

ORCHARD FARMS METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

**ORCHARD FARMS METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2019**

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Independent Auditor's Report

Board of Directors
Orchard Farms Metropolitan District
Adams County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Orchard Farms Metropolitan District (the "District") as of and for the year ended 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Orchard Farms Metropolitan District as of December 31, 2019, 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

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.

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

Wipfli LLP
Lakewood, Colorado

July 8, 2020

BASIC FINANCIAL STATEMENTS

**ORCHARD FARMS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 256,323
Cash and Investments - Restricted	1,570,800
Accounts Receivable	7,585
Receivable from County Treasurer	2,403
Prepaid Expenses	400
Property Taxes Receivable	654,561
Capital Assets, Not Being Depreciated	9,089,517
Total Assets	11,581,589
LIABILITIES	
Accounts Payable	23,380
Bond Interest Payable	46,671
Noncurrent Liabilities:	
Due in More Than One Year	13,692,353
Total Liabilities	13,762,404
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	654,561
Prepaid Assessments	17,205
Total Deferred Inflows of Resources	671,766
NET POSITION	
Restricted For:	
Emergency Reserves	9,000
Debt Service	111,857
Unrestricted	(2,973,438)
Total Net Position	\$ (2,852,581)

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Governmental Activities:					
General Government	\$ 134,330	\$ 193,958	\$ -	\$ -	\$ 59,628
Interest and Related Costs on Long-Term Debt	874,449	-	-	-	(874,449)
Total Governmental Activities	\$ 1,008,779	\$ 193,958	\$ -	\$ -	(814,821)
GENERAL REVENUES					
Property Taxes					385,540
Specific Ownership Taxes					29,979
Interest Income					39,243
Total General Revenues					454,762
CHANGE IN NET POSITION					(360,059)
Net Position - Beginning of Year					(2,492,522)
NET POSITION - END OF YEAR					\$ (2,852,581)

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 256,323	\$ -	\$ -	\$ 256,323
Cash and Investments - Restricted	9,000	996,715	565,085	1,570,800
Accounts Receivable	7,585	-	-	7,585
Receivable from County Treasurer	590	1,813	-	2,403
Due from Other Funds	10,426	-	-	10,426
Prepaid Expenses	400	-	-	400
Property Taxes Receivable	159,944	494,617	-	654,561
	<u>\$ 444,268</u>	<u>\$ 1,493,145</u>	<u>\$ 565,085</u>	<u>\$ 2,502,498</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 23,380	\$ -	\$ -	\$ 23,380
Due to Other Funds	-	-	10,426	10,426
Total Liabilities	<u>23,380</u>	<u>-</u>	<u>10,426</u>	<u>33,806</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	159,944	494,617	-	654,561
Prepaid Assessments	17,205	-	-	17,205
Total Deferred Inflows of Resources	<u>177,149</u>	<u>494,617</u>	<u>-</u>	<u>671,766</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	400	-	-	400
Restricted:				
Emergency Reserves	9,000	-	-	9,000
Debt Service	-	998,528	-	998,528
Capital Projects	-	-	554,659	554,659
Committed:				
Operations	232,775	-	-	232,775
Unassigned	1,564	-	-	1,564
Total Fund Balances	<u>243,739</u>	<u>998,528</u>	<u>554,659</u>	<u>1,796,926</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 444,268</u>	<u>\$ 1,493,145</u>	<u>\$ 565,085</u>	

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.

