

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
Elbert County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
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# SCHILLING & COMPANY, INC.

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## **Independent Auditor's Report**

Board of Directors  
Elbert and Highway 86 Metropolitan District  
Elbert County, Colorado

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Elbert and Highway 86 Metropolitan District (District) as of and for the year ended December 31, 2020 and the related notes to the financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Elbert and Highway 86 Metropolitan District, as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other-Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other information 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 it.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
May 6, 2021

## **BASIC FINANCIAL STATEMENTS**

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 482,074
Cash and Investments - Restricted	453,937
Prepaid Expenditures	6,923
Receivable from County Treasurer	7,179
Property Taxes Receivable	496,665
Capital Assets, Not Being Depreciated	5,247
Capital Assets, Net of Depreciation	140,663
Total Assets	1,592,688
<b>LIABILITIES</b>	
Accounts Payable	8,695
Accrued Interest Payable	22,909
Noncurrent Liabilities:	
Due Within One Year	113,137
Due in More Than One Year	5,324,899
Total Liabilities	5,469,640
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	496,665
Total Deferred Inflows of Resources	496,665
<b>NET POSITION</b>	
Net Investment in Capital Assets	(70,962)
Restricted For:	
Emergency Reserves	15,300
Debt Service	49,200
Unrestricted	(4,367,155)
Total Net Position	\$ (4,373,617)

See accompanying Notes to Basic Financial Statements.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 253,745	\$ -	\$ 259,000	\$ -	\$ 5,255
Interest and Fees on Long-Term Debt	275,069	-	-	-	(275,069)
	<b>\$ 528,814</b>	<b>\$ -</b>	<b>\$ 259,000</b>	<b>\$ -</b>	<b>(269,814)</b>
 <b>GENERAL REVENUES</b>					
					489,125
					86,328
					7,086
					<b>582,539</b>
 <b>CHANGE IN NET POSITION</b>					
					312,725
					<b>(4,686,342)</b>
 <b>NET POSITION - END OF YEAR</b>					
					<b>\$ (4,373,617)</b>

See accompanying Notes to Basic Financial Statements.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 482,074	\$ -	\$ 482,074
Cash and Investments - Restricted	15,300	438,637	453,937
Prepaid Expenditures	4,673	2,250	6,923
Receivable from County Treasurer	3,094	4,085	7,179
Property Taxes Receivable	128,448	368,217	496,665
Total Assets	\$ 633,589	\$ 813,189	\$ 1,446,778
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 8,695	\$ -	\$ 8,695
Total Liabilities	8,695	-	8,695
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	128,448	368,217	496,665
Total Deferred Inflows of Resources	128,448	368,217	496,665
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Amounts	4,673	2,250	6,923
Restricted For:			
Emergency Reserves (TABOR)	15,300	-	15,300
Debt Service	-	442,722	442,722
Assigned To:			
Traffic Signal	300,000	-	300,000
Unassigned:			
General Government	176,473	-	176,473
Total Fund Balances	496,446	444,972	941,418
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 633,589	\$ 813,189	

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.

145,910

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

Bonds Payable

(5,115,000)

Bonds Premium (Net of Amortization)

(323,036)

Accrued Bond Interest Payable

(22,909)

Net Position of Governmental Activities

\$ (4,373,617)

See accompanying Notes to Basic Financial Statements.



