with the Establishment Agreement. ARI Mill Levy Revenues do not include Specific Ownership Taxes received by each Member District as a result of the imposition of the ARI Mill Levy.

ARI Mill Levy

Pursuant to the Service Plan of each Member District and the Establishment Agreement, each Member District is obligated to impose an ARI Mill Levy which is limited in amount to, generally: (a) one (1) mill for collection beginning for each Member District in the first year of collection of a debt service mill levy and continuing in each year thereafter through the twentieth (20th) year; (b) five (5) mills from the twenty-first (21st) year through the fortieth (40th) year or the date of repayment of the Member District's Local Improvement Debt, whichever first occurs; and (c) a mill levy (the "Third Level ARI Mill Levy") for an additional ten (10) years which is equal to the average debt service mill levy imposed by the applicable Member District in the 10 years prior to the imposition of the Third Level ARI Mill Levy.

The ARI Mill Levy is required to first be imposed in the year in which the applicable Member District first imposed a debt service mill levy for the payment of Local Improvement Debt. Accordingly, the beginning and ending dates of the imposition of the ARI Mill Levy vary among the Member Districts, depending upon when each Member District imposed (or will impose) a debt service mill levy, and certain Member Districts may never impose the ARI Mill Levy. The Member Districts' Service Plans permit the ARI Mill Levy limits to be adjusted to reflect changes in law occurring on or after January 1, 2004, in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Term of ARI Mill Levy Imposition

The maximum amount of time for imposition of the ARI Mill Levy by each Member District is 50 years; however, such period could be shorter. The ARI Mill levy is fixed for the first 20 years at one mill (subject to adjustment) and once a Member District imposes a debt service mill levy, that Member District is required to impose the ARI Mill Levy for this minimum 20 year period. In years 21 through 40, the ARI Mill Levy is fixed at five mills (subject to adjustment); however, the ARI Mill Levy for any particular Member District will terminate during years 21 through 40 at such time as the Member District's Local Improvement Debt has been repaid. If the Member District's Local Improvement Debt is repaid at any time during years 21 through 40, the ARI Mill Levy will convert to the Third Level ARI Mill Levy for an additional ten years. If the Member District's Local Improvement Debt is not repaid during years 21 through 40, the ARI Mill Levy will convert to the Third Level ARI Mill Levy for years 41 through 50. If any Member District's Local Improvement Debt is repaid prior to year 20, or at any time during years 21 through 40, the total length of time of imposition of the ARI Mill Levy for that Member District would be less than 50 years.

Series 2018 Debt Service

The Authority relies on the development of all Participants to provide annual revenues and annual cash flows sufficient to allow the Authority to repay its debt service obligations. The limited offering memorandum estimated the following Debt Service payments, based upon assumptions and anticipated circumstances as described in the limited offering document.

<u>Year Ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 167,440	\$ 167,440
2022	-	196,581	196,581
2023	-	223,379	223,379
2024	-	256,828	256,828
2025	-	741,459	741,459
2026 – 2030	-	5,006,765	5,006,765
2031 – 2035	279,000	7,706,197	7,985,197
2036 – 2040	9,993,000	2,433,189	12,426,189
2041	993,000	62,063	1,055,063
Total	<u>\$ 11,265,000</u>	<u>\$ 16,793,901</u>	<u>\$ 28,058,901</u>

NOTE 6 NET POSITION

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

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2020 of capital projects in the amount of \$10,630.

The District has a deficit in unrestricted net position.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 NET POSITION (CONTINUED)

The deficit was a result of the Authority being responsible for the repayment of bonds issued for public improvements funding which was transferred to other governmental entities and which costs were removed from the Authority's financial records.

NOTE 7 AGREEMENTS

Intergovernmental Agreement with the City of Aurora Regarding Harvest Road Improvements

Effective as of January 9, 2019, the Authority entered into an Intergovernmental Agreement (the "IGA") with the City for the purpose of cooperatively funding the extension and completion of South Harvest Road between East Belleview Avenue and East Orchard Road in the City of Aurora (as further described herein, the "Project"). The City, with coordination and cooperation from any and all applicable entities, as necessary, is primarily responsible for facilitating, overseeing, and completing the Project under the IGA.

