

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**Larimer County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2020**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>I</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCES – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND     ACTUAL</b>	<b>23</b>
<b>SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST     REQUIREMENTS TO MATURITY</b>	<b>24</b>
<b>SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED</b>	<b>25</b>

## Independent Auditor's Report

Board of Directors  
Timnath Lakes Metropolitan District No. 1  
Larimer County, Colorado

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Timnath Lakes Metropolitan District No. 1 (the "District") as of and for the year ended December 31, 2020, 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 Timnath Lakes Metropolitan District No. 1 as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

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.

Sincerely,

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP  
Lakewood, Colorado

November 10, 2021

## **BASIC FINANCIAL STATEMENTS**

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 4,494
Cash and Investments - Restricted	56,100
Prepays	14,821
Receivable from County Treasurer	4
Capital Assets:	
Capital Assets, Not Being Depreciated	<u>5,812,808</u>
Total Assets	<u>5,888,227</u>
<b>LIABILITIES</b>	
Accounts Payable	63,492
Noncurrent Liabilities:	
Due in More than One Year	<u>6,607,803</u>
Total Liabilities	<u>6,671,295</u>
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	100
Unrestricted	<u>(783,168)</u>
Total Net Position	<u><u>\$ (783,068)</u></u>

*See accompanying Notes to Basic Financial Statements.*

**TIMNATH LAKES METRO DISTRICT # 1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Primary Government:					
Government Activities:					
General Government	\$ 310,739	\$ -	\$ 510	\$ -	\$ (310,229)
Interest and Related Costs on Long-Term Debt	447,821	-	-	-	(447,821)
Total Governmental Activities	<u>\$ 758,560</u>	<u>\$ -</u>	<u>\$ 510</u>	<u>\$ -</u>	(758,050)
<b>GENERAL REVENUES</b>					
Property Taxes					22
Specific Ownership Taxes					44
Net investment Income					6
Total General Revenues					<u>72</u>
<b>CHANGES IN NET POSITION</b>					(757,978)
Net Position - Beginning of Year					<u>(25,090)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (783,068)</u>

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 4,494	\$ -	\$ 4,494
Cash and Investments - Restricted	100	56,000	56,100
Receivable from County Treasurer	4	-	4
Due from Other Funds	4,255	-	4,255
Prepaid Insurance	14,821	-	14,821
Total Assets	<u>\$ 23,674</u>	<u>\$ 56,000</u>	<u>\$ 79,674</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 11,747	\$ 51,745	\$ 63,492
Due to Other Fund	-	4,255	4,255
Total Liabilities	<u>11,747</u>	<u>56,000</u>	<u>67,747</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expense	14,821	-	14,821
Restricted for:			
Emergency Reserves	100	-	100
Unassigned	<u>(2,994)</u>	<u>-</u>	<u>(2,994)</u>
Total Fund Balances	<u>11,927</u>	<u>-</u>	<u>11,927</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,674</u>	<u>\$ 56,000</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.	5,812,808
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable Series A & B	(4,555,063)
Developer Advances	(1,964,640)
Accrued Interest on Developer Advances	<u>(88,100)</u>
Net Position of Governmental Activities	<u>\$ (783,068)</u>

See accompanying Notes to Basic Financial Statements.



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 19	\$ -	\$ 19
Specific Ownership Taxes	44	-	44
Net Investment Income	5	1	6
Intergovernmental Revenues	3	-	3
Operation Fees	210	-	210
Working Capital Fees	300	-	300
Total Revenues	<u>581</u>	<u>1</u>	<u>582</u>
<b>EXPENDITURES</b>			
Accounting	39,175	-	39,175
Directors' Fees	1,200	-	1,200
Dues and Licenses	1,044	-	1,044
Insurance and Bonds	6,895	-	6,895
District Management	38,938	-	38,938
Legal Services	190,484	-	190,484
Election Expense	25,934	-	25,934
Engineering	516	-	516
Miscellaneous	6,553	-	6,553
Capital Outlay:			
Cost of Issuance	-	376,579	376,579
Capital Outlay	-	5,812,808	5,812,808
Total Expenditures	<u>310,739</u>	<u>6,189,387</u>	<u>6,500,126</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	(310,158)	(6,189,386)	(6,499,544)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advances	310,317	5,812,808	6,123,125
Bond Proceeds Series 2018A	-	3,948,063	3,948,063
Bond Proceeds Series 2018B	-	607,000	607,000
Repay Developer Advance	-	(4,178,485)	(4,178,485)
Total Other Financing Sources	<u>310,317</u>	<u>6,189,386</u>	<u>6,499,703</u>
<b>NET CHANGE IN FUND BALANCES</b>	159	-	159
Fund Balances - Beginning of Year	<u>11,768</u>	<u>-</u>	<u>11,768</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 11,927</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,927</u></u>

