

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**TOWN CENTER METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND	6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND	7
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	8
SPECIAL REVENUE FUND – SUBDISTRICT NO. 1 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	9
SPECIAL REVENUE FUND – SUBDISTRICT NO. 2 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	10
SPECIAL REVENUE FUND – SUBDISTRICT NO. 3 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	11
SPECIAL REVENUE FUND – SUBDISTRICT NO. 4 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	12
SPECIAL REVENUE FUND – SUBDISTRICT NO. 5 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL	13

**TOWN CENTER METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2021**

SPECIAL REVENUE FUND – GVR TOWER COMMONS RETAIL – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL	14
SPECIAL REVENUE FUND – TOWNS AT OAK CREST – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL	15
NOTES TO BASIC FINANCIAL STATEMENTS	16
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – SPECIAL REVENUE FUNDS	39
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) – SPECIAL REVENUE FUNDS	40
COMBINING BALANCE SHEET – CAPITAL PROJECTS FUNDS	41
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – CAPITAL PROJECTS FUNDS	42
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	43
CAPITAL REPLACEMENT FUND - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	44
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	46

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

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Town Center Metropolitan District (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Town Center Metropolitan District as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund and special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Other Matters

Required Supplemental Information

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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 basic 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 basic financial statements. The 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, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

August 16, 2022

BASIC FINANCIAL STATEMENTS

**TOWN CENTER METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 4,942,863
Cash and Investments - Restricted	1,286,076
Receivable from Other Districts	31,337
Prepaid Expenses	7,439
Receivable from County Treasurer	6,312
Property Taxes Receivable	1,910,788
Other Receivables	160,536
Capital Assets:	
Capital Assets Not Being Depreciated	16,507,938
Capital Assets, Net of Depreciation	<u>17,401,463</u>
Total Assets	<u>42,254,752</u>
LIABILITIES	
Accounts Payable	1,198,730
Retainage Payable	35,912
Prepaid Assessments	6,557
Noncurrent Liabilities:	
Due in More than One Year	<u>319,694</u>
Total Liabilities	<u>1,560,893</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>1,910,788</u>
Total Deferred Inflows of Resources	<u>1,910,788</u>
NET POSITION	
Net Investment in Capital Assets	32,956,674
Restricted for:	
Emergencies (TABOR)	78,100
Capital Projects	1,207,976
Unrestricted	<u>4,540,321</u>
Total Net Position	<u><u>\$ 38,783,071</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

		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	\$ 6,097,354	\$ 564,080	\$ 2,815,992	\$ 1,222,919	\$ (1,494,363)
Interest and Related Costs on Long-Term Debt	18,746	-	-	-	(18,746)
Public Works - Dedication of Capital Assets to Other Governments	13,942,281	-	-	-	(13,942,281)
Total Governmental Activities	\$ 20,058,381	\$ 564,080	\$ 2,815,992	\$ 1,222,919	(15,455,390)
GENERAL REVENUES					
Property Taxes					1,665,542
Specific Ownership Taxes					91,161
Net Investment Income					3,424
Other Revenue					316,475
Total General Revenues					2,076,602
CHANGE IN NET POSITION					(13,378,788)
Net Position - Beginning of Year					52,161,859
NET POSITION - END OF YEAR					\$ 38,783,071

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Special Revenue Funds	Capital Projects Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 900,460	\$ 577,255	\$ 3,465,148	\$ 4,942,863
Cash and Investments - Restricted	11,000	67,100	1,207,976	1,286,076
Accounts Receivable	-	160,536	-	160,536
Due from Ebert Metropolitan District	29,099	-	-	29,099
Due from First Creek Village Metropolitan District	2,238	-	-	2,238
Due from Other Funds	118,997	2,939	-	121,936
Prepaid Expenses	5,708	1,731	-	7,439
Receivable from County Treasurer	63	6,249	-	6,312
Property Taxes Receivable	25,941	1,884,847	-	1,910,788
	\$ 1,093,506	\$ 2,700,657	\$ 4,673,124	\$ 8,467,287
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts Payable	\$ 509,608	\$ 222,711	\$ 466,411	\$ 1,198,730
Retainage Payable	-	-	35,912	35,912
Due to Other Funds	250	121,686	-	121,936
Prepaid Assessments	-	6,557	-	6,557
Total Liabilities	509,858	350,954	502,323	1,363,135
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	25,941	1,884,847	-	1,910,788
Total Deferred Inflows of Resources	25,941	1,884,847	-	1,910,788
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Expenses	5,708	1,731	-	7,439
Restricted for:				
Emergencies (TABOR)	11,000	67,100	-	78,100
Capital Projects	-	-	1,207,976	1,207,976
Assigned to:				
Capital Replacement	-	-	554,231	554,231
Capital Projects	-	-	2,408,594	2,408,594
Subsequent Year's Expenditures	220,766	50,486	-	271,252
Unassigned:				
General Government	320,233	-	-	320,233
Subdistrict - Special Revenues	-	345,539	-	345,539
Total Fund Balances (Deficits)	557,707	464,856	4,170,801	5,193,364
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,093,506	\$ 2,700,657	\$ 4,673,124	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				33,909,401
Long-term liabilities are not due and payable within the current period and, therefore, are not reported in the funds:				
Developer Advance Payable				(280,579)
Accrued Interest on Developer Advance				(39,115)
Net Position of Governmental Activities				\$ 38,783,071

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue Funds	Capital Projects Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 23,245	\$ 1,642,297	\$ -	\$ 1,665,542
Specific Ownership Taxes	912	90,249	-	91,161
Net Investment Income	552	1,016	1,856	3,424
Intergovernmental Revenue	-	201,146	-	201,146
Ebert Capital Replacement Revenue	-	-	651,235	651,235
Ebert Services Revenue	2,399,838	-	-	2,399,838
First Creek Village Services Revenue	191,008	-	-	191,008
Landscape Escrow Forfeits	24,000	-	-	24,000
Reimbursed Expenditures	-	-	334,348	334,348
System Development Fees	-	-	237,336	237,336
Customer/Tenant Billings	-	564,080	-	564,080
Other Revenue	315,125	1,350	-	316,475
Total Revenues	<u>2,954,680</u>	<u>2,500,138</u>	<u>1,224,775</u>	<u>6,679,593</u>
EXPENDITURES				
General Government	334,827	571,885	109,242	1,015,954
Operations and Maintenance	2,552,879	1,784,723	-	4,337,602
Capital Outlay	-	11,341	2,077,088	2,088,429
Total Expenditures	<u>2,887,706</u>	<u>2,367,949</u>	<u>2,186,330</u>	<u>7,441,985</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	66,974	132,189	(961,555)	(762,392)
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	92,500	-	92,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>92,500</u>	<u>-</u>	<u>92,500</u>
NET CHANGE IN FUND BALANCES	66,974	224,689	(961,555)	(669,892)
Fund Balances - Beginning of Year	<u>490,733</u>	<u>240,167</u>	<u>5,132,356</u>	<u>5,863,256</u>
FUND BALANCES - END OF YEAR	<u>\$ 557,707</u>	<u>\$ 464,856</u>	<u>\$ 4,170,801</u>	<u>\$ 5,193,364</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Changes in Fund Balances - Total Governmental Funds \$ (669,892)