The Authority has entered into separate agreements, in 2018, with Sorrel Ranch and Touse Recovery Acquisition, LLC (the "Developer"), whereby Sorrel Ranch and Developer have transferred their individual contributions, in total of \$1,100,000, to the Authority, in order for the Authority to transfer such funds to the City along with the SARIA Contribution, said contributions being a total of \$4,200,000, are referred to as the "Project Partners Contribution."

As part of the Project Partners Contribution, the Authority agreed to contribute to the City, for itself, the amount not to exceed Three Million One Hundred Thousand Dollars (\$3,100,000) for the express limited purpose of funding the Project Costs (the "SARIA Contribution").

In 2019, the Authority transferred to the City the entirety of the Project Partners Contribution in the amount of \$4,200,000.

In the event the Project Costs exceed the Project's estimated costs, the City and the Authority will in good faith endeavor to appropriate additional funds in excess of their respective contributions in order to fund the total amount of the Project Costs above the Project Cost Estimate, and the Authority will likewise in good faith endeavor to cause Sorrel Ranch and Developer to appropriate additional funds in excess of their respective contributions; however nothing in the Agreement in any way obligates the Authority to budget, appropriate, transfer, pay or otherwise contribute to the City or the Project an amount in excess of the Project Partners Contribution, and nothing in the Agreement in any way obligates the Authority, for itself, to budget, appropriate, transfer, pay or otherwise contribute to the City or the Project an amount in excess of the SARIA Contribution.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 AGREEMENTS (CONTINUED)

Intergovernmental Agreement with the E-470 Public Highway Authority and Arapahoe County Regarding E-470 Ramp Relocation at Quincy Avenue

Effective as of May 10, 2019, the Authority entered into an Intergovernmental Agreement (the "Agreement") with E-470 Public Highway Authority (E-470 Authority) and Arapahoe County (the "County"), for the purpose of cooperatively funding the relocation of the E-470 Public Highway (E-470) northbound on- and off-ramps at Quincy (the "Project"). Under the Agreement, the Authority agrees to contribute to the E-470 Authority the amount of \$3,000,000 for the express limited purpose of funding the Project Costs (the "SARIA Contribution"). The E-470 Authority, with coordination and cooperation from any and all applicable entities, as necessary, is primarily responsible for facilitating, overseeing, and completing the Project. The Authority has transferred to the E-470 Authority the amount of \$2,000,000 from the proceeds of the 2018 Bonds and other available funds.

In accordance with the Agreement, the Authority agrees to pay the remaining unpaid balance from either: (a) monetary savings realized by Authority on other capital projects described in the South Aurora Regional Improvement Authority Master Plan Number Two (Master Plan) being funded by Authority from the 2018 Bonds, if one or more of such projects is completed for an amount which is less than Authority's current estimates for the project(s) (Project Savings); (b) the proceeds of Authority's next bond issue following the 2018 Bonds (the "Subsequent Bonds"); (c) from a combination of Project Savings and the Subsequent Bonds in the event Project Savings paid to the Authority as projects are funded by Authority are not sufficient to fully fund the remaining balance; or (d) from any other legally available revenues of Authority paid to the E-470 Authority in the discretion of the Board of Directors of the Authority. The Authority shall pay the balance no later than five years.

In the event the Project Costs exceed the Project's estimated costs, the County, the E-470 Authority and the Authority will in good faith endeavor to appropriate additional funds in order to each fund one-third of the total amount of the Project Costs above the Project Cost Estimate, however nothing in the Agreement in any way obligates the Authority, for itself, to budget, appropriate, transfer, pay or otherwise contribute to the Project an amount in excess of the SARIA Contribution.

In the event the Project Costs are in fact less than the Project's estimated costs, the County, the E-470 Authority and the Authority will each be entitled to one-third of the difference between total actual Project Costs and the Project's estimated costs.

