

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT

Adams County, Colorado

**FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Village at SouthGate Metropolitan District
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Village at SouthGate Metropolitan District as of and for the year December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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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 the Village at SouthGate Metropolitan District, as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village at SouthGate Metropolitan District's basic financial statements. The supplemental information and the other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Dussio & Associates, P.C.

June 29, 2020

BASIC FINANCIAL STATEMENTS

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2019

	Governmental Activities
ASSETS	
Cash and investments - unrestricted	\$ 298
Cash and investments - restricted	662,107
Due from County Treasurer	680
Prepaid expenses	5,794
Property taxes receivable	222,815
Total assets	891,694
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	
Accounts payable	1,173
Accrued bond interest payable	19,453
Bonds and unpaid interest payable:	
Due in more than one year	5,014,259
Developer advances and accrued interest payable:	
Due in more than one year	216,559
Total liabilities	5,251,444
 DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes revenues	222,815
Total deferred inflows of resources	222,815
 NET POSITION	
Restricted:	
Emergency reserves	774
Debt service	299,281
Unrestricted	(4,882,620)
Total net position	\$ (4,582,565)

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

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental Activities:					
General government	\$ 65,486	\$ -	\$ -	\$ -	\$ (65,486)
Interest and fiscal charges	312,846	-	100,500	-	(212,346)
Total governmental activities	<u>\$ 378,332</u>	<u>\$ -</u>	<u>\$ 100,500</u>	<u>\$ -</u>	<u>(277,832)</u>
General revenues:					
Taxes:					
Property taxes					109,201
Specific ownership taxes					8,150
Net investment income					17,809
Total general revenues					<u>135,160</u>
Change in net position					(142,672)
Net position - Beginning of year					<u>(4,439,893)</u>
Net position - End of year					<u>\$ (4,582,565)</u>

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

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments - unrestricted	\$ 298	\$ -	\$ 298
Cash and investments - restricted	-	662,107	662,107
Due from County Treasurer	147	533	680
Prepaid expenditures	5,794	-	5,794
Property taxes receivable	44,564	178,251	222,815
TOTAL ASSETS	\$ 50,803	\$ 840,891	\$ 891,694
 LIABILITIES , DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,173	\$ -	\$ 1,173
Total liabilities	1,173	-	1,173
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	44,564	178,251	222,815
Total deferred inflows of resources	44,564	178,251	222,815
FUND BALANCES			
Nonspendable:			
Prepaid expenditures	5,794	-	5,794
Spendable:			
Restricted for emergencies	774	-	774
Restricted for debt service	-	662,640	662,640
Unassigned	(1,502)	-	(1,502)
Total fund balances	5,066	662,640	667,706
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 50,803	\$ 840,891	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Accrued bond interest payable	(19,453)
Bonds and unpaid bond interest payable	(5,014,259)
Developer advances and interest payable	(216,559)
	(5,250,271)
Net position of governmental activities	\$ (4,582,565)

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

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property tax	\$ 23,647	\$ 85,554	\$ 109,201
Specific ownership tax	1,765	6,385	8,150
Facility fees	-	100,500	100,500
Net investment income	403	17,406	17,809
Total revenues	<u>25,815</u>	<u>209,845</u>	<u>235,660</u>
EXPENDITURES			
Current:			
Legal	14,573	-	14,573
Accounting	9,177	-	9,177
Management services	7,411	-	7,411
Audit	4,700	-	4,700
Engineering and consulting	22,955	-	22,955
Insurance and bonds	2,508	-	2,508
County Treasurer's fees	361	1,305	1,666
Office supplies	372	-	372
Bank service charges	120	1,700	1,820
Dues and subscriptions	304	-	304
Debt service:			
Paying agent fees	-	6,000	6,000
Interest and fiscal charges	-	233,438	233,438
Total expenditures	<u>62,481</u>	<u>242,443</u>	<u>304,924</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(36,666)</u>	<u>(32,598)</u>	<u>(69,264)</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	38,748	-	38,748
Total other financing sources (uses)	<u>38,748</u>	<u>-</u>	<u>38,748</u>
NET CHANGE IN FUND BALANCES	2,082	(32,598)	(30,516)
FUND BALANCES - BEGINNING OF YEAR	<u>2,984</u>	<u>695,238</u>	<u>698,222</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,066</u>	<u>\$ 662,640</u>	<u>\$ 667,706</u>