Capital Assets, Not Being Depreciated

9,089,517

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

(12,893,000)

Bond Interest Payable - Current and Accrued

(764,227)

Developer Advances Payable

(77,702)

Accrued Interest on Developer Advances

(4,095)

Net Position of Governmental Activities

\$ (2,852,581)

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 94,705	\$ 290,835	\$ -	\$ 385,540
Specific Ownership Taxes	7,363	22,616	-	29,979
Interest Income	3,079	25,037	11,127	39,243
2018 Operations Fees	35,000	-	-	35,000
2019 Operations Fees	123,134	-	-	123,134
Penalties and Adjustments	2,304	-	-	2,304
Transfer Fees	32,500	-	-	32,500
Legal Collection Fees	1,020	-	-	1,020
Total Revenues	<u>299,105</u>	<u>338,488</u>	<u>11,127</u>	<u>648,720</u>
EXPENDITURES				
Current:				
Accounting	30,889	-	-	30,889
Audit	3,750	-	-	3,750
Billing	10,293	-	-	10,293
Community Activities	5,183	-	-	5,183
County Treasurer's Fees	1,421	4,364	-	5,785
Covenant Enforcement	2,817	-	-	2,817
Design Review	6,608	-	-	6,608
District Management	17,375	-	-	17,375
Dues and Subscriptions	525	-	-	525
Grounds Repair and Maintenance	2,840	-	-	2,840
Insurance	4,424	-	-	4,424
Landscape Contract	7,035	-	-	7,035
Legal	31,976	-	-	31,976
Miscellaneous	1,044	-	-	1,044
Postage and Delivery	3,191	-	-	3,191
Snow Removal	320	-	-	320
Website	275	-	-	275
Debt Service:				
Interest - Series 2017A Bonds	-	560,050	-	560,050
Paying Agent Fees	-	7,500	-	7,500
Total Expenditures	<u>129,966</u>	<u>571,914</u>	<u>-</u>	<u>701,880</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	169,139	(233,426)	11,127	(53,160)
OTHER FINANCING SOURCES (USES)				
Repay Developer Advances	(20,000)	-	-	(20,000)
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCES	149,139	(233,426)	11,127	(73,160)
Fund Balances - Beginning of Year	<u>94,600</u>	<u>1,231,954</u>	<u>543,532</u>	<u>1,870,086</u>
FUND BALANCES - END OF YEAR	<u>\$ 243,739</u>	<u>\$ 998,528</u>	<u>\$ 554,659</u>	<u>\$ 1,796,926</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS 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, 2019**

Net Change in Fund Balances - Governmental Funds	\$ (73,160)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Accrued Interest on Developer Advance - Change in Liability	16,115
Accrued Interest on Bonds - Change in Liability	<u>(303,014)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (360,059)</u></u>
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**ORCHARD FARMS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 94,758	\$ 94,706	\$ 94,705	\$ (1)
Specific Ownership Taxes	5,685	7,200	7,363	163
Interest Income	1,400	1,100	3,079	1,979
2018 Operations Fees	-	-	35,000	35,000
2019 Operations Fees	135,360	135,360	123,134	(12,226)
Penalties and Adjustments	-	-	2,304	2,304
Transfer Fees	-	-	32,500	32,500
Legal Collection Fees	-	-	1,020	1,020
Total Revenues	<u>237,203</u>	<u>238,366</u>	<u>299,105</u>	<u>60,739</u>
EXPENDITURES				
Accounting	25,000	31,000	30,889	111
Audit	3,750	3,750	3,750	-
Community Activities	8,000	8,000	5,183	2,817
Billing	10,000	10,000	10,293	(293)
Contingency	259	381	-	381
County Treasurer's Fees	1,421	1,420	1,421	(1)
Covenant Enforcement	4,000	4,000	2,817	1,183
Design Review	2,500	2,500	6,608	(4,108)
Director Expenses	1,000	1,000	-	1,000
District Management	20,000	20,000	17,375	2,625
Dues and Subscriptions	390	525	525	-
Electric	500	500	-	500
Grounds Repair and Maintenance	6,000	6,000	2,840	3,160
Insurance	4,180	4,424	4,424	-
Landscape Contract	51,000	51,000	7,035	43,965
Landscape Improvements	5,000	5,000	-	5,000
Legal	45,000	40,000	31,976	8,024
Lighting	8,000	8,000	-	8,000
Miscellaneous	1,500	1,500	1,044	456
Postage and Delivery	1,000	1,000	3,191	(2,191)
Restroom Maintenance	2,000	2,000	-	2,000
Snow Removal	4,000	4,000	320	3,680
Sprinkler Repair	3,000	3,000	-	3,000
Transfer Fees	10,000	10,000	-	10,000
Underdrain Maintenance	15,000	15,000	-	15,000
Water & Sewer	40,000	40,000	-	40,000
Website	1,200	1,200	275	925
Total Expenditures	<u>273,700</u>	<u>275,200</u>	<u>129,966</u>	<u>145,234</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(36,497)</u>	<u>(36,834)</u>	<u>169,139</u>	<u>205,973</u>
OTHER FINANCING SOURCES (USES)				
Repay Developer Advance - Interest	(20,000)	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(56,497)	(56,834)	149,139	205,973
Fund Balance - Beginning of Year	<u>164,099</u>	<u>157,717</u>	<u>94,600</u>	<u>(63,117)</u>
FUND BALANCE - END OF YEAR	<u>\$ 107,602</u>	<u>\$ 100,883</u>	<u>\$ 243,739</u>	<u>\$ 142,856</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 DEFINITION OF REPORTING ENTITY