Intergovernmental Agreement with the City of Aurora and Arapahoe County Regarding Gun Club Road Improvements

Effective as of July 19, 2019, the Authority entered into an Intergovernmental Agreement (the "Agreement") with the City and the County, for the purpose of cooperatively funding the expansion of Gun Club Road from Quincy Avenue to Aurora Parkway (Project). In 2019, the Authority transferred to the City the amount of \$2,300,000 for the express limited purpose of funding the Project Costs (the "SARIA Contribution"). The City, with coordination and cooperation from any and all applicable entities, as necessary, is primarily responsible for facilitating, overseeing, and completing the Project.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 AGREEMENTS (CONTINUED)

**Intergovernmental Agreement with the City of Aurora and Arapahoe County
Regarding Gun Club Road Improvements (Continued)**

In the event the Project Costs exceed the Project's estimated costs, the County and the Authority will in good faith endeavor to appropriate additional funds in excess of their respective contributions in order to fund the total amount of the Project Costs above the Project Cost Estimate, however nothing in the Agreement in any way obligates the Authority, for itself, to budget, appropriate, transfer, pay or otherwise contribute to the Project an amount in excess of the SARIA Contribution.

In the event the Project Costs are in fact less than the Project's estimated costs, the County and the Authority will each be entitled to one-half of the difference between total actual Project Costs and the Project's estimated costs.

**Intergovernmental Agreement with the City of Aurora Regarding Aurora Parkway
Extension Improvements (Initial Scoping and Preliminary Design)**

Effective as of August 5, 2019, the Authority entered into an Intergovernmental Agreement (the "IGA") with the City for the purpose of cooperatively funding the initial scoping, preliminary design and other initial planning components for the Aurora Parkway Extension, including but not limited to investigating and planning for the completion of an interim half section bridge as well as the ultimate completion of a full section bridge and related improvements, necessary to facilitate the design and construction of the extension of Aurora Parkway from its existing western terminus over E-470 to a new connection with Parker Road (as further described herein, the "Project"). The City, with coordination and cooperation from any and all applicable entities, as necessary, is primarily responsible for facilitating, overseeing, and completing the Project under the IGA.

In 2020, the Authority transferred to the City the amount of \$700,000 for the express limited purpose of funding the Project Costs (the "SARIA Contribution"). In the event the Project Costs exceed the Project's estimated costs, the City and the Authority will in good faith endeavor to appropriate additional funds in excess of their respective contributions in order to fund the total amount of the Project Costs above the Project Cost Estimate however nothing in the Agreement in any way obligates the Authority to budget, appropriate, transfer, pay or otherwise contribute to the City or the Project an amount in excess of the Project Partners Contribution, and nothing in the Agreement in any way obligates the Authority, for itself, to budget, appropriate, transfer, pay or otherwise contribute to the City or the Project an amount in excess of the SARIA Contribution.

In the event the Project Costs are in fact less than the Project's estimated costs, the Authority will be entitled to receive the entire difference between total actual Project Costs and the Project's estimated costs.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 AGREEMENTS (CONTINUED)

Intergovernmental Agreement with the City of Aurora Regarding Gartrell Road Improvements (Initial Scoping and Preliminary Design)

Effective as of August 5, 2019, the Authority entered into an Intergovernmental Agreement (the "IGA") with the City for the purpose of cooperatively funding the initial scoping, preliminary design and other initial planning components for the Gartrell Road Improvements, including but not limited to investigating and planning for improvement and/or expansion of the existing Gartrell Road bridge and ramps at E-470, and related improvements, necessary to facilitate the design and construction of the improvement of Gartrell Road between Dry Creek Road and Aurora Parkway (as further described herein, the "Project"). The City, with coordination and cooperation from any and all applicable entities, as necessary, is primarily responsible for facilitating, overseeing, and completing the Project under the IGA.

In 2020, the Authority transferred to the City the amount of \$500,000 for the express limited purpose of funding the Project Costs (the "SARIA Contribution"). In the event the Project Costs exceed the Project's estimated costs, the City and the Authority will in good faith endeavor to appropriate additional funds in excess of their respective contributions in order to fund the total amount of the Project Costs above the Project Cost Estimate however nothing in the Agreement in any way obligates the Authority to budget, appropriate, transfer, pay or otherwise contribute to the City or the Project an amount in excess of the Project Partners Contribution, and nothing in the Agreement in any way obligates the Authority, for itself, to budget, appropriate, transfer, pay or otherwise contribute to the City or the Project an amount in excess of the SARIA Contribution.