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

**VILLAGE AT SOUTHGATE 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, 2019**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ (30,516)</u>
<p>Long-term debt (e.g. bonds, developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Developer advances	<u>(38,748)</u>
	<u>(38,748)</u>
<p>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 the governmental fund.</p>	
Change in unpaid bond interest payable	(61,975)
Change in developer advances interest payable	<u>(11,433)</u>
	<u>(73,408)</u>
Change in net position - Governmental activities	<u><u>\$ (142,672)</u></u>

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

VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
Year Ended December 31, 2019

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property tax	\$ 23,648	\$ 23,648	\$ 23,647	\$ (1)
Specific ownership tax	1,865	1,865	1,765	(100)
Net investment income	-	-	403	403
Total revenues	<u>25,513</u>	<u>25,513</u>	<u>25,815</u>	<u>302</u>
EXPENDITURES				
Legal	25,000	18,000	14,573	3,427
Accounting	5,000	9,000	9,177	(177)
Management services	4,800	8,000	7,411	589
Audit	5,000	4,700	4,700	-
Engineering and consulting	-	35,000	22,955	12,045
Insurance and bonds	3,000	2,509	2,508	1
County Treasurer's fees	355	355	361	(6)
Office supplies	60	60	372	(312)
Bank service charges	120	120	120	-
Dues and subscriptions	300	304	304	-
Contingency	5,000	5,000	-	5,000
Total expenditures	<u>48,635</u>	<u>83,048</u>	<u>62,481</u>	<u>20,567</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(23,122)</u>	<u>(57,535)</u>	<u>(36,666)</u>	<u>20,869</u>
OTHER FINANCING SOURCES (USES)				
Developer advances	23,552	55,317	38,748	(16,569)
Total other financing sources (uses)	<u>23,552</u>	<u>55,317</u>	<u>38,748</u>	<u>(16,569)</u>
NET CHANGE IN FUND BALANCE	430	(2,218)	2,082	4,300
FUND BALANCE - BEGINNING OF YEAR	336	2,984	2,984	-
FUND BALANCE - END OF YEAR	<u>\$ 766</u>	<u>\$ 766</u>	<u>\$ 5,066</u>	<u>\$ 4,300</u>

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

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Village at SouthGate Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 25, 2014 and is governed pursuant to provisions of the Colorado Special District Act. The District's boundaries are located in Adams County, Colorado. The District was established to provide financing for the construction, operation and maintenance of public infrastructure improvements within the District's boundaries.

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

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.

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. For the most part, 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 assets and deferred outflows, and liabilities and deferred inflows of the District being 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.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 government 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. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to adopt the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation 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.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

For the year ended December 31, 2019, supplementary appropriations approved by the District modified the appropriation from \$48,635 to \$83,048 in the General Fund and from \$239,238 to \$247,371 in the Debt Service Fund.

For the year ended December 31, 2019, the District adopted a budget and appropriated expenditures of \$12,768 for a Capital Projects Fund. The Capital Projects Fund was closed as of December 31, 2018 and had no revenues or expenditures for 2019. Therefore no Capital Projects Fund financial statements have been presented.

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 funds' average equity balance in total cash. Investments are carried at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is certified by December 15 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 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 inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Fund Equity

Fund balance for governmental funds are reported in the categories listed below to make the nature and extent of the constraints placed on a government's fund balances more transparent. 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:

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position

Cash and investments - unrestricted	\$ 298
Cash and investments - restricted	<u>662,107</u>
Total cash and investments	<u><u>\$ 662,405</u></u>

Cash and investments as of December 31, 2019 consist of the following:

Cash Deposits

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 equal to 102% of the aggregate uninsured deposits.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
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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, 2019, the District's cash deposits with financial institutions that had a bank balance of \$24,068 and carrying balance of \$10,798.

Investments

The District has not adopted a formal investment policy, however, the District follows state statutes regarding investments. Colorado State Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

At December 31, 2019 the District had the following investments:

COLOTRUST

The District has invested \$651,607 in the Colorado Local Government Liquid Asset Trust (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. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. Both the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios are rated AAAM by Standard and Poor's. The District's investments were in the COLOTRUST PLUS+ portfolio.

Investment Valuation

The District's investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

Restricted Cash and Investments

At December 31, 2019, the District reports cash and investments in the amount of \$662,107 which are restricted for debt service on the District's outstanding bonds and for capital improvements, respectively.

NOTE 4 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2019.