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

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

Capital Outlay	2,088,429
Depreciation	(743,798)
Dedication of Capital Assets to Other Governments	(13,942,281)

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

Current Year Developer Advances	(92,500)
---------------------------------	----------

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

Accrued Interest Payable - Change in Liability	(18,746)
--	----------

Change in Net Position of Governmental Activities	\$ (13,378,788)
---	-----------------

**TOWN CENTER METROPOLITAN DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial Fund</u>
ASSETS	
Cash and Investments	\$ 407,398
Accounts Receivable	94,755
Total Assets	502,153
LIABILITIES	
Accounts Payable	502,153
Total Liabilities	502,153
Total Net Position	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial Fund</u>
ADDITIONS	
Transfer Fees Collected	\$ 921,802
Total Additions	<u>\$ 921,802</u>
 DEDUCTIONS	
Transfer Fees Distributed:	
To Developer	\$ 691,352
To GVR Foundation	230,450
Total Deductions	<u>\$ 921,802</u>
 Net Position - Beginning	 \$ -
Net Position - Ending	\$ -

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 23,248	\$ 23,248	\$ 23,245	\$ (3)
Specific Ownership Taxes	1,162	900	912	12
Net Investment Income	1,700	600	552	(48)
Ebert Services Revenue	2,375,566	2,386,216	2,399,838	13,622
First Creek Village Services Revenue	190,940	191,114	191,008	(106)
Landscape Escrow Forfeits	15,000	24,000	24,000	-
Z Place Rent	50,000	-	-	-
Other Revenue	-	260,000	315,125	55,125
Total Revenues	<u>2,657,616</u>	<u>2,886,078</u>	<u>2,954,680</u>	<u>68,602</u>
EXPENDITURES				
General Government:				
Accounting	238,000	185,000	168,945	16,055
Audit	12,000	14,250	14,250	-
Bank Fees	300	250	-	250
County Treasurer's Fees	233	233	234	(1)
Conferences	1,000	500	900	(400)
Directors' Fees	3,000	4,400	4,400	-
Dues and Licenses	7,500	8,900	8,900	-
Insurance and Bonds	35,000	52,275	52,275	-
Legal	115,000	75,000	79,708	(4,708)
Miscellaneous	5,000	5,000	4,878	122
Payroll Taxes	230	337	337	-
Contingency	30,737	32,355	-	32,355
Operations and Maintenance:				
Administrative Management/Architectural Control	300,000	290,000	364,119	(74,119)
Covenant Control	30,000	30,000	26,854	3,146
District Management	200,000	210,000	201,390	8,610
Events	60,000	25,000	20,679	4,321
Fence Repairs	100,000	40,000	18,189	21,811
Landscape Escrow Refunds	25,000	10,000	2,500	7,500
Landscape Maintenance	967,000	950,000	908,060	41,940
Repairs and Maintenance	215,000	270,000	297,906	(27,906)
SCADA Maintenance	6,000	1,000	1,114	(114)
Snow Removal	100,000	150,000	137,007	12,993
Tree Replacement	100,000	175,000	265,773	(90,773)
Utilities - Electric	75,000	75,000	89,603	(14,603)
Utilities - General	-	7,000	7,242	(242)
Utilities - Storm Drainage	9,000	12,000	14,585	(2,585)
Utilities - Water	175,000	175,000	168,467	6,533
Z Place Operations and Maintenance	50,000	500	798	(298)
Water Rights	30,000	1,000	7,185	(6,185)
Water Well Maintenance	30,000	25,000	21,408	3,592
Total Expenditures	<u>2,920,000</u>	<u>2,825,000</u>	<u>2,887,706</u>	<u>(62,706)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(262,384)	61,078	66,974	5,896
OTHER FINANCING SOURCES (USES)				
Transfers From (To) Other Funds	-	(150,000)	-	150,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	(262,384)	(88,922)	66,974	155,896
Fund Balance - Beginning of Year	471,819	490,733	490,733	-
FUND BALANCE - END OF YEAR	<u>\$ 209,435</u>	<u>\$ 401,811</u>	<u>\$ 557,707</u>	<u>\$ 155,896</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budgets		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property Taxes	\$ 444,186	\$ 444,186	\$ 444,186	\$ -
Specific Ownership Taxes	22,210	24,600	24,613	13
Net Investment Income	550	400	337	(63)
Other Revenue	-	1,195	1,195	-
Intergovernmental Revenue - TCSD4	199,973	212,089	201,146	(10,943)
Total Revenues	<u>666,919</u>	<u>682,470</u>	<u>671,477</u>	<u>(10,993)</u>
EXPENDITURES				
General Government:				
Accounting	36,000	25,000	24,256	744
County Treasurer's Fees	4,442	4,442	4,445	(3)
District Management	75,000	106,569	64,861	41,708
Miscellaneous	1,000	1,000	548	452
Contingency	5,558	-	-	-
Operations and Maintenance:				
Clubhouse Management	151,500	170,762	129,612	41,150
Clubhouse Operations and Maintenance	58,500	89,313	61,011	28,302
Construction/Maintenance Management	5,000	-	1,794	(1,794)
Clubhouse Events	60,500	40,677	22,543	18,134
Fitness Programs	25,000	25,026	24,592	434
General Clubhouse Maintenance	69,500	62,035	62,895	(860)
General Clubhouse Repairs	13,000	17,813	19,579	(1,766)
Irrigation Repairs	2,500	2,665	1,100	1,565
Landscape Maintenance	25,000	17,500	19,185	(1,685)
Pool Maintenance amd Repairs	35,000	38,447	36,849	1,598
Plumbing/Electric Repairs	3,500	3,544	2,806	738
Repairs and Maintenance	6,000	5,700	1,101	4,599
Snow Removal	10,000	11,365	11,468	(103)
Utilities - Electric	30,500	30,500	33,504	(3,004)
Utilities - Storm Drainage	4,500	4,500	1,939	2,561
Utilities - Water	8,000	8,000	5,598	2,402
Interior/Exterior Repairs	6,000	5,142	3,225	1,917
Capital Outlay	45,000	40,000	11,341	28,659
Total Expenditures	<u>681,000</u>	<u>710,000</u>	<u>544,252</u>	<u>165,748</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,081)	(27,530)	127,225	154,755
Fund Balance - Beginning of Year	<u>117,341</u>	<u>111,290</u>	<u>111,290</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 103,260</u></u>	<u><u>\$ 83,760</u></u>	<u><u>\$ 238,515</u></u>	<u><u>\$ 154,755</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 727,523	\$ 727,524	\$ 1
Specific Ownership Taxes	36,380	39,199	2,819
Net Investment Income	400	288	(112)
Water Fees	275,000	320,565	45,565