Orchard Farms Metropolitan District (the District), formerly known as Big Dry Creek Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the County of Adams, Colorado on November 28, 2007, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the City of Thornton, Colorado.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, street improvements, safety protection, parks and recreation, transportation, fire protection, security, television relay and translation, and mosquito control.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 property 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.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 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. Redemption of bonds is 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 due.

The District reports the following major governmental funds:

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

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

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

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 amended its annual budget for the year ended December 31, 2019.

Pooled Cash and Investments

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

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

Property Taxes

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

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operations Fees

The District charges an operations fee to homeowners to cover costs related to district management and maintenance of district property and facilities. Excess fees at year-end are reflected as committed fund balance.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column 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 the net investment in capital assets.

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 two items that qualify for reporting in this category. The item *deferred property tax revenue* is deferred, and recognized as an inflow of resources in the period that the amount becomes available. The item *prepaid assessments* represents operations fees paid to the District in advance and is recognized as an inflow of resources in the period (month) that the revenues are earned.

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.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

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	\$ 256,323
Cash and Investments - Restricted	<u>1,570,800</u>
Total Cash and Investments	<u><u>\$ 1,827,123</u></u>

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	\$ 125,179
Investments	<u>1,701,944</u>
Total Cash and Investments	<u><u>\$ 1,827,123</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2019, the District's cash deposits had a bank balance of \$124,066 and a carrying balance of \$125,179.

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.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund (CSAFE)	Weighted Average Under 60 Days	\$ 1,701,944

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.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2019 follows:

	Balance - December 31, 2018	Increases	Decreases	Balance - December 31, 2019
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 9,089,517	\$ -	\$ -	\$ 9,089,517
Capital Assets, Net	<u>\$ 9,089,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,089,517</u>

The District will convey certain public improvements to other governmental entities. It is also anticipated that the District will own and maintain certain landscaping improvements once the improvements have been completed and conveyed to the District.

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2018	Additions	Retirements/ Reductions	Balance - December 31, 2019	Due Within One Year
G.O. Bonds - Series 2017A	\$ 9,740,000	\$ -	\$ -	\$ 9,740,000	\$ -
G.O. Bonds - Series 2017B	1,288,000	-	-	1,288,000	-
G.O. Bonds - Series 2017C	1,865,000	-	-	1,865,000	-
Accrued and Unpaid Interest - 2017B	170,807	113,109	-	283,916	-
Accrued and Unpaid Interest - 2017C	243,735	189,905	-	433,640	-
Developer Advances - Operations	77,702	-	-	77,702	-
Accrued Interest:					
Developer Advances - Operations	20,210	3,885	20,000	4,095	-
Total	<u>\$ 13,405,454</u>	<u>\$ 306,899</u>	<u>\$ 20,000</u>	<u>\$ 13,692,353</u>	<u>\$ -</u>