**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property Taxes	\$ 210,813	\$ 278,312	\$ 489,125
Specific Ownership Taxes	37,207	49,121	86,328
Net Investment Income	2,800	4,286	7,086
Facility Fees	259,000	-	259,000
Total Revenues	<u>509,820</u>	<u>331,719</u>	<u>841,539</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	17,000	-	17,000
Accounting - Nonrecurring	5,097	-	5,097
Audit	4,100	-	4,100
County Treasurer's Fee	6,301	8,318	14,619
District Management	14,676	-	14,676
Dues and Memberships	541	-	541
Election Costs	1,711	-	1,711
Insurance and Bonds	5,690	-	5,690
Landscape Maintenance	296	-	296
Legal Services	17,018	-	17,018
Miscellaneous	2,505	-	2,505
Road Repairs and Maintenance	168,151	-	168,151
Snow Removal	384	-	384
Traffic Signal	3,863	-	3,863
Utilities	629	-	629
Debt Service:			
Repay Developer Advance	134,634	-	134,634
Bond Interest	-	277,763	277,763
Bond Principal	-	95,000	95,000
Paying Agent Fees	-	3,000	3,000
Total Expenditures	<u>382,596</u>	<u>384,081</u>	<u>766,677</u>
<b>NET CHANGE IN FUND BALANCES</b>	127,224	(52,362)	74,862
Fund Balances - Beginning of Year	<u>369,222</u>	<u>497,334</u>	<u>866,556</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 496,446</u>	<u>\$ 444,972</u>	<u>\$ 941,418</u>

See accompanying Notes to Basic Financial Statements.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

Net Changes in Fund Balances - Total Governmental Funds \$ 74,862

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.

Depreciation (5,783)

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 funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt is as follows:

Current Year Bond Principal Payment	95,000
Amortization of Bond Premium	18,325
Developer Advance Payment - Principal	105,961

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

Accrued Interest on Bonds - Change in Liability	238
Accrued Interest on Developer Advances - Change in Liability	<u>24,122</u>

Change in Net Position of Governmental Activities \$ 312,725

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 210,830	\$ 210,830	\$ 210,813	\$ (17)
Specific Ownership Taxes	35,800	36,000	37,207	1,207
Net Investment Income	5,000	2,200	2,800	600
Facilities Fees	140,000	273,000	259,000	(14,000)
Total Revenues	<u>391,630</u>	<u>522,030</u>	<u>509,820</u>	<u>(12,210)</u>
<b>EXPENDITURES</b>				
General:				
Accounting	17,000	17,000	17,000	-
Accounting - Nonrecurring	2,000	5,000	5,097	(97)
Audit	4,100	4,100	4,100	-
County Treasurer's Fee	6,325	6,325	6,301	24
District Management	10,000	15,000	14,676	324
Dues and Memberships	600	541	541	-
Election Costs	-	1,711	1,711	-
Insurance and Bonds	5,000	5,690	5,690	-
Landscape Maintenance	50,000	10,000	296	9,704
Legal Services	10,000	17,000	17,018	(18)
Repay Developer Advance	192,000	134,634	134,634	-
Road Repairs and Maintenance	-	168,151	168,151	-
Snow Removal	-	1,000	384	616
Miscellaneous	4,475	7,348	2,505	4,843
Utilities	1,500	1,500	629	871
Traffic Signal	10,000	5,000	3,863	1,137
Total Expenditures	<u>313,000</u>	<u>400,000</u>	<u>382,596</u>	<u>17,404</u>
<b>NET CHANGE IN FUND BALANCE</b>	78,630	122,030	127,224	5,194
Fund Balance - Beginning of Year	<u>232,777</u>	<u>369,222</u>	<u>369,222</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 311,407</u>	<u>\$ 491,252</u>	<u>\$ 496,446</u>	<u>\$ 5,194</u>

See accompanying Notes to Basic Financial Statements.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Elbert and Highway 86 Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the Elbert County District Court on November 26, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely in Elbert County. In accordance with its Service Plan which was approved in October 2002 by the Board of County Commissioners of Elbert County, the District was formed to provide financing for the construction of improvements for streets and safety control, landscaping, storm drainage, water, sewer, television relay and park and recreation facilities in its service area within Elbert County. The District's water services are provided by Elbert and Highway 86 Commercial Metropolitan District.

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, including Elbert and Highway 86 Commercial Metropolitan District, nor is the District a component unit of any other primary governmental entity.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements 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 and the sum of liabilities and deferred inflows is reported as net position.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 subject to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the 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 has amended its annual budget for the year ended December 31, 2020.

**Pooled Cash and Investments**

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

**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 30, or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale 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.

**Capital Assets**

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

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

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

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, with the exception of landscaping improvements (e.g. trees, sod, and similar items), are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Improvements that will be dedicated to other governmental entities are not depreciated.