	Balance December 31, 2018	Additions	Retirements	Balance December 31, 2019	Current Portion
Governmental Activities:					
Limited Tax G.O. Bonds:					
Series 2018A	\$ 4,150,000	\$ -	\$ -	\$ 4,150,000	\$ -
Subordinate Series 2018B	764,000	-	-	764,000	-
Accrued and unpaid interest:					
Subordinate Series 2018B	38,284	61,975	-	100,259	-
Developer Advances:					
PFG - Principal	108,947	18,724	-	127,671	-
PFG - Interest	16,017	8,214	-	24,231	-
ARCUS - Principal	39,598	20,024	-	59,622	-
ARCUS - Interest	1,816	3,219	-	5,035	-
	<u>\$ 5,118,662</u>	<u>\$ 112,156</u>	<u>\$ -</u>	<u>\$ 5,230,818</u>	<u>\$ -</u>

Limited Tax General Obligation Bonds Series 2018A

On May 7, 2018, the District issued \$4,150,000 Limited Tax General Obligation Bonds, Series 2018A to (i) finance public improvements related to a primarily residential development in the City of Brighton (City); (ii) pay capitalized interest on the 2018A Senior Bonds; (iii) fund the Senior Reserve Fund; and (iv) pay other costs in connection with the issuance of 2018A Senior Bonds. The bonds are term bonds maturing on December 1, 2048 and bear interest at 5.625%. Interest is due to be paid semiannually on June 1 and December 1, beginning in 2018 through 2048. The bonds are subject to mandatory annual sinking fund redemption on December 1 beginning in 2023 through 2047, with final non-sinking fund redemption in 2048. The bonds are subject to redemption prior to maturity on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest and redemption premium as follows: 3.00% for dates of redemption December 1, 2023 to November 30, 2024; 2.00% for dates of redemption December 1, 2024 to November 30, 2025; 1.00% for dates of redemption December 1, 2025 to November 30, 2026; and no redemption premium on December 1, 2026 and thereafter.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
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The Series 2018A Senior Bonds are limited tax general obligations of the District secured by and payable from the Senior Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Senior Property Tax Revenues derived from the imposition of the Senior Required Mill Levy; (ii) the Senior Specific Ownership Tax Revenues which is collected as a result of the imposition of the Senior Required Mill Levy; (iii) all Capital Fees consisting of all fees, rates, tolls, penalties, and charges of a capital nature for services, programs, or facilities furnished by the District, including particularly and without limitation, the Facility Fees (which are currently \$1,500 per multifamily lot and \$2,500 per single-family attached or detached lot; (iv) all Senior PILOT Revenues (payment in lieu of taxes) related to the Senior Required Mill Levy; and (v) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The Senior Required Mill Levy is defined as follows:

- (a) subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues and Senior PILOT Revenues (if any) sufficient to pay the principal of, premium if any, and interest on the 2018A Senior Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund and, solely to the extent provided in the 2018A Senior Indenture, the Senior Surplus Fund and the Senior Reserve Fund, respectively) and to replenish the Senior Reserve Fund to the Reserve Requirement, but not in excess of 40 mills; provided, however, that:
 - (i) for so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 40 mills (subject to adjustment as described in clause (ii) below), or such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues and Senior PILOT Revenues (if any): (A) sufficient to pay the principal of, premium if any, and interest on the 2018A Senior Bonds as the same become due and payable, to replenish the Senior Reserve Fund to the Reserve Requirement and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Bond Fund, the Senior Surplus Fund and the Senior Reserve Fund, will pay the 2018A Senior Bonds in full in the year in which such levy is collected; and
 - (ii) in the event that the method of calculating assessed valuation is changed after October 7, 2014, the minimum mill levy of 40 mills and the maximum mill levy of 40 mills provided in the 2018A Senior Indenture will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation; and
- (b) notwithstanding anything in the 2018A Senior Indenture to the contrary, in no event may the Senior Required Mill Levy be established at a mill levy which would cause the District

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to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Discharge of 2018A Senior Bonds on December 1, 2048:

Notwithstanding any other provision in the 2018A Senior Indenture, in the event that any amount of principal of or interest on the 2018A Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2048, the 2018A Senior Bonds and the lien of the 2018A Senior Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the 2018A Trustee shall cancel and discharge the lien of the 2018A Senior Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the 2018A Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the 2018A Senior Bonds remaining unpaid.