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$	159
--	----	-----

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

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

Capital Outlay		5,812,808
----------------	--	-----------

Long-term debt (e.g., bonds) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred amortized in the statement of activities.

Bond Proceeds		(4,555,063)
Developer Advance		(6,123,125)
Developer Advance Repayment		4,178,485

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		(5,908)
Accrued Interest on Developer Advance		(65,334)

Changes in Net Position of Governmental Activities	\$	<u>(757,978)</u>
--	----	------------------

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND –**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Property Taxes	\$ 19	\$ 19	\$ 19	\$ -
Specific Ownership Taxes	44	44	44	-
Net Investment Income	12	4	5	1
Other Revenue	-	510	-	(510)
Operation Fees	-	-	210	210
Working Capital Fees	-	-	300	300
Intergovernmental Revenue	2	3	3	-
Total Revenues	77	580	581	1
<b>EXPENDITURES</b>				
Current:				
Accounting	24,500	43,430	39,175	4,255
County Treasurer's Fees	1	-	-	-
Dues and Licenses	2,000	1,044	1,044	-
Directors' Fees	-	1,200	1,200	-
Insurance and Bonds	12,000	6,145	6,895	(750)
District Management	15,000	38,938	38,938	-
Election Expense	3,000	25,934	25,934	-
Engineering	-	-	516	(516)
Legal Services	23,000	191,000	190,484	516
Miscellaneous	100	2,429	6,553	(4,124)
Contingency	5,399	4,880	-	4,880
Total Expenditures	85,000	315,000	310,739	4,261
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(84,923)	(314,420)	(310,158)	4,262
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	85,000	266,158	310,317	44,159
Total Other Financing Sources	85,000	266,158	310,317	44,159
<b>NET CHANGE IN FUND BALANCE</b>	77	(48,262)	159	48,421
Fund Balance - Beginning of Year	376	11,768	11,768	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 453</u>	<u>\$ (36,494)</u>	<u>\$ 11,927</u>	<u>\$ 48,421</u>

See accompanying Notes to Basic Financial Statements.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

Timnath Lakes Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Douglas County recorded on June 23, 2006 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized as "Timnath Farms North Metropolitan District No. 1" and subsequently changed its name effective as of September 10, 2020. The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. The District was organized in conjunction with Timnath Lakes Metropolitan Nos. 2 and 3, and subsequently Timnath Lakes Metropolitan District Nos. 4, 5, and 6 were organized on August 5, 2020.

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 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.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures 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 budget for the year ended December 31, 2020.

**Pooled Cash and Investments**

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

**Property Taxes**

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**Equity**

**Net Position**

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

**Fund Balance**

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

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

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

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

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

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

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

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:

Cash and Investments	\$ 4,494
Cash and Investments - Restricted	56,100
Total Cash and Investments	<u>\$ 60,594</u>

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

Deposits with Financial Institutions	\$ 3,958
Investments	56,636
Total Cash and Investments	<u>\$ 60,594</u>

**Deposits with Financial Institutions**

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

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

At December 31, 2020, the District had a carrying and bank balance of \$3,958.

**Investments**

The District has adopted a formal investment policy that 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 disclosure requirements or investment custodial credit 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.