Total Revenues	<u>1,039,303</u>	<u>1,087,576</u>	<u>48,273</u>
EXPENDITURES			
General Government:			
Accounting	30,000	16,873	13,127
County Treasurer's Fees	7,276	7,277	(1)
District Management	55,000	52,655	2,345
Water Billing Expense	30,000	29,338	662
Contingency	1,374	-	1,374
Operations and Maintenance:			
Construction Management	5,000	-	5,000
Repairs and Maintenance	1,000	1,215	(215)
Driveway Repairs	15,000	315	14,685
Sewer Line Repair	10,000	328	9,672
Winter Watering	5,000	3,777	1,223
Irrigation Repairs	25,000	52,989	(27,989)
Fencing Repairs	10,000	1,890	8,110
Water Line Repairs	6,000	1,234	4,766
Landscape Maintenance - Common Areas	10,000	5,983	4,017
Landscape Maintenance - Front Yards	260,000	256,545	3,455
Snow Removal	300,000	200,025	99,975
Tree Replacement	35,000	35,949	(949)
Utilities - Electric	350	303	47
Utilities - General	-	210	(210)
Utilities - Irrigation	20,000	12,307	7,693
Pocket Park Repairs	2,000	2,039	(39)
Water Expenses	275,000	309,619	(34,619)
Total Expenditures	<u>1,103,000</u>	<u>990,871</u>	<u>112,129</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(63,697)	96,705	160,402
Fund Balance - Beginning of Year	<u>112,022</u>	<u>142,431</u>	<u>30,409</u>
FUND BALANCE - END OF YEAR	<u>\$ 48,325</u>	<u>\$ 239,136</u>	<u>\$ 190,811</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 215,517	\$ 215,516	\$ (1)
Specific Ownership Taxes	10,780	11,851	1,071
Net Investment Income	-	253	253
Other Revenue	-	155	155
Total Revenues	<u>226,297</u>	<u>227,775</u>	<u>1,478</u>
EXPENDITURES			
General Government:			
Accounting	18,000	16,610	1,390
County Treasurer's Fees	2,155	2,158	(3)
District Management	25,000	27,969	(2,969)
Insurance and Bonds	7,500	-	7,500
Legal	2,500	-	2,500
Contingency	5,645	-	5,645
Operations and Maintenance:			
Century Link/DSL	2,500	2,264	236
Gate Data Monitoring	2,000	2,474	(474)
Gated Entrance Security	4,000	2,021	1,979
Gate Maintenance and Repairs	9,500	2,041	7,459
Guardhouse Maintenance and Repairs	3,000	3,866	(866)
Private Street Maintenance	42,000	7,580	34,420
Pool and Cabana Maintenance	157,250	126,842	30,408
Landscape Maintenance	7,000	4,853	2,147
Repairs and Maintenance	1,000	710	290
Irrigation Repairs	700	1,702	(1,002)
Winter Watering	2,500	-	2,500
Security Cameras	7,500	6,666	834
Tree/Shrub Maintenance	10,000	-	10,000
Utilities - Electric	250	-	250
Utilities - General	-	421	(421)
Utilities - Water	1,000	-	1,000
Total Expenditures	<u>311,000</u>	<u>208,177</u>	<u>102,823</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(84,703)	19,598	104,301
OTHER FINANCING SOURCES (USES)			
Developer Advances	54,000	-	(54,000)
Total Other Financing Sources (Uses)	<u>54,000</u>	<u>-</u>	<u>(54,000)</u>
NET CHANGE IN FUND BALANCE	(30,703)	19,598	50,301
Fund Balance - Beginning of Year	<u>37,953</u>	<u>42,339</u>	<u>4,386</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,250</u>	<u>\$ 61,937</u>	<u>\$ 54,687</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Landscape Maintenance Fees	\$ 120,840	\$ 114,480	\$ 115,390	\$ 910
Property Taxes	213,437	213,437	213,431	(6)
Specific Ownership Taxes	10,670	11,800	11,851	51
Net Investment Income	50	150	98	(52)
Total Revenues	<u>344,997</u>	<u>339,867</u>	<u>340,770</u>	<u>903</u>
EXPENDITURES				
General Government:				
Accounting	20,000	16,910	15,468	1,442
Billing Services	15,000	13,568	12,916	652
County Treasurer's Fees	2,134	2,135	2,135	-
District Management	5,000	7,963	5,661	2,302
Intergovernmental Expenditures	199,973	214,115	201,146	12,969
Contingency	2,000	2,456	-	2,456
Operations and Maintenance:				
Landscape Maintenance - Front Yards	50,880	54,478	56,343	(1,865)
Plant Material Replacement	10,000	-	-	-
Irrigation Repairs	5,013	10,000	9,868	132
Snow Removal	40,000	58,375	54,874	3,501
Total Expenditures	<u>350,000</u>	<u>380,000</u>	<u>358,411</u>	<u>21,589</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,003)	(40,133)	(17,641)	22,492
OTHER FINANCING SOURCES (USES)				
Developer Advances	12,720	55,500	55,500	-
Total Other Financing Sources (Uses)	<u>12,720</u>	<u>55,500</u>	<u>55,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	7,717	15,367	37,859	22,492
Fund Balance (Deficit) - Beginning of Year	<u>9,500</u>	<u>(1,508)</u>	<u>(1,508)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,217</u>	<u>\$ 13,859</u>	<u>\$ 36,351</u>	<u>\$ 22,492</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – SUBDISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 41,799	\$ 41,640	\$ (159)
Specific Ownership Taxes	2,090	2,735	645
Net Investment Income	100	40	(60)
Total Revenues	<u>43,989</u>	<u>44,415</u>	<u>426</u>
EXPENDITURES			
General Government:			
Accounting	10,000	7,888	2,112
County Treasurer's Fees	418	417	1
District Management	20,000	18,846	1,154
Miscellaneous	500	-	500
Contingency	2,632	-	2,632
Operations and Maintenance:			
Construction Management	2,500	-	2,500
Landscape Maintenance - Common Areas	2,500	3,815	(1,315)
Landscape Maintenance - Front Yards	60,000	43,560	16,440
Irrigation Repairs	6,000	7,084	(1,084)
Pocket Park Repairs	1,000	-	1,000
Repairs and Maintenance	1,000	-	1,000
Tree Replacements	5,200	-	5,200
Winter Watering	2,500	85	2,415
Utilities - Electric	250	-	250
Utilities - Water	5,000	-	5,000
Snow Removal	67,500	33,333	34,167
Total Expenditures	<u>187,000</u>	<u>115,028</u>	<u>71,972</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(143,011)	(70,613)	72,398
OTHER FINANCING SOURCES (USES)			
Developer Advances	150,000	37,000	(113,000)
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>37,000</u>	<u>(113,000)</u>
NET CHANGE IN FUND BALANCE	6,989	(33,613)	(40,602)
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 6,989	\$ (33,613)	\$ (40,602)