Subordinate Limited Tax General Obligation Bonds Series 2018B

On May 7, 2018, the District issued \$764,000 Subordinate Limited Tax General Obligation Bonds, Series 2018A to (i) finance public improvements related to a primarily residential development in the City of Brighton (City); and (ii) pay a portion of the underwriter's discount in connection with issuance of the 2018B Subordinate Bonds. The bonds are term bonds maturing on December 15, 2040 and bear interest at 7.75%. There are no regularly scheduled principal and interest payments on the 2018B Subordinate Bonds. Instead, (a) principal on the 2018B Subordinate Bonds is payable on the mandatory redemption dates (each December 15) from, and only to the extent of, Subordinate Pledged Revenue available therefore, if any, in accordance with the terms of the 2018B Subordinate Indenture and (b) interest on the 2018B Subordinate Bonds is payable on each December 15, but only from and to the extent of, Subordinate Pledged Revenue available therefor. The bonds are subject to redemption prior to maturity on December 15, 2023, and on any date thereafter, upon payment of par, accrued interest and redemption premium as follows: 3.00% for dates of redemption December 15, 2023 to December 14, 2024; 2.00% for dates of redemption December 15, 2024 to December 14, 2025; 1.00% for dates of redemption December 15, 2025 to December 14, 2026; and no redemption premium on December 15, 2026 and thereafter.

The Series 2018B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the Subordinate Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Subordinate Property Tax Revenues derived from the imposition of the Subordinate Required Mill Levy; (ii) the Subordinate Specific Ownership Tax Revenues which is collected as a result of the imposition of the Subordinate Required Mill Levy; (iii) all Subordinate Capital Fee Revenue consisting Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations; (iv) all Subordinate PILOT Revenues (payment in lieu of taxes) related to the Subordinate Required Mill Levy; and (v) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

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The Subordinate Required Mill Levy is defined as follows:

An ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount equal to (i) 40 mills less the Senior Obligation Mill Levy, or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues and Subordinate PILOT Revenues (if any) which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2018B Subordinate Bonds in full in the year such levy is collected; provided however, that:

- (a) in the event that the method of calculating assessed valuation is changed after October 7, 2014, the mill levy of 40 mills (less the Senior Required Mill Levy) provided in the 2018B Subordinate Indenture will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation; and
- (b) notwithstanding anything in the 2018B Subordinate Indenture to the contrary, in no event may the Subordinate Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate

Discharge of 2018B Subordinate Bonds on December 15, 2048:

Notwithstanding any other provision in the 2018B Subordinate Indenture, in the event that any amount of principal of or interest on the 2018B Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2048, the 2018B Subordinate Bonds and the lien of the 2018B Subordinate Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the 2018B Trustee shall cancel and discharge the lien of the 2018B Subordinate Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the 2018B Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the 2018B Subordinate Bonds remaining unpaid.

Events of Default

The Indentures of the Limited Tax General Obligation Bonds Series 2018A and Subordinate Limited Tax General Obligation Bonds Series 2018B include defaults and remedies upon the occurrence of an Event of Default. The Events of Default include: a) the District fails or refuses to impose the Senior Required Mill Levy or Subordinate Required Mill Levy, as applicable, b) the District defaults in the performance or observance of any of the covenants, agreements or conditions in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof, or c) the District files a petition under the federal bankruptcy laws or other applicable

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bankruptcy laws seeing to adjust the obligation represented by the bonds. However it is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest of the bonds when due shall not, of itself, constitute an Event of Default.

The remedies available upon the occurrence of an event of default, the Trustee for the bonds may pursue receivership of the cash, securities, instruments held and revenues of the District, pursue a suit for judgment, and pursue mandamus or other suit.

Use of Proceeds

The District used a portion of the proceeds of the 2018A and 2018B bonds to: 1) reimburse the City of Brighton \$195,470.57 in accordance with an Intergovernmental Agreement Regarding the Reimbursement of Costs for the South Brighton Infrastructure Improvements between the District, City of Brighton, and PFG Acquisitions, LLC dated April 19, 2016, as subsequently assigned by PFG Acquisitions, LLC to ARCUS Southgate LLC on April 10, 2017, and 2) reimburse ARCUS Southgate LLC \$3,700,785 in accordance with an Infrastructure Acquisition Agreement between the District and PFG Acquisitions, LLC dated January 22, 2015 as subsequently partially assigned to ARCUS Southgate LLC on April 10, 2017.