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$9,740,000 Series 2017A General Obligation Refunding and Improvement Senior Bonds

On May 4, 2017, the District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Senior Bonds (Senior Bonds) in the amount of \$9,740,000. Proceeds from the sale of the Senior Bonds were used and will be used for the purposes of: (i) reimbursing a portion of the costs of acquiring, constructing, and installing certain public improvements; (ii) refunding the District's outstanding General Obligation Subordinate Promissory Note, Series 2011A; (iii) providing an initial deposit to the Surplus Fund; (iv) providing capitalized interest; and (v) paying the costs of issuing the Senior Bonds. The Senior Bonds bear interest at a rate of 5.750% per annum, with interest payable on June 1 and December 1, and principal payable on December 1. The Senior Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2022, and on any date thereafter, upon payment of par and accrued interest. The Senior Bonds are also subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2022, and each December 1 thereafter.

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2022 to November 30, 2023	3.00 %
December 1, 2023 to November 30, 2024	2.00
December 1, 2024 to November 30, 2025	1.00
December 1, 2025 and Thereafter	-

The Senior Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Senior Bonds as the same become due/payable. The District must levy 50.000 mills, as adjusted, so long as the amount on deposit in the Surplus Fund is less than the Required Surplus Fund amount of \$1,948,000. The balance in the Surplus Fund as of December 31, 2019 was \$993,881.

The Senior Bonds mature on December 1, 2047. In the event that any amount of principal and interest on the Senior Bonds remains unpaid on December 1, 2057, the Senior Bonds are to be discharged.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$1,288,000 Series 2017B General Obligation Subordinate Bonds

On May 4, 2017, the District issued Subordinate Limited Tax General Obligation Bonds (Subordinate Bonds) in the amount of \$1,288,000. The proceeds from the sale of the Subordinate Bonds were used for the purposes of reimbursing the construction costs of public infrastructure improvements benefitting the District, and paying costs of issuance of the Subordinate Bonds. Interest on the Subordinate Bonds is at a rate of 7.750% per annum is payable annually on December 15, beginning on December 15, 2017. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The Subordinate Bonds are subject to optional redemption prior to maturity as described in the Subordinate Indenture.

The Subordinate Bonds are secured by and payable solely from Pledged Revenue defined in the Subordinate Indenture as the moneys derived by the District, net of any costs of collection, from: (i) property taxes derived from the Required Subordinate Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Subordinate Mill Levy; and (iii) revenue, if any, available for the Subordinate Bonds after all amounts required by the Senior Indenture are applied by the trustee for Senior Bonds. Pledged Revenue for the Subordinate Bonds is subordinate to the revenue pledged to the Senior Bonds. While the Senior Bonds are secured by a Senior Reserve Fund and a Senior Surplus Fund, there is no reserve fund or surplus fund which secures the Subordinate Bonds. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. The Subordinate Bonds mature on December 15, 2047. In the event that any amount of principal and interest on the Subordinate Bonds remains unpaid on December 15, 2057, the Subordinate Bonds are to be discharged.

\$1,865,000 Series 2017C Junior Lien General Obligation Bonds

On August 2, 2017, the District issued Junior Lien Limited Tax General Obligation Bonds (Junior Lien Bonds) in the amount of \$1,865,000. The proceeds from the sale of the Junior Lien Bonds were used for the purposes of reimbursing the construction costs of public infrastructure improvements benefitting the District, and paying costs of issuance of the Junior Lien Bonds. Interest on the Junior Lien Bonds is at a rate of 9.000% per annum is payable annually on December 15, beginning on December 15, 2017. Unpaid interest on the Junior Lien Bonds compounds annually on each December 15. The Junior Lien Bonds are subject to optional redemption prior to maturity as described in the Junior Lien Indenture.