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

Water Cistern	20 Years
Fish Pond	20 Years
Gazebo	20 Years
Entry Monuments	50 Years

**Amortization**

**Bond Premium**

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Facility Fees**

A facility fee in the amount of \$14,000 per lot is charged against property within the District. The facility fee constitutes a statutory perpetual lien upon the property until paid.

On February 4, 2015, the District amended its facility fee resolution. Pursuant to the amended resolution, the District may use any unpledged portion of the facility fees for the repayment of the bonds or other indebtedness of the District including defraying improvement costs and reimbursing the District's maintenance or operational costs and expenses. The imposition or collection of any pledged revenue of the Bonds shall remain unaffected.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Facility Fees (Continued)**

On December 21, 2015, the District amended its facility fee resolution for the second time. Pursuant to the Second Amended and Restated Fee Resolution, facility fees shall be due and payable upon the issuance of a building permit for any permanent structure on any lot located within the Wild Pointe Subdivision and/or the District, unless otherwise previously paid to the District and attributed to one or more specified lot(s). The District may impose penalties on any past-due amounts by accruing from the date due at a rate of \$15.00 per day or up to 5% per month, not-to-exceed 25% of the amount due, whichever is greater.

**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, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity**

**Net Position**

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

**Fund Balance**

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

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

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

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



**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

Fund Balance (Continued)

*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.

**NOTE 3 CASH AND INVESTMENTS**

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

Cash and Investments	\$ 482,074
Cash and Investments - Restricted	453,937
Total Cash and Investments	<u>\$ 936,011</u>

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

Deposits with Financial Institutions	\$ 6,636
Investments	929,375
Total Cash and Investments	<u>\$ 936,011</u>

**Deposits with Financial Institutions**

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

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

At December 31, 2020, the District’s cash deposits had a bank balance of \$20,658 and a carrying balance of \$6,636.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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.

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 490,738
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	438,637
Total		<u>\$ 929,375</u>

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**CSAFE**

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

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS**

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

<u>By Classification</u>	<u>Balance - December 31, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance - December 31, 2020</u>
Capital Assets, Not Being Depreciated:				
Landscape Improvements	\$ 5,247	\$ -	\$ -	\$ 5,247
Total Capital Assets, Not Being Depreciated	5,247	-	-	5,247
Capital Assets, Being Depreciated:				
Fish Pond	16,594	-	-	16,594
Gazebo	34,791	-	-	34,791
Entry Monuments	146,287	-	-	146,287
Water Cistern	5,765	-	-	5,765
Total Capital Assets, Being Depreciated	203,437	-	-	203,437
Less Accumulated Depreciation For:				
Fish Pond	(8,300)	(830)	-	(9,130)
Gazebo	(17,390)	(1,739)	-	(19,129)
Entry Monuments	(29,261)	(2,926)	-	(32,187)
Water Cistern	(2,040)	(288)	-	(2,328)
Total Accumulated Depreciation	(56,991)	(5,783)	-	(62,774)
Total Capital Assets, Being Depreciated, Net	146,446	(5,783)	-	140,663
Governmental Activities - Capital Assets, Net	<u>\$ 151,693</u>	<u>\$ (5,783)</u>	<u>\$ -</u>	<u>\$ 145,910</u>

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

Governmental Activities	<u>\$ 5,783</u>
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**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS**

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

	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
<b>Bonds Payable</b>					
General Obligation Refunding					
Bonds, Series 2016	\$ 5,210,000	\$ -	\$ 95,000	\$ 5,115,000	\$ 95,000
Bonds Premium, Series 2016	341,361	-	18,325	323,036	18,137
<b>Subtotal of Bonds Payable</b>	<u>5,551,361</u>	<u>-</u>	<u>113,325</u>	<u>5,438,036</u>	<u>113,137</u>
<b>Other Debts</b>					
Developer Advances	105,961	-	105,961	-	-
Accrued Interest on					
Developer Advances	24,122	4,551	28,673	-	-
<b>Subtotal of Other Debts</b>	<u>130,083</u>	<u>4,551</u>	<u>134,634</u>	<u>-</u>	<u>-</u>
<b>Total Long-Term Obligations</b>	<u>\$ 5,681,444</u>	<u>\$ 4,551</u>	<u>\$ 247,959</u>	<u>\$ 5,438,036</u>	<u>\$ 113,137</u>