The District's Limited Tax General Obligation Bonds Series 2018A are estimated to mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 233,437	\$ 233,437
2021	-	233,437	233,437
2022	-	233,437	233,437
2023	35,000	233,438	268,438
2024	45,000	231,469	276,469
2025-2029	310,000	1,113,469	1,423,469
2030-2034	495,000	1,006,031	1,501,031
2035-2039	730,000	842,063	1,572,063
2040-2044	1,055,000	602,156	1,657,156
2045-2048	1,480,000	242,719	1,722,719
	<u>\$ 4,150,000</u>	<u>\$ 4,971,656</u>	<u>\$ 9,121,656</u>

Due to the Subordinate Limited Tax General Obligation Bonds Series 2018B being subordinate to the 2018A bonds and are only payable to the extent there are available pledged revenues, a maturity schedule for the 2018B bonds has not been presented.

The District's authorized but unissued debt at December 31, 2019 is as follows:

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DECEMBER 31, 2019**

<u>Purpose</u>	Series 2018A		Series 2018B	
	<u>Amount Authorized 11/4/2014</u>	<u>Bonds Issued 5/7/2018</u>	<u>Bonds Issued 5/7/2018</u>	<u>Authorized But Unissued</u>
Street	\$ 18,774,000	\$ (1,358,947)	\$ (266,739)	\$ 17,148,314
Parks and Recreation	18,774,000	(87,682)	(17,211)	18,669,107
Water	18,774,000	(663,058)	(101,143)	18,009,799
Storm Drainage and Sanitation	18,774,000	(2,040,313)	(378,907)	16,354,780
Transportation	18,774,000	-	-	18,774,000
Mosquito Control	18,774,000	-	-	18,774,000
Safety Protection	18,774,000	-	-	18,774,000
Fire Protection	18,774,000	-	-	18,774,000
TV Relay and Translation	18,774,000	-	-	18,774,000
Operations and Maintenance	18,774,000	-	-	18,774,000
Refunding Debt	18,774,000	-	-	18,774,000
District IGAs as Debt	18,774,000	-	-	18,774,000
	<u>\$ 225,288,000</u>	<u>\$ (4,150,000)</u>	<u>\$ (764,000)</u>	<u>\$ 220,374,000</u>

The District's service plan limits the amount of debt that the District can issue to \$8,925,000. The service plan provides for an additional \$1,785,000 of debt upon approval by the City of Brighton City Manager, for a total of \$10,710,000. The District does not anticipate issuing any of the authorized but unissued debt during 2020.

NOTE 5 – DEVELOPER ADVANCE AGREEMENTS

Advance and Reimbursement Agreement for Operation and Maintenance Costs

On January 22, 2015, the District and PFG Acquisitions, LLC ("PFG") entered into an "Advance and Reimbursement Agreement for Operation and Maintenance Costs" by and between Village at SouthGate Metropolitan District and PFG (the "Initial O&M Funding Agreement") under which PFG agreed to make certain advances to the District to fund operation and maintenance costs of the District ("O&M Costs"), and under which the District agreed to reimburse PFG for O&M Costs advanced by PFG, together with interest at 7% per annum. On April 10, 2017, PFG assigned certain of its rights under the Initial O&M Funding Agreement to ARCUS Southgate LLC ("ARCUS") under the "Partial Assignment of Advance and Reimbursement Agreement for Operation and Maintenance Costs and Consent" (the "O&M Assignment"; the Initial O&M Funding Agreement, as amended by the O&M Assignment, is referred to herein as the "O&M Funding and Reimbursement Agreement") between PFG and ARCUS, such that the 50% of the reimbursement obligations of the District for O&M Costs would be payable to the ARCUS, and ARCUS would have the obligation to fund 50% of the advances for O&M Costs under the Initial O&M Funding Agreement. Reimbursement of O&M Costs are anticipated to be made by the District, subject to annual appropriation and budget approval, from funds available within any fiscal year and otherwise required for operations, capital improvements and debt service costs and expenses of the District; notwithstanding the foregoing, a portion or all of the Bond proceeds may be used by the District to repay PFG and ARCUS for advanced O&M Costs. As of December 31, 2019, the outstanding principal and interest payable to PFG were \$127,671 and \$24,231, respectively. As of December 31, 2019, the outstanding principal and interest payable to ARCUS were \$59,622 and \$5,035, respectively.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 6 - FUND EQUITY

At December 31, 2019, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$5,794 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the amount of \$774 in the General Fund is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 9).

The restricted fund balance in the Debt Service Fund in the amount of \$662,640 is to be used exclusively for debt service requirements (see Note 4).