In the event the Project Costs are in fact less than the Project's estimated costs, the Authority will be entitled to receive the entire difference between total actual Project Costs and the Project's estimated costs.

NOTE 8 RISK MANAGEMENT

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

The Authority 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.

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

In 1992, the voters of Colorado approved a constitutional amendment which is codified as Article X, Section 20, of the Colorado Constitution (the Taxpayers Bill of Rights or "TABOR"). In general, TABOR restricts the ability of the state and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR applies to the state and most local governments, but does not apply to "enterprises," defined as government owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined. TABOR also does not apply to local governments or other entities which are not within the definition of a "district" in TABOR.

Pursuant to existing case law, it has determined that entities such as the Authority are not "districts" within the meaning of TABOR and therefore TABOR is inapplicable to the Authority. Voter approval of the Bonds therefore is not required by TABOR. Each Member District is a "district" under TABOR. At the Member District Elections, each Member District's approved election questions authorize such Member District to retain excess revenues which may otherwise be required by TABOR to be refunded to taxpayers. In addition, as required by TABOR, each Member District's obligations under the Establishment Agreement were approved by the voters of the applicable Member District at the applicable Member District Election.

TABOR is complex and subject to interpretation. Many of the provisions will require judicial interpretation. TABOR also could have an impact on the amount of Intergovernmental Revenue's the Member Districts transfer to the Authority.

SUPPLEMENTARY INFORMATION

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenues:			
Southlands Metropolitan District No. 2	\$ 14,071	\$ 13,144	\$ (927)
Beacon Point Metropolitan District	39,737	39,339	(398)
High Plains Metropolitan District	45,170	43,946	(1,224)
Forest Trace Metropolitan District No. 3	14,500	14,425	(75)
Pronghorn Valley Metropolitan District	-	1,113	1,113
Sorrel Ranch Metropolitan District	21,471	21,283	(188)
Wheatlands Metropolitan District	48,659	48,311	(348)
Inspiration Metropolitan District	53,385	53,735	350
Whispering Pines Metropolitan District No. 1	23,873	26,112	2,239
Net Investment Income	1,000	32	(968)
Other Revenue	10,000	-	(10,000)
Total Revenues	<u>271,866</u>	<u>261,440</u>	<u>(10,426)</u>
EXPENDITURES			
Bond Interest	186,441	182,000	4,441
Paying Agent Fees	-	3,500	(3,500)
Contingency	10,000	-	10,000
Total Expenditures	<u>196,441</u>	<u>185,500</u>	<u>10,941</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	75,425	75,940	515
OTHER FINANCING SOURCES (USES)			
Transfers to (from) other fund	(75,750)	(75,750)	-
Total Other Financing Sources (Uses)	<u>(75,750)</u>	<u>(75,750)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(325)	190	515
Fund balance - Beginning of Year	<u>325</u>	<u>20</u>	<u>(305)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 210</u>	<u>\$ 210</u>

**SOUTH AURORA REGIONAL IMPROVEMENT AUTHORITY
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 80,000	\$ 17,355	\$ (62,645)
Total Revenues	<u>80,000</u>	<u>17,355</u>	<u>(62,645)</u>
EXPENDITURES			
Aurora Pkwy Ln Addition - Design	700,000	700,000	-
Quincy Ave Ln Addition - Design	1,800,000	-	1,800,000
Gartrell Rd Improvements - Design	500,000	500,000	-
Contingency	271,445	-	271,445
Total Expenditures	<u>3,271,445</u>	<u>1,200,000</u>	<u>2,071,445</u>
NET CHANGE IN FUND BALANCE	(3,191,445)	(1,182,645)	2,008,800
Fund Balance - Beginning of Year	<u>3,191,445</u>	<u>3,169,512</u>	<u>(21,933)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 1,986,867</u>	<u>\$ 1,986,867</u>