**General Obligation Bonds**

On September 30, 2016, the District refunded \$5,005,000 of General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2006 with an interest rate of 5.75% by the issuance of \$5,370,000 General Obligation (Limited Tax Convertible to Unlimited Tax Refunding Bonds, Series 2016 (the Bonds) with interest rates from 3.00% to 5.75%. The proceeds were used for the purposes of (i) establishing an irrevocable trust account to refund the 2006 Bonds on the first date on which they may be redeemed prior to their respective maturities, (ii) funding the debt service reserve requirement of \$372,862.50 (the Reserve Fund), (iii) reimbursing the Developer for the prior advancement of capital infrastructure improvement costs, and (iv) paying costs of issuance of the Bonds.

The Bonds are term bonds and bear interest from 3.00% to 5.75% (4.66% as arbitrage yield on the bonds), payable semi-annually on June 1 and December 1, beginning on June 1, 2017. The Bonds maturing on December 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2031, and on any date thereafter, upon payment of par plus accrued interest, without redemption premium. Annual mandatory sinking fund principal payments are due on December 1 of each year beginning on December 1, 2018. The Bonds mature on December 1, 2036.

The Bonds are secured by and payable from the Pledged Revenue, consisting of the monies derived by the District from the following sources, net of any costs of collection: (i) the Required Mill Levy (an amount sufficient to pay the principal of and interest on the Bonds, but not in excess of 63.985 mills); (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (iii) any other legally available monies which the District determines, in its absolute discretion, to credit to the Revenue Fund.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property within the District each year in an amount sufficient, to pay the principal and interest on the Bonds as the same become due, and to replenish the Reserve Fund to the extent necessary, but not in excess of 50.000 mills. These mill levies have been adjusted by the Board as a result of subsequent changes in the ratio of actual valuation to assessed valuation which have occurred since 2002.

The outstanding bond principal and interest matures as follows:

<u>Years</u>	Governmental Activities		
	Bonded Debt		Total
	Principal	Interest	
2021	\$ 95,000	\$ 274,912	\$ 369,912
2022	100,000	272,063	372,063
2023	100,000	268,062	368,062
2024	105,000	264,063	369,063
2025	110,000	259,862	369,862
2026-2030	630,000	1,221,913	1,851,913
2031-2035	810,000	1,047,537	1,857,537
2036-2040	1,060,000	794,650	1,854,650
2041-2045	1,400,000	452,813	1,852,813
2046	705,000	40,537	745,537
Total	\$ 5,115,000	\$ 4,896,412	\$ 10,011,412

**Developer Advance and Reimbursement Agreement**

The District entered into an advance and reimbursement agreement dated March 4, 2004, with Wild Pointe Partners, Inc. (Developer) whereby the Developer agreed to advance funds to the District for construction, operation and maintenance costs, including, but not limited to, legal, accounting, design, engineering and management costs associated with the provision of certain public improvements, facilities and services that are consistent with the public objects and purpose of the District. The District agreed to reimburse the Developer for the advances, together with interest at the rate of seven percent (7%) per annum. Interest shall accrue as of the date each advance is made to the District, provided, however, that no interest shall begin to accrue on any advances made to the District prior to November 26, 2002, the date on which the District was officially formed. The District will make payments for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expenses of the District. This reimbursement obligation is subordinate to any District bonded indebtedness.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Developer Advance and Reimbursement Agreement (Continued)**

During 2012, the Developer assigned its rights to payment under the advance and reimbursement agreement to RLF Wild Pointe Properties, LLC (New Developer). At the same time, the New Developer entered into an advance and reimbursement agreement with the District, for which the District agreed to reimburse the New Developer for advances, together with interest at the rate of seven percent (7%) per annum. The District will make payments for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expenses of the District. This reimbursement obligation is subordinate to any District bonded indebtedness.