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – GVR TOWER COMMONS RETAIL
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tenant Billing	\$ 67,000	\$ 66,242	\$ (758)
Other Revenue	2,000	-	(2,000)
Total Revenues	<u>69,000</u>	<u>66,242</u>	<u>(2,758)</u>
EXPENDITURES			
General Government:			
Accounting	9,000	11,365	(2,365)
District Management	12,000	13,424	(1,424)
Contingency	2,000	-	2,000
Operations and Maintenance:			
Landscape Maintenance	20,000	19,081	919
Repairs and Maintenance	3,000	4,288	(1,288)
Snow Removal	8,000	6,010	1,990
Tree Replacement	10,000	10,049	(49)
Utilities - Electric	500	329	171
Utilities - Water	2,500	-	2,500
Total Expenditures	<u>67,000</u>	<u>64,546</u>	<u>2,454</u>
NET CHANGE IN FUND BALANCE	2,000	1,696	(304)
Fund Balance (Deficit) - Beginning of Year	<u>2,028</u>	<u>(7,925)</u>	<u>(9,953)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u><u>\$ 4,028</u></u>	<u><u>\$ (6,229)</u></u>	<u><u>\$ (10,257)</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
SPECIAL REVENUE FUND – TOWNS AT OAK CREST
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Homeowner Fees	\$ 57,600	\$ 58,352	\$ 61,883	\$ 3,531
Other Revenues	26,000	82,000	-	(82,000)
Total Revenues	<u>83,600</u>	<u>140,352</u>	<u>61,883</u>	<u>(78,469)</u>
EXPENDITURES				
General Government:				
Accounting	4,000	9,000	8,192	808
District Management	18,000	16,000	16,743	(743)
Billing Services	9,500	11,000	10,694	306
Contingency	1,750	1,850	-	1,850
Operations and Maintenance:				
Landscape Maintenance	12,000	15,000	13,320	1,680
Retaining Wall Maintenance	500	300	-	300
Repairs and Maintenance	3,000	3,000	1,362	1,638
Concrete Repairs	500	500	-	500
Covenant Control	6,000	4,000	4,069	(69)
Irrigation Repair	1,500	1,500	-	1,500
Snow Removal	17,000	20,000	18,508	1,492
Planting Replacement	5,000	5,000	11,181	(6,181)
Waterline Repairs	2,500	-	2,100	(2,100)
Winter Watering	500	500	442	58
Utilities - Electric	250	250	-	250
Utilities - General	-	100	53	47
Utilities - Water	1,000	1,000	-	1,000
Total Expenditures	<u>83,000</u>	<u>89,000</u>	<u>86,664</u>	<u>2,336</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	600	51,352	(24,781)	(76,133)
Fund Balance (Deficit) - Beginning of Year	3,295	(46,460)	(46,460)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 3,895</u>	<u>\$ 4,892</u>	<u>\$ (71,241)</u>	<u>\$ (76,133)</u>

See accompanying Notes to Basic Financial Statements.

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

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

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

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

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including Ebert, FCV, and the City. The financial operations of Town Center Metropolitan District Subdistrict Nos. 1-5 are included within these financial statements.

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the District reports the following fund type:

Fiduciary Fund

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

Budgets

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

The District amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

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

Each of the Special Revenue Funds – Subdistrict Nos. 1-5 has its own cash and investment accounts. Additionally, the District has a custodial investment account into which the property taxes of Ebert are deposited monthly and are disbursed in accordance with the Regional Facilities Construction Agreements (see Note 7). The balance in this account as of December 31, 2021, was \$40, which was transferred to Ebert in January 2022.

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.

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.

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Development Fees

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

Capital Assets

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

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

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

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

Water Rights

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

Deferred Inflows of Resources

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

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

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

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

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

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

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

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deficits

The following individual funds had deficits reported in the fund financial statements as of December 31, 2021:

Special Revenue Fund - Subdistrict No. 5	\$ (33,613)
Special Revenue Fund - GVR Tower Commons Retail	\$ (6,229)
Special Revenue Fund - Towns at Oak Crest	\$ (71,241)

These deficits are anticipated to be eliminated with the receipt of property taxes, tenant billings, homeowner fees, and developer advances in 2022.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 4,942,863
Cash and Investments - Restricted	1,286,076
Statement of Fiduciary Net Position:	
Cash and Investments	407,398
Total Cash and Investments	<u>\$ 6,636,337</u>

Cash and investments as of December 31, 2021 consist of the following:

Deposits with Financial Institutions	\$ 941,617
Investments	5,694,720
Total Cash and Investments	<u>\$ 6,636,337</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, 2021, the District's cash deposits had a bank balance of \$998,840 and a carrying balance of \$941,617.