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 56,636

**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 investments in CSAFE at net asset value as determined by amortized costs. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS**

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

	Balance - December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 5,812,808	\$ -	\$ 5,812,808
Total Capital Assets, Not Being Depreciated	-	5,812,808	-	5,812,808

Depreciation expense for 2020  
was \$-0-

**NOTE 5 LONG-TERM OBLIGATIONS**

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

	Balance at December 31, 2019	New Issues/ Accretion	Refundings/ Retirements	Balance at December 31, 2020	Due Within One Year
<b>Bonds</b>					
General Obligation Bonds -					
Series 2020A	\$ -	\$ 3,948,063	\$ -	\$ 3,948,063	\$ -
Subordinate Bonds -					
Series 2020B	-	607,000	-	607,000	-
<b>Subtotal of Bonds Payable</b>	-	4,555,063	-	4,555,063	-
<b>Other Debts</b>					
Developer Advance - Operating	20,000	310,317	-	330,317	-
Developer Advance - Capital	-	5,812,808	4,178,485	1,634,323	-
Accrued Interest on:					
Developer Advance - Operating	16,858	5,908	-	22,766	-
Developer Advance - Capital	-	65,334	-	65,334	-
<b>Subtotal of Other Debts</b>	36,858	6,129,033	4,178,485	2,052,740	-
<b>Total Long-Term Obligations</b>	\$ 36,858	\$ 10,684,096	\$ 4,178,485	\$ 6,607,803	\$ -

The details of the District's general obligation bonds outstanding during 2020 are as follows:

**General Obligation Limited Tax Convertible Capital Appreciation Bonds, Series 2020A** (the "Senior Bonds") and **Subordinate General Obligation Limited Tax Bonds, Series 2020B** (the "Subordinate Bonds", and together with the Senior Bonds, the "Bonds")

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**Bond Proceeds**

The District issued the Bonds on December 30, 2020, in the initial principal amount of \$3,948,063 (\$4,220,000 in Accreted Value upon conversion to current interest bonds) for the Senior Bonds and in the principal amount of \$607,000 for the Subordinate Bonds. Proceeds from the sale of the Bonds were used to: (i) finance or reimburse the costs of public improvements related to the Development; and (ii) pay the costs of issuance of the Bonds.

The Senior Bonds were issued as capital appreciation bonds that convert to current interest bonds on December 1, 2022. During the Accretion Period, the Senior Bonds pay no current interest, and accrete in value at an accretion rate of 3.5% compounded semiannually on each June 1 and December 1, commencing on June 1, 2021.

On December 1, 2022, the Senior Bonds will cease to be capital appreciation bonds and automatically convert to current interest bonds, at which time the Senior Bonds will bear interest at the rate of 3.5%, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2023. Annual principal payments are due on December 1 of each year beginning December 1, 2024. The Senior Bonds mature on December 1, 2050.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Termination Date of December 2, 2060 and will continue to bear interest at the rate then borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate borne by the Senior Bond.

**Senior Bonds Optional Redemption**

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal redeemed as follows:

Optional Redemption Date	Redemption Prices
December 1, 2025 to November 30, 2026	3.00%
December 1, 2026 to November 30, 2027	2.00
December 1, 2027 to November 30, 2028	1.00
December 1, 2028 and Thereafter	0.00

**Senior Bonds Pledged Revenue**

The Bonds are payable solely from and to the extent of the Pledged Revenue which means the moneys derived by the District from the following sources: (1) the Senior Required Mill Levy; (2) the portion of Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (3) the TDA Agreement Revenues, as and to the extent received by the District; and (4) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**Senior Required Mill Levy**

Prior to the Conversion Date (defined below), the District has covenanted to impose an ad valorem mill levy, net of collection costs and any tax refunds or abatements authorized by or on behalf of the County, upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2019) less the amount of the Operations Mill Levy (defined below), and (ii) for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment) less the amount of the Operations Mill Levy, or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount.

On and after the Conversion Date, the District has covenanted to impose an ad valorem mill levy upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, but not in excess of 60 mills (subject to adjustment) less the amount of the Operations Mill Levy. On and after the Conversion Date, the definition of Senior Required Mill Levy shall be determined by this paragraph regardless of any subsequent increase in the Debt to Assessed Ratio. For so long as the amount of the Senior Surplus Fund is less than the Maximum Surplus Amount, the minimum mill levy as calculated and adjusted pursuant to the first paragraph above shall continue to apply.