The Junior Lien Bonds are secured by and payable solely from Pledged Revenue defined in the Junior Lien Indenture as the moneys derived by the District, net of any costs of collection, from: (i) property taxes derived from the Junior Lien Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Junior Lien Required Mill Levy; and (iii) revenue, if any, available for the Junior Lien Bonds after all amounts required by the Senior and Subordinate Indentures are applied by the trustee for Senior and Subordinate Bonds. Pledged Revenue for the Junior Lien Bonds is subordinate to the revenue pledged to the Senior and Subordinate Bonds. While the Senior Bonds are secured by a Senior Reserve Fund and a Senior Surplus Fund, there is no

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$1,865,000 Series 2017C Junior Lien General Obligation Bonds (Continued)

reserve fund or surplus fund which secures the Junior Lien Bonds. The Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. The Junior Lien Bonds mature on December 15, 2047. In the event that any amount of principal and interest on the Junior Lien Bonds remains unpaid on December 15, 2057, the Junior Lien Bonds are to be discharged.

The District's Senior Bonds will mature as follows:

<u>Year Ending December 31,</u>	Series 2017A Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 560,050	\$ 560,050
2021	-	560,050	560,050
2022	30,000	560,050	590,050
2023	115,000	558,325	673,325
2024	135,000	551,712	686,712
2025-2029	880,000	2,628,324	3,508,324
2030-2034	1,375,000	2,321,274	3,696,274
2035-2039	2,030,000	1,855,237	3,885,237
2040-2044	2,900,000	1,177,314	4,077,314
2045-2047	2,275,000	267,376	2,542,376
Total	<u>\$ 9,740,000</u>	<u>\$ 11,039,712</u>	<u>\$ 20,779,712</u>

Schedules for the Subordinate Bonds and Junior Lien Bonds are not presented as the repayments of those bonds are subject to cash availability.

Debt Authorization

On November 6, 2007 and November 4, 2014, the District's voters authorized total indebtedness of \$133,000,000 and \$140,000,000, respectively. Pursuant to the Service plan, the total debt that the District shall be permitted to issue shall not exceed \$20,000,000. Additionally, the maximum debt mill levy is 50.000 mills, as adjusted for changes in the assessment ratio, which has been adjusted to 55.664 mills, which shall not be imposed for longer than 40 years from the first year the debt service mill levy is imposed. The final year to impose a debt service mill levy is 2057.

The District shall not impose a levy for repayment of any and all debt (or use the proceeds of any mill levy for repayment of debt) on any single property developed which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board are residents of the District and have voted in favor of a refunding of part or all of the debt and such refunding will result in a net present value savings as set forth in Section 110-56-101, C.R.S., et seq.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

At December 31, 2019, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized November 6, 2007 Election	Authorized November 4, 2014 Election	Authorization Used Series 2011	Authorization Used Series 2017	Remaining at December 31, 2019
Street Improvements	\$ 9,500,000	\$ 10,000,000	\$ 550,800	\$ 3,062,000	\$ 15,887,200
Parks and Recreation	9,500,000	10,000,000	-	-	19,500,000
Water	9,500,000	10,000,000	-	3,116,200	16,383,800
Sanitation/Storm Sewer	9,500,000	10,000,000	-	6,016,000	13,484,000
Transportation	9,500,000	10,000,000	-	-	19,500,000
Mosquito Control	9,500,000	10,000,000	-	-	19,500,000
Traffic and Safety Protection	9,500,000	10,000,000	-	148,000	19,352,000
Fire Protection	9,500,000	10,000,000	-	-	19,500,000
TV Relay and Translation	9,500,000	10,000,000	-	-	19,500,000
Security	9,500,000	10,000,000	-	-	19,500,000
Operations and Maintenance	9,500,000	10,000,000	-	-	19,500,000
Refunding of Debt	9,500,000	10,000,000	-	550,800	18,949,200
Governmental IGA's	9,500,000	10,000,000	-	-	19,500,000
Private IGA's	9,500,000	10,000,000	-	-	19,500,000
Total	<u>\$ 133,000,000</u>	<u>\$ 140,000,000</u>	<u>\$ 550,800</u>	<u>\$ 12,893,000</u>	<u>\$ 259,556,200</u>