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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

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

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	<u>\$ 5,694,720</u>

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS

An analysis of changes in capital assets for the year ended December 31, 2021 is as follows:

<u>By Classification</u>	Balance at December 31, 2020	Additions	Reclassification	Transfers and Retirements	Balance at December 31, 2021
Capital Assets, Not Being Depreciated:					
Landscape Improvements	\$ 8,261,750	\$ 196,382	\$ -	\$ -	\$ 8,458,132
Plaza, Lake, Amphitheater	1,189,292	-	-	-	1,189,292
Water Rights	2,226,731	-	-	-	2,226,731
Land	3,681,056	-	-	-	3,681,056
Construction in Process	<u>13,604,834</u>	<u>1,298,344</u>	<u>(8,170)</u>	<u>(13,942,281)</u>	<u>952,727</u>
Total Capital Assets, Not Being Depreciated	28,963,663	1,494,726	(8,170)	(13,942,281)	16,507,938
Capital Assets, Being Depreciated:					
Fencing	3,070,850	324,963	-	-	3,395,813
Furniture and Equipment	181,984	11,341	-	-	193,325
Irrigation System	4,973,770	223,886	-	-	5,197,656
Golf Course Buildings	3,644,637	-	-	-	3,644,637
Community Center	6,092,353	-	-	-	6,092,353
Cart Paths	91,776	-	-	-	91,776
Monumentation	791,981	-	-	-	791,981
Campus Building	4,602,734	-	-	-	4,602,734
Storm Drainage	-	33,513	8,170	-	41,683
Water Wells	<u>3,232,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,232,515</u>
Total Capital Assets, Being Depreciated	26,682,600	593,703	8,170	-	27,284,473
Less Accumulated Depreciation for:					
Fencing	(1,687,666)	(162,367)	-	-	(1,850,033)
Furniture and Equipment	(80,655)	(19,170)	-	-	(99,825)
Irrigation System	(3,748,022)	(183,284)	-	-	(3,931,306)
Golf Course Buildings	(1,296,428)	(72,890)	-	-	(1,369,318)
Community Center	(255,529)	(121,847)	-	-	(377,376)
Cart Paths	(91,776)	-	-	-	(91,776)
Monumentation	(205,638)	(15,841)	-	-	(221,479)
Campus Building	(690,410)	(92,055)	-	-	(782,465)
Storm Drainage	-	(1,246)	-	-	(1,246)
Water Wells	<u>(1,083,088)</u>	<u>(75,098)</u>	<u>-</u>	<u>-</u>	<u>(1,158,186)</u>
Total Accumulated Depreciation	<u>(9,139,212)</u>	<u>(743,798)</u>	<u>-</u>	<u>-</u>	<u>(9,883,010)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,543,388</u>	<u>(150,095)</u>	<u>8,170</u>	<u>-</u>	<u>17,401,463</u>
Governmental Activities - Capital Assets, Net	<u>\$ 46,507,051</u>	<u>\$ 1,344,631</u>	<u>\$ -</u>	<u>\$ (13,942,281)</u>	<u>\$ 33,909,401</u>

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Government Activities:	
General Government	<u><u>\$ 743,798</u></u>

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

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Retirements	Balance - December 31, 2021	Due Within One Year
Other Debts:					
Developer Advances - Operations					
Subdistrict No. 3	\$ 83,508	\$ -	\$ -	\$ 83,508	\$ -
Subdistrict No. 4	104,571	55,500	-	160,071	-
Subdistrict No. 5	-	37,000	-	37,000	-
Accrued Interest on:					
Developer Advances - Operations					
Subdistrict No. 3	10,315	6,681	-	16,996	-
Subdistrict No. 4	10,054	10,873	-	20,927	-
Subdistrict No. 5	-	1,192	-	1,192	-
Subtotal of Other Debts	<u>208,448</u>	<u>111,246</u>	<u>-</u>	<u>319,694</u>	<u>-</u>
Total Long-Term Obligations	<u><u>\$ 208,448</u></u>	<u><u>\$ 111,246</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 319,694</u></u>	<u><u>\$ -</u></u>

Developer Advances

During 2021, the Developer advanced funds to Special Revenue Subdistrict Nos. 4-5 in the amount of \$92,500. It is anticipated that the Subdistrict Nos.3-5 will enter into a Financing and Reimbursement Agreement during 2022. It is assumed that the advances bear interest at the rate of 8% per annum simple interest from the date of advancement. Accrued interest on the advances at December 31, 2021, is \$39,115.

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 3, 1998, the District's electors authorized the incurrence of general obligation bonds totaling \$29,500,000 at an interest rate not to exceed 15% for a maximum term of 20 years. At December 31, 2021, the District has authorized but unissued indebtedness for the following purposes:

	Authorized November 3, 1998 Election	Remaining at December 31, 2021
Street Improvements	\$ 10,000,000	\$ 10,000,000
Traffic Controls	1,000,000	1,000,000
Water System	9,000,000	9,000,000
Sanitary Sewer	5,000,000	5,000,000
Parks and Recreation	4,000,000	4,000,000
Operations and Maintenance	500,000	500,000
Total	<u>\$ 29,500,000</u>	<u>\$ 29,500,000</u>

NOTE 6 NET POSITION

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

The net investment in capital assets component of net position consists of capital assets that are owned by the District, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. As of December 31, 2021, the net investment in capital assets was \$32,956,674.

The restricted component of net position consists of amounts that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2021, the District had restricted net position as follows:

	Government Activities
Restricted Net Position:	
TABOR Reserves	\$ 78,100
Capital Projects	1,207,976
Total	<u>\$ 1,286,076</u>

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 INTERGOVERNMENTAL AGREEMENTS

Regional Facilities Construction Agreements

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

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

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

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Regional Facilities Construction Agreements (Continued)

costs that can be incurred by the District for operations, maintenance and administration in the performance of its duties under the New Service Agreement. During 2021, \$2,399,838 was received from Ebert. At December 31, 2019, the Maximum Service Amount remaining was \$10,089,339.

The New Service Agreement establishes and funds Ebert's Capital Repair and Replacement Fund (the CRRF). One mill of Ebert's Minimum Service Levy is to be reserved for the purpose of funding the CRRF. The amounts in the CRRF are to be used for the limited purpose of repairing, replacing and/or maintaining public improvements and for creating reserves for those purposes, all at the direction of Ebert's Board acting in its discretion. The District agrees in the New Service Agreement to, subject to funding provided by Ebert from the CRRF, to repair, replace and/or maintain public improvements in consultation with or as requested by Ebert's Board. Additionally, pursuant to the New Service Agreement, Ebert agrees to allow the District to withdraw, at the direction of Ebert, up to \$2,300,000 of proceeds from Ebert's Series 2018 A-2 Bonds for funding the construction or acquisition of certain facilities. During 2021, \$651,235 of these proceeds were transferred to the District.