On August 30, 2016, the District and Elbert & Highway 86 Commercial Metro District (CMD), collectively the Districts, and the New Developer entered into the Advance and Reimbursement Agreement. Pursuant to the agreement, upon the request for an advance, the Districts shall provide substantiation of the need for such advances. Such advances shall not exceed the total aggregate amount of \$100,000 in any given fiscal year without prior written authorization. Furthermore, such advances shall not be used for the payment of any debt or long-term financial obligations, but shall be for operations, maintenance and administrative purposes only. Should the Districts desire funding for capital purposes, the parties must agree in advance to those funding requirements and shall further agree to such terms in writing. In addition, the Districts and the New Developer acknowledge prior advances and the obligation of the Districts to repay, subject to annual appropriation and the budget approval. The obligation of the District and the CMD to repay the outstanding advances is a joint and severable obligation, regardless of whether an advance was or is made to the District or the CMD.

As of December 31, 2020, total Developer advances issued and payable under the District including accrued interest was paid in full. Total advances issued and payable under the CMD was \$5,277,945 and accrued interest payable was \$3,401,643 through December 31, 2020.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Authorization**

On November 5, 2002, the District's voters authorized the issuance of indebtedness in an amount not to exceed \$11,108,500 at an interest rate not to exceed 18%. As of December 31, 2020, the District had authorized but unissued indebtedness allocated for following purposes:

	Amount Authorized on November 2, 2002	Authorization Used Series 2006 Bonds	Authorization Used Series 2016 Refunding Bonds	Authorized But Unissued
Water	\$ 1,655,947	\$ 1,655,947	\$ -	\$ -
Streets	3,390,290	3,390,290	-	-
Storm and Sewer Drainage	227,895	227,895	-	-
Parks and Recreation	225,868	225,868	-	-
Operations and Maintenance	108,500	-	-	108,500
Debt Refunding	5,500,000	-	5,370,000	130,000
Total	<u>\$ 11,108,500</u>	<u>\$ 5,500,000</u>	<u>\$ 5,370,000</u>	<u>\$ 238,500</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$5,500,000, with a maximum debt service mill levy of 50.000 mills (see previous discussion of the required mill levy).

**NOTE 6 NET POSITION**

Net position consists 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, 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 improvement of those assets.

As of December 31, 2020, the District had the following net investment in capital assets, calculated as follows:

Net Investment in Capital Assets:	Governmental Activities
Capital Assets, Net	\$ 145,910
Less Capital Related Debt:	
Noncurrent Portion of Long-Term Obligations	<u>(216,872)</u>
Net Investment in Capital Assets	<u>\$ (70,962)</u>



**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 NET POSITION (CONTINUED)**

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

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 15,300
Debt Service	49,200
Total Restricted Net Position	\$ 64,500

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. The unrestricted component of the District's net position is a deficit. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 7 RELATED PARTY**

A majority of the members of the Board of Directors of the District are employees of, owners of, or associated with the Developer and New Developer and may have conflicts of interest in dealing with the District. See Note 5 concerning advances made by the Developer and New Developer.

**NOTE 8 AGREEMENTS**

**Facility Fee Agreement**

On October 31, 2014, the District entered into a facility fee agreement with Wild Pointe Investments, LLC (the Developer). Pursuant to the agreement, the Developer negotiated for the purchase of 38 lots within the boundaries of the District, each of which is subject to the imposition of the facility fees. The District agreed to delay the imposition of the second half (\$7,000) of the facility fees that may be due and owing for each lot until such time as a building permit is issued by the County. The Developer shall notify the District's Manager upon the issuance of any building permit for any lots. The delayed collection of facility fees by the District shall only be effective for any lots purchased by the Developer by July 31, 2016.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 AGREEMENTS (CONTINUED)**