NOTE 7 - NET POSITION

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

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

The District had restricted net position as of December 31, 2019 as follows:

Restricted:	
Emergencies	\$ 774
Debt service	299,281
	<u>\$ 300,055</u>

In the government-wide financial statements, the District's had an unrestricted net position deficit of \$4,882,620 as a result of capital improvements that were funded with long-term debt that have been dedicated to other entities, while the long-term debt remains an obligation of the District.

NOTE 8 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, as amended from time to time, 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.

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
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The District pays annual premiums to the Pool for liability, 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 9 - 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 that apply to the State of Colorado and all local governments.

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

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

On November 4, 2014 the voters of the District approved the following ballot measures:

Shall the Village at SouthGate Metropolitan District taxes be increased \$500,000 annually (such tax increase to be collected in such amount notwithstanding any property tax cut specified by Article X, Section 20 of the Colorado Constitution, as it currently exists or as amended) or such lesser amount as necessary to pay the District's administration and operations and maintenance expenses, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, to pay such expenses and shall the revenue from such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2015 and in each fiscal year thereafter as a voter-approved revenue changes without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S, in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Shall the Village at SouthGate Metropolitan District taxes be increased \$500,000 annually (such tax increase to be collected in such amount notwithstanding any property tax cut specified by Article X, Section 20 of the Colorado Constitution, as it currently exists or as amended) or such lesser amount as necessary to pay the District's administration and operations and maintenance expenses, by the imposition of a fee or fees imposed, without limitation as to rate or amount or any other condition, to pay such expenses and shall the revenue from such fees and any investment income thereon be collected, retained and spent by the District in fiscal year 2014 and in each fiscal year thereafter as a voter-approved revenue changes without regard to any spending, revenue-raising, or other

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
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limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by Section 29-1-301, C.R.S, in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Shall Village at SouthGate Metropolitan District be authorized to collect, retain, and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, gifts, grants or any other fee, rate, toll, penalty, or charge authorized by law or contract to be imposed, collected or received by the District during fiscal year 2014 and each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the District without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any subsequent year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

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 10 – RELATED PARTIES

Two of the members of the Board of Directors of the District are employees, owners or associated with PFG Acquisitions, LLC and may have conflicts of interest in dealing with the District. Specific details of transactions with PFG Acquisitions, LLC regarding advances are described elsewhere in these notes to financial statements (see Note 5).

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DEBT SERVICE FUND
Year Ended December 31, 2019**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Property tax	\$ 85,558	\$ 85,558	\$ 85,554	\$ (4)
Specific ownership tax	6,746	6,000	6,385	385
Facility fees	120,000	90,000	100,500	10,500
Net investment income	9,000	15,000	17,406	2,406
Total revenues	<u>221,304</u>	<u>196,558</u>	<u>209,845</u>	<u>13,287</u>
EXPENDITURES				
County Treasurer's fees	-	1,283	1,305	(22)
Bank service charges	800	1,650	1,700	(50)
Paying agent fees	-	6,000	6,000	-
Bond interest	233,438	233,438	233,438	-
Contingency	5,000	5,000	-	5,000
Total expenditures	<u>239,238</u>	<u>247,371</u>	<u>242,443</u>	<u>4,928</u>
NET CHANGE IN FUND BALANCE	(17,934)	(50,813)	(32,598)	18,215
FUND BALANCE - BEGINNING OF YEAR	<u>712,884</u>	<u>695,238</u>	<u>695,238</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 694,950</u>	<u>\$ 644,425</u>	<u>\$ 662,640</u>	<u>\$ 18,215</u>

OTHER INFORMATION

**VILLAGE AT SOUTHGATE METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2019**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>			<u>Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Levied</u>	<u>Collected</u>	
2016	\$ 252,570	10.000	0.000	10.000	\$ 2,526	\$ 2,527	100.0%
2017	\$ 252,680	10.000	0.000	10.000	\$ 2,527	\$ 2,527	100.0%
2018	\$ 932,640	11.056 *	0.000	11.056 *	\$ 10,311	\$ 10,311	100.0%
2019	\$ 2,138,960	11.056 *	40.000	51.056 *	\$ 109,206	\$ 109,201	100.0%
Estimated for year ending December 31, 2020	\$ 4,002,850	11.133 *	44.531 *	55.664 *	\$222,815		

* - Mill levy adjusted for the effect of the Gallagher Amendment on the assessed value ratio.

NOTE: 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.