Development Agreement

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

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

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Development Agreement (Continued)

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

The City has acknowledged that the Developers have undertaken certain public improvements within GVR that were the obligation of the City under the terms of the prior annexation agreements. The City has given the Developer a credit of \$5,900,000 that will be applied by the City for payment or reimbursement for the benefit of the District, the District's share of arterial costs. As of December 31, 2021, all credits had been received by the District.

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

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

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

Restated Agreement for Reimbursement of Costs

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

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

The funds received in satisfaction of the Cost Recovery Agreement are included in the District's Capital Projects Fund and will be used to pay for eligible capital improvements.

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Restated Agreement for Reimbursement of Costs (Continued)

Because the original payment of \$1,392,829 by the District was funded with bond proceeds from Ebert's Series 2007 General Obligation Limited Tax Refunding and Improvement Bonds, Ebert has hired legal counsel to determine if all or a portion of the payment from GVRE6 should be remitted to Ebert. Subsequent to December 31, 2021, the District has hired its own counsel to research the issue.

Golf Club at Green Valley Ranch LLC

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

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

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

During 2005, the District amended and restated the Golf Facility Use Agreement, whereby the District and Concessionaire agree to provide improvements to the golf facilities to include a short course and learning center for a First Tee program, which is aimed at developing the interest and ability of youth in the sport of golf. Since 2005, the Colorado Open Golf Foundation (Foundation) has contributed \$336,250 to the District and an additional \$54,236 was contributed by a related party toward the funding of these improvements. The agreement provides that for the next 30 years, the Foundation shall have the use of the short course and learning center in order to administer the First Tee program. The Foundation will make payments if and when it can to reimburse the District for additional First Tee program costs. A receivable was not recorded, and no revenue was budgeted in 2021 associated with this amended agreement.

Effective January 1, 2005, the Golf Course Concession Agreement was amended whereby, for the next ten years, the Concessionaire will pay to the District a fee of 5% of gross revenues if gross revenues exceed operating expenses by \$300,000. No concession fee is due if revenues do not exceed expenses by \$300,000. Thereafter, the concession fee will be 5% of gross revenues if gross revenues exceed operating expenses. No concession fees were due or paid in 2021.

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Inclusion Agreement

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

During 2008, the parties entered into an amendment to the Inclusion Agreement that modified the language in the Inclusion Agreement to describe the authorized adjustments to Ebert's 65-mill limit for changes in law and other provisions. As of December 31, 2016, the adjusted mill levy cap for Ebert was 74.717 mills. The parties also entered into an Escrow Agreement with United Missouri Bank (UMB) that modified the original escrow instructions delivered pursuant to the Inclusion Agreement. Pursuant to the Modified Escrow Agreement, \$4,657,010 of the proceeds of Ebert's 2007 bonds were deposited into an escrow account to be released as the District completes certain improvements benefiting property owned by C.P. Bedrock that is subject to the Inclusion Agreement. At December 31, 2021 the remaining balance in the escrow account held by Ebert was \$165,793.

56th Avenue Improvements

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

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

56th Avenue Improvements (Continued)

Subsequent to December 31, 2017, the District entered into an intergovernmental agreement for 56th Avenue Improvements - Phase 2 with the City. This District will be responsible for construction of all roadways and right of way improvements for the three southerly lanes and adjacent sidewalk of 56th Avenue from Ireland Street through Piccadilly Street. The total estimated cost of the project is \$6.9 million, which includes \$2.1 million of landscaping costs. The City will contribute \$1,081,938 of remaining credits associated with the above Development Agreement, plus an additional \$1,206,126 of the City's share of project costs. Payment was received in 2019.

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

Z Place (formerly known as Building 5)

In 2012, the District entered into a "Design/Build Turnkey Contract and Funding Agreement for Building 5 at the Evie Garrett Dennis E12 Campus" with Denver Public School District No. 1 (SD1) and HC Development and Management Services, Inc. (HC Development). HC Development shall design and construct "Building 5," a public school and multiple-use building on the Evie Garrett Dennis E12 Campus in the Green Valley Ranch area. Building 5 shall consist of one 2-story building. The second floor and a section of the first floor are intended to be used as a DPS chartered middle school with associated educational offices and installations. The balance of the first floor will be owned by the District and is intended to be used for privately operated early learning education facilities, a Young Americans Bank branch, and a multi-use area suitable for community meetings and other multiple purpose uses, including District offices and board meetings. The ownership of the building will be governed pursuant to a condominium declaration with SD1 and the District as declarants. The condominium declaration has not been executed.

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

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

During 2021, the administration of the Z Place has been assumed by SD1.

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is Clayton Properties Group II, Inc. dba: Oakwood Homes. Members of the Board of Directors are employees of or consultants to Oakwood Homes. As such, these Board members may have conflicts of interest in dealing with the District.

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 RELATED PARTIES (CONTINUED)

The District has entered into a construction management agreement with the Developer whereby the District will pay a fee to the Developer for construction management services on various District projects. The District did not pay any fees to the Developer for construction management services during 2021.

A transfer fee in the amount of $\frac{1}{2}$ of 1% of sales price for any home resold in the District was established by the 2001 Master Declaration for the Development. The District is designated to collect the fee and remit 75% of the transfer fee to the Developer and 25% to GVR Foundation, a Developer-related entity. During 2021, \$921,802 of transfer fees were collected and paid per the Master Declaration, \$691,352 to the Developer, and \$230,450 to GVR Foundation.

The financial activity related to the collection and disbursement of the transfer fees is reported in the Fiduciary Fund.

NOTE 9 RISK MANAGEMENT

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

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

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 11 SUBDISTRICTS

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

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

During 2016 a mill levy of 50.000 mills was levied against all taxable property within Subdistrict No. 1 for collection in 2017. The mill levy is subject to changes in the method of assessing residential property in the State. For tax collections in 2019, the mill levy was adjusted to 55.278. Financial activity of Subdistrict No. 1 is displayed within the financial statements as a Special Revenue Fund.

Subdistrict No. 1 is an adult community (Fairway Villas) consisting of ranch homes with a club house serving the residents of the Subdistrict No. 1 and Town Center Metropolitan District Subdistrict No. 4 (see Town Center Metropolitan District Subdistrict No. 4 note).