The Conversion Date is the first date on which all of the following conditions are met: (a) the Debt to Assessed Ratio is 50% or less; and (b) no amounts of principal or interest on the Senior Bonds are due but unpaid ("Conversion Date"). The Operations Mill Levy, with respect to any particular year, is the number of mills necessary to produce the dollar amount of the Operations Deduction for the collection year ("Operations Mill Levy"). The Operations Deduction is the amount necessary to pay or reimburse the District's operations and maintenance expenses, but not in excess of the following: (i) for levy year 2020 (for collection in 2021), the amount of \$50,000, and (ii) for each levy year thereafter, an additional 1% ("Operations Deduction").

**TDA Agreement Revenues**

The Timnath Development Authority (TDA) adopted the Revised Timnath Urban Renewal Plan (as amended, the Plan) which details the TDA inclusion of parcels in the Plan for the purposes authorized in the Colorado Urban Renewal Law, including utilizing tax increment financing (TIF Financing) and the establishment of a Plan area (the Urban Renewal Area) which includes property located within the District's boundaries. TIF Financing provides that taxes, if any, levied after the effective date of the approval of the Plan upon taxable property in the Urban Renewal Area each year shall be divided for a period not to exceed 25 years from the effective date of the Plan, and that a portion of property tax revenues (the TIF Revenue) shall be allocated to and paid into a special fund of the urban renewal authority to pay the principal of, interest on, and any premiums due in connection with bonds of, loans or advances to, or indebtedness incurred by the urban renewal authority for financing an urban renewal project, or to make payments pursuant to an agreement.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**TDA Agreement Revenues (Continued)**

The District is cooperating with the TDA to facilitate carrying out the Plan and urban renewal projects within the Urban Renewal Area. Accordingly, property tax revenues collected as a result of the District's mill levy upon the incremental value of property within the District are payable to the TDA. The District and the TDA entered into a Cooperation Agreement, effective December 8, 2020 pursuant to which the TDA agrees to remit any revenues collected from the District's mill levy upon the tax increment portion of the District's assessed valuation back to the District. The TDA further agrees to transfer such incremental revenue to the District on or before June 20<sup>th</sup> of each year, commencing in 2021, all revenues attributable to the District received during the previous calendar year for a period of 25 years from the effective date of the Plan.

**Senior Surplus Fund**

The Senior Bonds are additionally secured by the Senior Surplus Fund which will be funded from future excess Senior Pledged Revenue, if any, up to the Maximum Surplus Amount of \$394,806. The Senior Surplus Fund shall be maintained for so long as any Senior Bonds are outstanding. The balance in the Senior Surplus Fund as of December 31, 2020 is \$0.

**Subordinate Bond Details**

The Subordinate Bonds were issued at the rate of 6.5% per annum and are structured as "cash flow" bonds, meaning that no regularly scheduled payments of principal are due on the Subordinate Bonds prior to their maturity date. Instead, principal is payable on each December 15 from available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption.

Interest on the Subordinate Bonds is payable on each December 15, commencing December 15, 2021, to the extent of the Subordinate Pledged Revenue. Accrued unpaid interest on the Subordinate Bonds will compound annually on each December 15 until sufficient Subordinate Pledged Revenue is available for payment. The Subordinate Bonds mature on December 15, 2050.

In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid on December 16, 2060, the Subordinate Bonds will be deemed paid and discharged.

**Subordinate Bonds Optional Redemption**

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of the principal redeemed in accordance with the optional redemption table shown above for the Senior Bonds.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**Subordinate Pledged Revenue**

The Subordinate Bonds are payable solely from and to the extent of the Pledged Revenue, defined in the Subordinate Indenture as the moneys derived by the District from the following sources: (1) the Subordinate Required Mill Levy; (2) the portion of Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; (3) the Subordinate TDA Agreement Revenues, as and to the extent received by the District; (4) the amounts, if any, in the Senior Surplus Fund after the payment or defeasance of the Senior Bonds; and (5) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

The Subordinate TDA Agreement Revenues are any revenue from the TDA Agreement Revenue remaining after deduction of any amount applied to the payment of any Senior Bonds.