**Purchase and Sale Agreement**

On October 7, 2016, the District entered into a purchase and sale agreement with Ritoro Metropolitan District (the Buyer) to sell an unimproved real property containing approximately 3.829 acres (the Property) for a purchase price of \$50,000. Pursuant to the agreement, the parties agree and acknowledge that a traffic signal shall need to be installed adjacent to the Property. The District shall be responsible for designing and constructing the traffic signal and the Buyer agrees to pay \$75,000 to the District, in addition to the purchase price, within 24 months of the execution of this agreement. Furthermore, it is the express intent of the parties that: 1) the Property is to be eventually conveyed to the Town of Elizabeth (the Town) by the Buyer; 2) the Property is to be used for public street and traffic safety purposes; and 3) such public street and traffic safety improvements are to eventually be constructed by the Buyer or the Town. As of December 31, 2020, the District had received \$75,000 payment from Ritoro Metropolitan District.

**NOTE 9 RISK MANAGEMENT**

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

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

The District pays annual premiums to the Pool for liability, property, and public officials' liability. 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.

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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. The District has not provided for Emergency Reserves because none of the District's revenues are subject to the TABOR Emergency Reserve requirement.

On November 5, 2002, the District voters passed an election question to increase property taxes \$60,000 annually, without limitation of rate, to pay the District's operations, maintenance, and other expenses. As of December 31, 2020, the cumulative limitation is \$1,020,000. Additionally, the District's electors authorized the District to collect, retain and spend all revenue, other than ad valorem taxes, without regard to limitation under TABOR in 2002 and all subsequent years.

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.

**SUPPLEMENTARY INFORMATION**

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 278,295	\$ 278,312	\$ 17
Specific Ownership Taxes	47,300	49,121	1,821
Net Investment Income	15,000	4,286	(10,714)
Total Revenues	<u>340,595</u>	<u>331,719</u>	<u>(8,876)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	8,349	8,318	31
Bond Interest	277,763	277,763	-
Bond Principal	95,000	95,000	-
Paying Agent Fees	3,000	3,000	-
Contingency	5,888	-	5,888
Total Expenditures	<u>390,000</u>	<u>384,081</u>	<u>5,919</u>
<b>NET CHANGE IN FUND BALANCE</b>	(49,405)	(52,362)	(2,957)
Fund Balance - Beginning of Year	<u>494,955</u>	<u>497,334</u>	<u>2,379</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 445,550</u></u>	<u><u>\$ 444,972</u></u>	<u><u>\$ (578)</u></u>

## **OTHER INFORMATION**

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mill Levy		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2016	\$ 4,574,660	0.000	57.475	\$ 262,929	\$ 262,743	99.93 %
2017	5,302,800	0.000	57.475	304,778	304,490	99.91
2018	7,391,970	8.000	50.000	428,735	428,609	99.97
2019	7,576,510	20.000	38.000	439,437	439,437	100.00
2020	8,433,190	25.000	33.000	489,125	489,125	100.00
Estimated for Year Ending December 31, 2021	\$ 8,563,198	15.000	43.000	\$ 496,665		

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2020**

\$5,370,000 General Obligation Refunding Bonds  
(Limited Tax Convertible to Unlimited Tax)  
Series 2016, Dated September 30, 2016  
3.00%-5.75% Term Bonds Due December 1, 2046  
Interest Payable June 1 and December 1,  
Principal Due December 1

<u>Year Ended December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 95,000	\$ 274,912	\$ 369,912
2022	100,000	272,063	372,063
2023	100,000	268,062	368,062
2024	105,000	264,063	369,063
2025	110,000	259,862	369,862
2026	115,000	255,463	370,463
2027	120,000	250,862	370,862
2028	125,000	244,863	369,863
2029	130,000	238,612	368,612
2030	140,000	232,113	372,113
2031	145,000	225,112	370,112
2032	155,000	217,863	372,863
2033	160,000	210,112	370,112
2034	170,000	202,113	372,113
2035	180,000	192,337	372,337
2036	190,000	181,988	371,988
2037	200,000	171,062	371,062
2038	210,000	159,563	369,563
2039	225,000	147,487	372,487
2040	235,000	134,550	369,550
2041	250,000	121,038	371,038
2042	265,000	106,662	371,662
2043	280,000	91,425	371,425
2044	295,000	75,325	370,325
2045	310,000	58,363	368,363
2046	705,000	40,537	745,537
Total	<u>\$ 5,115,000</u>	<u>\$ 4,896,412</u>	<u>\$ 10,011,412</u>