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 SUBDISTRICTS (CONTINUED)

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

In 2016 a mill levy of 50.000 mills was levied against all taxable property within Subdistrict No. 2 for collection in 2017. The mill levy is subject to changes in the method of assessing residential property in the State. For tax collections in 2019, the mill levy was adjusted to 55.278. Financial activity in Subdistrict No. 2 is displayed within the financial statements as a Special Revenue Fund.

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

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

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

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

**TOWN CENTER METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 SUBDISTRICTS (CONTINUED)

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

Subdistrict No. 4 is intended to be an adult community similar to Subdistrict No. 1. Subdistrict No. 4 has a club house which serves the residents of both Subdistrict Nos. 1 and 4. Per an agreement between Subdistrict Nos. 1 and 4, the net tax revenue of Subdistrict No. 4 is transferred to Subdistrict No. 1, which is responsible for the operations, maintenance, and repairs of both club houses.

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

Financial activity in Subdistrict No. 5 is displayed within the financial statements as a Special Revenue Fund.

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

NOTE 12 CONSTRUCTION COMMITMENTS

As of December 31, 2021, the District had unexpended construction related contract commitments of approximately \$2,249,251.

SUPPLEMENTARY INFORMATION

**TOWN CENTER METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Subdistrict 1 Special Revenue	Subdistrict 2 Special Revenue	Subdistrict 3 Special Revenue	Subdistrict 4 Special Revenue	Subdistrict 5 Special Revenue	Tower Commons Special Revenue	Oak Crest Special Revenue	Total Governmental Funds
ASSETS								
Cash and Investments	\$ 262,093	\$ 184,093	\$ 83,179	\$ 46,521	\$ 1,369	\$ -	\$ -	\$ 577,255
Cash and investments - Restricted	20,200	32,700	6,900	3,000	1,300	1,400	1,600	67,100
Accounts Receivable	174	76,399	-	543	-	73,190	10,230	160,536
Due from Other Funds	2,689	250	-	-	-	-	-	2,939
Prepaid Expenses	1,621	110	-	-	-	-	-	1,731
Receivable from County Treasurer	1,704	2,714	821	821	189	-	-	6,249
Property Taxes Receivable	452,981	780,414	270,579	251,016	129,857	-	-	1,884,847
Total Assets	\$ 741,462	\$ 1,076,680	\$ 361,479	\$ 301,901	\$ 132,715	\$ 74,590	\$ 11,830	\$ 2,700,657
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)								
LIABILITIES								
Accounts Payable	\$ 49,966	\$ 56,460	\$ 28,963	\$ 7,378	\$ 36,471	\$ 10,895	\$ 32,578	\$ 222,711
Due to Other Funds	-	-	-	2,689	-	69,924	49,073	121,686
Prepaid assessments	-	670	-	4,467	-	-	1,420	6,557
Total Liabilities	49,966	57,130	28,963	14,534	36,471	80,819	83,071	350,954
DEFERRED INFLOWS OF RESOURCES								
Property Tax Revenue	452,981	780,414	270,579	251,016	129,857	-	-	1,884,847
Total Deferred Inflows of Resources	452,981	780,414	270,579	251,016	129,857	-	-	1,884,847
FUND BALANCES (DEFICITS)								
Nonspendable:								
Prepaid Expenses	1,621	110	-	-	-	-	-	1,731
Restricted for:								
Emergencies (TABOR)	20,200	32,700	6,900	3,000	1,300	1,400	1,600	67,100
Subsequent Year's Expenditures	-	50,486	-	-	-	-	-	50,486
Unassigned:								
Subdistrict - Special Revenues	216,694	155,840	55,037	33,351	(34,913)	(7,629)	(72,841)	345,539
Total Fund Balances (Deficits)	238,515	239,136	61,937	36,351	(33,613)	(6,229)	(71,241)	464,856
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 741,462	\$ 1,076,680	\$ 361,479	\$ 301,901	\$ 132,715	\$ 74,590	\$ 11,830	\$ 2,700,657

**TOWN CENTER METROPOLITAN DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES (DEFICITS)
SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Subdistrict 1 Special Revenue	Subdistrict 2 Special Revenue	Subdistrict 3 Special Revenue	Subdistrict 4 Special Revenue	Subdistrict 5 Special Revenue	Tower Commons Special Revenue	Oak Crest Special Revenue	Total Governmental Funds
REVENUES								
Property Taxes	\$ 444,186	\$ 727,524	\$ 215,516	\$ 213,431	\$ 41,640	\$ -	\$ -	\$ 1,642,297
Specific Ownership Taxes	24,613	39,199	11,851	11,851	2,735	-	-	90,249
Net Investment Income	337	288	253	98	40	-	-	1,016
Intergovernmental Revenue - TCSD4	201,146	-	-	-	-	-	-	201,146
Customer/Tenant Billings	-	320,565	-	115,390	-	66,242	61,883	564,080
Other Revenue	1,195	-	155	-	-	-	-	1,350
Total Revenues	<u>671,477</u>	<u>1,087,576</u>	<u>227,775</u>	<u>340,770</u>	<u>44,415</u>	<u>66,242</u>	<u>61,883</u>	<u>2,500,138</u>
EXPENDITURES								
General Government	94,110	106,143	46,737	237,326	27,151	24,789	35,629	571,885
Operations and Maintenance	438,801	884,728	161,440	121,085	87,877	39,757	51,035	1,784,723
Capital Outlay	11,341	-	-	-	-	-	-	11,341
Total Expenditures	<u>544,252</u>	<u>990,871</u>	<u>208,177</u>	<u>358,411</u>	<u>115,028</u>	<u>64,546</u>	<u>86,664</u>	<u>2,367,949</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	127,225	96,705	19,598	(17,641)	(70,613)	1,696	(24,781)	132,189
OTHER FINANCING SOURCES (USES)								
Developer Advances	-	-	-	55,500	37,000	-	-	92,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,500</u>	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>92,500</u>
NET CHANGE IN FUND BALANCES	127,225	96,705	19,598	37,859	(33,613)	1,696	(24,781)	224,689
Fund Balances (Deficits) - Beginning of Year	<u>111,290</u>	<u>142,431</u>	<u>42,339</u>	<u>(1,508)</u>	<u>-</u>	<u>(7,925)</u>	<u>(46,460)</u>	<u>240,167</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 238,515</u>	<u>\$ 239,136</u>	<u>\$ 61,937</u>	<u>\$ 36,351</u>	<u>\$ (33,613)</u>	<u>\$ (6,229)</u>	<u>\$ (71,241)</u>	<u>\$ 464,856</u>