**Subordinate Required Mill Levy**

The Subordinate Required Mill Levy is an ad valorem mill levy, net of collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County, imposed upon all taxable property of the District each year in an amount of 50 mills (subject to adjustment) less the amount of the Senior Bond Mill Levy and the Operations Mill Levy, or such lesser mill levy which will pay all of the principal of and interest on the Subordinate Bonds in full.

**Bonds Debt Service**

The annual debt service requirements on the Senior Bonds are due as follows:

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Bonded Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	-	147,700	147,700
2024	40,000	147,700	187,700
2025	75,000	146,300	221,300
2026-2030	455,000	688,625	1,143,625
2031-2035	600,000	599,025	1,199,025
2036-2040	785,000	481,950	1,266,950
2041-2045	1,000,000	329,875	1,329,875
2046-2050	1,265,000	137,025	1,402,025
Total	<u>\$ 4,220,000</u>	<u>\$ 2,678,200</u>	<u>6,898,200</u>

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

**Authorized Debt**

On November 5, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,290,380,000. At December 31, 2020, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 5, 2019 Election	Authorization Used for Series 2020A Bonds	Authorization Used for Series 2020B Bonds	Authorized But Unissued
Streets	\$ 99,260,000	\$ 1,477,000	\$ 212,450	\$ 97,570,550
Water	99,260,000	919,960	132,326	98,207,714
Sanitation	99,260,000	1,612,040	231,874	97,416,086
Parks and Recreation	99,260,000	113,940	16,389	99,129,671
Traffic and Safety	99,260,000	97,060	13,961	99,148,979
Mosquito Control	99,260,000	-	-	99,260,000
Public Transportation	99,260,000	-	-	99,260,000
Fire Protection	99,260,000	-	-	99,260,000
Television Relay and Translation	99,260,000	-	-	99,260,000
Security	99,260,000	-	-	99,260,000
Operations and Maintenance	99,260,000	-	-	99,260,000
Refunding	99,260,000	-	-	99,260,000
Intergovernmental Contracts	99,260,000	-	-	99,260,000
Total	<u>\$ 1,290,380,000</u>	<u>\$ 4,220,000</u>	<u>\$ 607,000</u>	<u>\$ 1,285,553,000</u>

**NOTE 6 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, 2020, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 100
Capital Projects	-
Total	<u>\$ 100</u>

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 7 DISTRICT AGREEMENTS**

**Facilities Funding and Acquisition Agreement**

The District entered into a Facilities Funding and Acquisition Agreement (FFAA) on October 27, 2015, with CAC Timnath LLC (the Developer) whereby the Developer will design, construct, complete, and convey to the District, and the District will accept, certain public infrastructure improvements benefiting the development within the District. The District agrees to make payment to the Developer for costs of the improvements, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management, for fiscal years 2015 through 2020, up to a maximum amount of \$50,000,000, together with interest thereon, at an annual rate of 8%.

The FFAA was assigned from the District to Timnath Lakes Metropolitan District No. 6 (District No. 6) on November 9, 2020, by that Assignment of Facilities Funding and Acquisition Agreement by and between the District, District No. 6, and the Developer, which assigned all of the District's obligations under the FFAA to District No. 6. As a result, the District has no outstanding principal and interest due on the FFAA.

**Facilities Funding, Construction and Operations Agreement**

On November 9, 2020, the District entered into a Facilities Funding, Construction and Operations Agreement (FFCOA) with Timnath Lakes Metropolitan District No. 2 (District No. 2), Timnath Lakes Metropolitan District No. 3 (District No. 3), Timnath Lakes Metropolitan District No. 4 (District No. 4), Timnath Lakes Metropolitan District No. 5 (District No. 5) and District No. 6 establishing certain expectations as to the financing, construction, operation and maintenance of improvements contemplated in the Service Plan for the purpose of providing, in a timely and coordinate fashion, essential services within the Districts.