NOTE 6 NET POSITION

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

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$120,857 as of December 31, 2019, which consists of \$9,000 for emergencies and \$111,857 for Debt Service.

The District has a deficit in unrestricted net position. The deficit at December 31, 2019 was primarily due to interest paid and related costs on long-term debts.

NOTE 7 AGREEMENTS

Operations Funding Agreement

On October 30, 2013, the Operations Funding Agreement was entered into between the District and TCIRATO, LLC (the Developer). The agreement provides that the Developer will advance to the District funds required to be paid by the District for the District's permitted purposes. The Developer agrees to loan to the District an amount that does not exceed the aggregate of \$100,000 per annum for five years, up to \$500,000. The interest rate shall be 5% per annum, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount. The term for repayment of this obligation shall not extend beyond 40 years from the date of this agreement.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 7 AGREEMENTS (CONTINUED)

Operations Funding Agreement (Continued)

As of December 31, 2019, \$77,702 was outstanding with accrued interest of \$4,095.

Lennar Facilities Acquisition Agreement

On October 21, 2013, the Lennar Facilities Acquisition Agreement (the Lennar Agreement) was entered into between the District and Lennar Colorado, LLC (Lennar), as amended by a First Amendment dated October 30, 2014, and as amended by a Second Amendment dated May 2, 2017. Lennar has incurred certain costs related to the Public Improvements for the benefit of the District, and expects to incur additional costs on the condition that the District agrees to reimburse Lennar for such costs, constituting Repayment Obligations. Repayment Obligation shall bear simple interest at a rate of 5% per annum from the date any such Repayment Obligation is incurred to the earlier of the date a Reimbursement Obligation is issued, or the date of payment of such amount in full. The District is not required to make any payments to Lennar unless and until the District issues bonds in an amount sufficient to acquire all or a portion of the completed Public Improvements. The District's obligations under the Lennar Agreement are subordinate to the 2017 Bonds. No amounts are outstanding under this Agreement as of December 31, 2019.

Subordinate Developer Reimbursement Agreement

The District and the Developer (see Note 8) entered into a Subordinate Facilities Acquisition Agreement on October 2013, as amended by a First Amendment thereto dated as of May 2, 2017. Pursuant to the Subordinate Developer Reimbursement Agreement, the Developer agreed to design, construct, and complete and/or cause the design, construction, and completion of certain Public Improvements to serve the development within the District. In exchange, the District agreed to acquire such Public Improvements and to reimburse the Developer for the costs of such Public Improvements, with unpaid costs accruing interest at 5% per annum. The District's obligations under the Subordinate Developer Reimbursement Agreement are subordinate to the Lennar Agreement, the 2017 Bonds, and any other bonds issued by the District. No payments are to be made to the Developer until all obligations to reimburse Lennar under the Lennar Agreement have been satisfied in full. In the event that the District has not paid the Developer for any Verified Reimbursement Amount by December 31, 2043, any amount of principal and accrued interest outstanding on such date is to be deemed forever discharged and satisfied in full. No amounts are outstanding under this Agreement as of December 31, 2019.

NOTE 8 RELATED PARTIES

The Developer of the property which constitutes the District is TCIRATO, LLC. Certain members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

The Homebuilder of the project is Lennar Colorado, LLC. Certain members of the Board of Directors are employees, owners, or otherwise associated with the Homebuilder, and may have conflicts of interest in dealing with the District.