**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
AD VALOREM PROPERTY TAX AND OTHER DATA  
DECEMBER 31, 2020**

**Historical Completion, Actual Valuation, Assessed Valuation, Debt Mill Levy and Ratios**

<u>Occupancy/Levy/ Collection Year</u>	<u>Occupied Homes</u>	<u>Vacant Lots</u>	<u>Actual Values</u>	<u>Assessed Valuation</u>	<u>District Bonded Debt</u>	<u>Actual Valuation as a Ratio of Debt</u>	<u>Debt as a Ratio of Assessed Valuation</u>	<u>Bond Fund Mill Levy</u>
2014/2015/2016	95	86	\$ 52,273,828	\$ 4,574,660	\$ 5,005,000	10.44	109.4 %	57.475
2015/2016/2017	115	66	\$ 62,871,118	\$ 5,302,800	\$ 5,370,000	11.71	101.3 %	57.475
2016/2017/2018	132	49	\$ 84,640,846	\$ 7,391,970	\$ 5,370,000	15.76	72.7 %	50.000
2017/2018/2019	142	39	\$ 90,772,076	\$ 7,576,510	\$ 5,295,000	17.14	69.9 %	38.000
2018/2019/2020	162	19	\$ 104,681,373	\$ 8,433,190	\$ 5,210,000	20.09	61.8 %	33.000
2019/2020/2021	165	16	\$ 108,934,098	\$ 8,563,198	\$ 5,115,000	21.30	59.7 %	43.000

**Historical Tax Collections**

<u>Levy/Collection Year</u>	<u>Debt Service Taxes Levied</u>	<u>Total Current Taxes Collected</u>	<u>Percent Collected to Levied</u>	<u>Net of County Levy</u>
2015/2016	\$ 262,929	\$ 262,743	99.9%	\$ 254,939
2016/2017	\$ 304,778	\$ 304,490	99.9%	\$ 295,432
2017/2018	\$ 369,599	\$ 369,504	99.9%	\$ 358,506
2018/2019	\$ 287,907	\$ 287,919	100.0%	\$ 279,359
2019/2020	\$ 278,295	\$ 278,312	100.0%	\$ 269,994
2020/2021	\$ 368,217			

**2020 Final Certified Assessed and "Actual" Valuation of Classes of Property in the District**

<u>Class</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>	<u>"Actual" Valuation</u>	<u>Percent of "Actual" Valuation</u>
Vacant	\$ 974,400	11 %	\$ 3,360,000	3 %
Residential	7,535,360	88 %	105,389,828	96 %
State Assessed	52,978	1 %	182,680	1 %
Natural Resources	460	- %	1,590	- %
<b>Total</b>	<b>\$ 8,563,198</b>	<b>100 %</b>	<b>\$ 108,934,098</b>	<b>100 %</b>

**2020 Sample District Mill Levy**

<u>Taxing Entity</u>	<u>2020 Mill Levy</u>
Elbert County	28.096
Elbert County Library District	2.516
Elizabeth Fire Protection District	13.833
Elizabeth Park and Recreation District	2.466
Elizabeth School District No. C-1	33.156
Sample Overlapping Mill Levy	80.067
The District	58.000
<b>Sample Total Mill Levy</b>	<b>138.067</b>

**ELBERT AND HIGHWAY 86 METROPOLITAN DISTRICT  
GENERAL OBLIGATION DEBT  
DECEMBER 31, 2020**

**Estimated Overlapping General Obligation Debt**

Overlapping Entity	2020 Certified Assessed Valuation	Outstanding General Obligation Debt	Estimated Net Debt Chargeable to Properties in the District	
			Percent	Amount
Elizabeth School District No. C-1	\$ 250,727,363	\$ -	- %	\$ -
Elizabeth Park and Recreation District	239,579,260	-	-	-
Total	<u>\$ 490,306,623</u>	<u>\$ -</u>		<u>\$ -</u>