Pursuant to the FFCOA, the District, District No. 2, District No. 3, District No. 4, and District No. 5 are "Consumer Districts," and District No. 6 is the "Maintenance District." Each Consumer District anticipates receiving revenues from the imposition of a mill levy against all property within its respective boundaries and specific ownership taxes, and, if imposed or assessed at the direction of the Maintenance District, the collection of fees, charges, rates, and tolls. All revenue received by the Consumer Districts will be transferred to the Maintenance District.

The FFCOA contemplates the District issuing bonds, the proceeds of which will be remitted to the Maintenance District.

As of December 31, 2020, there was an outstanding balance of \$1,634,323 in principal and \$65,334 of interest.



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Operation Funding Agreement**

On October 22, 2019, with an effective date of January 1, 2014 the District and the Developer entered into the 2014-2020 Amended and Restated Operations Funding Agreement an Operation Funding Agreement (OFA) in which the Developer agreed to advance amounts to fund operations and maintenance expenditures of the District in the event District revenues are not sufficient for fiscal years 2014 through 2020, up to a maximum amount of \$330,000, together with interest thereon, at an annual rate of 8%.

The OFA was assigned from the District to District No. 6 on November 9, 2020 by that certain Assignment of 2014-2020 Amended and Restated Operation Funding Agreement by and between the District and District No. 6, which assigned all of the District's obligations under the OFA to District No. 6. As a result, the District has no outstanding principal and interest due on the OFA.

**NOTE 8 RELATED PARTY**

The majority of the members on the Board of Directors are employees, owners, or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

**NOTE 9 ECONOMIC DEPENDENCY**

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

**NOTE 10 RISK MANAGEMENT**

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2020. 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.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 10 RISK MANAGEMENT (CONTINUED)**

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

**NOTE 11 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.

On November 5, 2019, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, without regard to any limitations under 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**

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**CAPITAL PROJECTS FUND –**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Net Investment Income	\$ -	\$ 1	\$ 1
Total Revenues	-	1	1
<b>EXPENDITURES</b>			
Cost of Issuance	-	376,579	(376,579)
Capital Outlay	12,000,000	5,812,808	6,187,192
Total Expenditures	12,000,000	6,189,387	5,810,613
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(12,000,000)	(6,189,386)	5,810,614
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond Proceeds Series 2018A	-	3,948,063	3,948,063
Bond Proceeds Series 2018B	-	607,000	607,000
Repay Developer Advance	-	(4,178,485)	(4,178,485)
Developer Advance	12,000,000	5,812,808	(6,187,192)
Total Other Financing Sources (Uses)	12,000,000	6,189,386	(5,810,614)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ -

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2020**

\$3,948,063 Limited Tax General Obligation Bonds Series 2020A Interest 3.500% Dated December 30, 2020 Interest Payable June 1 and December 1 Principal Payable December 1			
Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	-	147,700	147,700
2024	40,000	147,700	187,700
2025	75,000	146,300	221,300
2026	80,000	143,675	223,675
2027	85,000	140,875	225,875
2028	90,000	137,900	227,900
2029	95,000	134,750	229,750
2030	105,000	131,425	236,425
2031	105,000	127,750	232,750
2032	115,000	124,075	239,075
2033	120,000	120,050	240,050
2034	130,000	115,850	245,850
2035	130,000	111,300	241,300
2036	140,000	106,750	246,750
2037	145,000	101,850	246,850
2038	160,000	96,775	256,775
2039	165,000	91,175	256,175
2040	175,000	85,400	260,400
2041	180,000	79,275	259,275
2042	190,000	72,975	262,975
2043	200,000	66,325	266,325
2044	210,000	59,325	269,325
2045	220,000	51,975	271,975
2046	230,000	44,275	274,275
2047	240,000	36,225	276,225
2048	255,000	27,825	282,825
2049	260,000	18,900	278,900
2050	280,000	9,800	289,800
Total	\$ 4,220,000	\$ 2,678,200	\$ 6,898,200

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2016	\$ 1,091	35.000	\$ 38	\$ 39	102.63%
2017	1,035	35.000	36	36	100.00
2018	1,100	35.000	39	39	100.00
2019	552	35.000	19	19	100.00
2020	375	50.350	19	19	100.00
Estimated for Year Ending December 31, 2021	\$ 6,774	50.000	\$ 339		

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.