**TOWN CENTER METROPOLITAN DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Capital Projects	Replacement Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 2,910,917	\$ 554,231	\$ 3,465,148
Cash and investments - Restricted	1,207,976	-	1,207,976
Total Assets	\$ 4,118,893	\$ 554,231	\$ 4,673,124
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 466,411	\$ -	\$ 466,411
Retainage Payable	35,912	-	35,912
Total Liabilities	502,323	-	502,323
FUND BALANCES			
Restricted for:			
Capital Projects	1,207,976	-	1,207,976
Assigned to:			
Capital Replacement	-	554,231	554,231
Capital Projects	2,408,594	-	2,408,594
Total Fund Balances	3,616,570	554,231	4,170,801
Total Liabilities and Fund Balances	\$ 4,118,893	\$ 554,231	\$ 4,673,124

**TOWN CENTER METROPOLITAN DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 YEAR ENDED DECEMBER 31, 2021**

	Capital Projects	Replacement Capital Projects	Total Governmental Funds
REVENUES			
Net Investment Income	\$ 1,662	\$ 194	\$ 1,856
Ebert Capital Replacement Revenue	651,235	-	651,235
Reimbursed Expenditures	334,348	-	334,348
System Development Fees	237,336	-	237,336
Total Revenues	<u>1,224,581</u>	<u>194</u>	<u>1,224,775</u>
EXPENDITURES			
General Government:	109,242	-	109,242
Capital Outlay	2,077,088	-	2,077,088
Total Expenditures	<u>2,186,330</u>	<u>-</u>	<u>2,186,330</u>
NET CHANGE IN FUND BALANCES	(961,749)	194	(961,555)
Fund Balances - Beginning of Year	<u>4,578,319</u>	<u>554,037</u>	<u>5,132,356</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 3,616,570</u></u>	<u><u>\$ 554,231</u></u>	<u><u>\$ 4,170,801</u></u>

**TOWN CENTER METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 12,600	\$ 1,662	\$ (10,938)
Ebert Conservation Trust Fund Revenue	156,857	-	(156,857)
System Development Fees	1,974,000	237,336	(1,736,664)
Reimbursed Expenditures	-	334,348	334,348
Ebert Revenue - Replacement Projects	1,475,397	651,235	(824,162)
Total Revenues	<u>3,618,854</u>	<u>1,224,581</u>	<u>(2,394,273)</u>
EXPENDITURES			
General Government:			
Accounting	1,000	-	1,000
Construction Management	125,000	102,455	22,545
Covenant Control	-	156	(156)
Mailboxes	20,000	4,604	15,396
Legal	3,000	2,027	973
Lynx System Upgrades	30,000	-	30,000
Reserve Study	7,000	-	7,000
Capital Outlay:			
Fencing	250,000	324,963	(74,963)
Trails	100,000	1,170	98,830
Irrigation Upgrades	50,000	41,384	8,616
Landscaping	850,000	365,459	484,541
Pocket Parks and Tracts	100,000	12,710	87,290
Sanitary Sewer	-	9,946	(9,946)
Streets	3,725,000	1,267,192	2,457,808
Traffic Signal	-	15,875	(15,875)
Pond Improvements	100,000	33,058	66,942
Water System	-	5,331	(5,331)
Other Capital Improvements	1,475,397	-	1,475,397
Contingency	29,603	-	29,603
Total Expenditures	<u>6,866,000</u>	<u>2,186,330</u>	<u>4,679,670</u>
NET CHANGE IN FUND BALANCE	(3,247,146)	(961,749)	2,285,397
Fund Balance - Beginning of Year	<u>4,151,895</u>	<u>4,578,319</u>	<u>426,424</u>
FUND BALANCE - END OF YEAR	<u>\$ 904,749</u>	<u>\$ 3,616,570</u>	<u>\$ 2,711,821</u>

**TOWN CENTER METROPOLITAN DISTRICT
CAPITAL REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 2,770	\$ 194	\$ (2,576)
Total Revenues	<u>2,770</u>	<u>194</u>	<u>(2,576)</u>
NET CHANGE IN FUND BALANCE	2,770	194	(2,576)
Fund Balance - Beginning of Year	<u>554,065</u>	<u>554,037</u>	<u>(28)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 556,835</u></u>	<u><u>\$ 554,231</u></u>	<u><u>\$ (2,604)</u></u>

OTHER INFORMATION

**TOWN CENTER METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
		General Service	Levied	Collected	
2017	\$ 360,000	84.000	\$ 30,240	\$ 30,240	100.00 %
	5,008,290	50.000	250,415 (A)	250,415	100.00
	3,020,940	50.000	151,047 (B)	151,047	100.00
2018	330,460	90.861	30,026	30,026	100.00
	6,332,950	55.278	350,073 (A)	349,923	99.96
	5,360,830	55.278	296,336 (B)	296,334	100.00
2019	262,020	58.040	15,208	15,208	100.00
	7,116,600	55.278	393,391 (A)	386,313	98.20
	8,613,230	55.278	476,122 (B)	476,125	100.00
2020	339,540	58.319	19,802	19,772	99.85
	7,950,310	55.664	442,546 (A)	442,342	99.95
	12,593,430	55.664	701,001 (B)	700,574	99.94
	3,746,050	50.000	187,303 (C)	187,303	100.00
	2,829,230	55.664	157,486 (D)	157,486	100.00
2021	398,630	58.319	23,248	23,245	99.99
	7,979,770	55.664	444,186 (A)	444,186	100.00
	13,069,910	55.664	727,523 (B)	727,524	100.00
	4,310,340	50.000	215,517 (C)	215,516	100.00
	3,834,380	55.664	213,437 (D)	213,431	100.00
	750,920	55.664	41,799 (E)	41,640	99.62
Estimated for year ending December 31,					
2022	\$ 444,820	58.319	\$ 25,941		
	8,137,770	55.664	452,981 (A)		
	14,020,090	55.664	780,414 (B)		
	5,411,580	50.000	270,579 (C)		
	4,509,480	55.664	251,016 (D)		
	2,332,870	55.664	129,857 (E)		
			<u>\$ 1,910,788</u>		

NOTES:

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

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

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

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

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

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