**ORCHARD FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 9 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On November 6, 2007 and November 4, 2014, the District's voters approved for an annual increase in taxes of \$500,000 and \$5,000,000, respectively, for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

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'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

**ORCHARD FARMS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 290,997	\$ 290,835	\$ (162)
Specific Ownership Taxes	17,460	22,616	5,156
Interest Income	15,000	25,037	10,037
Total Revenues	<u>323,457</u>	<u>338,488</u>	<u>15,031</u>
EXPENDITURES			
County Treasurer's Fees	4,365	4,364	1
Interest - Series 2017A Bonds	560,050	560,050	-
Paying Agent Fees	7,500	7,500	-
Contingency	3,085	-	3,085
Total Expenditures	<u>575,000</u>	<u>571,914</u>	<u>3,086</u>
NET CHANGE IN FUND BALANCE	(251,543)	(233,426)	18,117
Fund Balance - Beginning of Year	<u>1,233,706</u>	<u>1,231,954</u>	<u>(1,752)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 982,163</u></u>	<u><u>\$ 998,528</u></u>	<u><u>\$ 16,365</u></u>

**ORCHARD FARMS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ -	\$ 11,127	\$ 11,127
Total Revenues	<u>-</u>	<u>11,127</u>	<u>11,127</u>
EXPENDITURES			
Capital Outlay	1,000,000	-	1,000,000
Total Expenditures	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,000,000)	11,127	1,011,127
OTHER FINANCING SOURCES (USES)			
Developer Advance	1,000,000	-	(1,000,000)
Repay Developer Advance	(550,668)	-	550,668
Total Other Financing Sources (Uses)	<u>449,332</u>	<u>-</u>	<u>(449,332)</u>
NET CHANGE IN FUND BALANCE	(550,668)	11,127	561,795
Fund Balance - Beginning of Year	<u>550,668</u>	<u>543,532</u>	<u>(7,136)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 554,659</u>	<u>\$ 554,659</u>

**ORCHARD FARMS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019**

\$9,740,000 Limited Tax (Convertible to Unlimited Tax)
General Obligation Refunding and Improvement Bonds
Series 2017A
Issue date May 4, 2017
Principal Due Annually December 1
Interest at 5.750%
Due June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 560,050	\$ 560,050
2021	-	560,050	560,050
2022	30,000	560,050	590,050
2023	115,000	558,325	673,325
2024	135,000	551,712	686,712
2025	140,000	543,950	683,950
2026	165,000	535,900	700,900
2027	170,000	526,412	696,412
2028	195,000	516,637	711,637
2029	210,000	505,425	715,425
2030	235,000	493,350	728,350
2031	250,000	479,837	729,837
2032	275,000	465,462	740,462
2033	290,000	449,650	739,650
2034	325,000	432,975	757,975
2035	345,000	414,287	759,287
2036	380,000	394,450	774,450
2037	400,000	372,600	772,600
2038	440,000	349,600	789,600
2039	465,000	324,300	789,300
2040	505,000	297,563	802,563
2041	535,000	268,525	803,525
2042	580,000	237,763	817,763
2043	615,000	204,413	819,413
2044	665,000	169,050	834,050
2045	705,000	130,813	835,813
2046	765,000	90,275	855,275
2047	805,000	46,288	851,288
Total	<u>\$ 9,740,000</u>	<u>\$ 11,039,712</u>	<u>\$ 20,779,712</u>

**ORCHARD FARMS METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2015	\$ 119,290	60.000	0.000	\$ 7,157	\$ 7,134	99.68 %
2016	673,420	60.000	0.000	40,406	40,429	100.06
2017	1,576,450	60.000	0.000	94,587	94,587	100.00
2018	2,727,320	18.000	55.277	199,850	199,851	100.00
2019	5,264,340	18.000	55.277	385,755	385,540	99.94
Estimated for the Year Ending December 31, 2020	\$ 8,885,760	18.000	55.664	\$ 654,561		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.