

**TUSCAN FOOTHILLS VILLAGE
METROPOLITAN DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020**

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tuscan Foothills Village Metropolitan District
El Paso County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Tuscan Foothills Village Metropolitan District ("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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(I)

Opinions

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

Other Matters

Required Supplementary Information

Management has omitted 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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

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

Other Information

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

BiggsKofford, P.C.

Colorado Springs, Colorado
September 27, 2021

BASIC FINANCIAL STATEMENTS

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 2,531
Cash and Investments - Restricted	49,500
Receivable - County Treasurer	112
Property Taxes Receivable	34,447
Capital Assets	<u>77,388</u>
Total Assets	163,978
LIABILITIES	
Accounts Payable	4,587
Noncurrent Liabilities:	
Due in More Than One Year	<u>1,597,359</u>
Total Liabilities	1,601,946
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>34,447</u>
Total Deferred Inflows of Resources	<u>34,447</u>
NET POSITION	
Net Investment in Capital Assets	(13,594)
Restricted for:	
Emergency Reserves	64
Debt Service	16,925
Unrestricted	<u>(1,475,810)</u>
Total Net Position	<u><u>\$ (1,472,415)</u></u>

See accompanying Notes to Basic Financial Statements.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	Expenses				
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 53,269	\$ -	\$ -	\$ -	\$ (53,269)
Interest and Related Costs on Long-Term Debt	103,917	-	-	-	(103,917)
Dedication of Capital Assets to Other Governments	1,059,269	-	-	-	(1,059,269)
Total Governmental Activities	<u>\$ 157,186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,216,455)</u>
GENERAL REVENUES					
Property Taxes					12,844
Specific Ownership Taxes					1,397
Net Investment Income					2,580
Total General Revenues					<u>16,821</u>
CHANGE IN NET POSITION					(1,199,634)
Net Position - Beginning of Year					<u>(272,781)</u>
NET POSITION - END OF YEAR					<u><u>\$ (1,472,415)</u></u>

See accompanying Notes to Basic Financial Statements.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 2,531	\$ -	\$ -	\$ 2,531
Cash and Investments - Restricted	64	49,436	-	49,500
Receivable - County Treasurer	16	96	-	112
Property Taxes Receivable	4,921	29,526	-	34,447
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 7,532</u>	<u>\$ 79,058</u>	<u>\$ -</u>	<u>\$ 86,590</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 4,587	\$ -	\$ -	\$ 4,587
Total Liabilities	<u>4,587</u>	<u>-</u>	<u>-</u>	<u>4,587</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	4,921	29,526	-	34,447
Total Deferred Inflows of Resources	<u>4,921</u>	<u>29,526</u>	<u>-</u>	<u>34,447</u>
FUND BALANCES				
Restricted for:				
Emergency Reserves	64	-	-	64
Debt Service	-	49,532	-	49,532
Unassigned:				
General Government	(2,040)	-	-	(2,040)
Total Fund Balances	<u>(1,976)</u>	<u>49,532</u>	<u>-</u>	<u>47,556</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,532</u>	<u>\$ 79,058</u>	<u>\$ -</u>	<u>\$ -</u>
Amounts reported for governmental activities in the statement of net different because:				
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Capital Assets				77,388
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the funds:				
Bonds Payable				(1,097,140)
Accrued Interest on Bonds Payable				(68,844)
Developer Advance Payable				(390,725)
Developer Advance Payable - Accrued Interest				<u>(40,650)</u>
Net Position of Governmental Activities				<u>\$ (1,472,415)</u>

See accompanying Notes to Basic Financial Statements.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Project	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,835	\$ 11,009	\$ -	\$ 12,844
Specific Ownership Taxes	200	1,197	-	1,397
Net Investment Income	88	703	1,789	2,580
Total Revenues	2,123	12,909	1,789	16,821
EXPENDITURES				
Accounting	28,436	-	-	28,436
Auditing	3,000	-	-	3,000
County Treasurer's Fee	29	173	-	202
Dues and Licenses	300	-	-	300
Insurance and Bonds	17,417	-	-	17,417
Legal Services	2,510	-	-	2,510
Election Expense	1,077	-	-	1,077
Engineering	-	-	500	500
Repay Developer Advance	-	-	370,224	370,224
Total Expenditures	52,769	173	370,724	423,666
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(50,646)	12,736	(368,935)	(406,845)
OTHER FINANCING SOURCES (USES)				
Developer Advance	56,940	-	500	57,440
Transfer (to) From Other Funds	-	3,768	(3,768)	-
Total Other Financing Sources (Uses)	56,940	3,768	(3,268)	57,440
NET CHANGE IN FUND BALANCES	6,294	16,504	(372,203)	(349,405)
Fund Balances (Deficit) - Beginning of Year	(8,270)	33,028	372,203	396,961
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (1,976)</u>	<u>\$ 49,532</u>	<u>\$ -</u>	<u>\$ 47,556</u>

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances - Governmental Funds	\$ (349,405)
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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 assets over the estimated useful life of the asset. During the current period, this is the net amount of capital outlay.

Capital Outlay	77,388
Conveyance of Capital Assets to Other Governments	(1,136,657)

The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Developer Advances	(57,440)
Repay Developer Advances	370,224

Some expenses 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 Advances	(34,900)
Accretion on Bonds	(68,844)

Change in Net Position of Governmental Activities	\$ <u>(1,199,634)</u>
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**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 1,835	\$ 1,835	\$ 1,835	\$ -
Specific Ownership Tax	202	196	200	4
Interest Income	-	9	88	79
Total Revenues	2,037	2,040	2,123	83
EXPENDITURES				
Accounting	15,000	30,000	28,436	1,564
Auditing	5,000	3,000	3,000	-
County Treasurer's Fee	28	28	29	(1)
Dues and Licenses	400	300	300	-
Insurance and Bonds	3,000	2,510	2,510	-
Legal Services	20,000	20,000	17,417	2,583
Miscellaneous	100	100	-	100
Election Expense	2,000	1,077	1,077	-
Contingency	4,472	3,485	-	3,485
Total Expenditures	50,000	60,500	52,769	7,731
OTHER FINANCING (USES)				
Developer Advance	48,063	66,730	56,940	(9,790)
Total Other Financing Sources	48,063	66,730	56,940	(9,790)
NET CHANGE IN FUND BALANCE	100	8,270	6,294	7,814
Fund Balance - Beginning of Year	-	(8,270)	(8,270)	-
FUND BALANCE - END OF YEAR	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ (1,976)</u>	<u>\$ (1,976)</u>

See accompanying Notes to Basic Financial Statements.

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF REPORTING ENTITY

Tuscan Foothills Village Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs on October 31, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on September 27, 2016. The District's service area is located in Colorado Springs. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation, and mosquito control improvements and services.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. 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.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2020.

Pooled Cash and Investments

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 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 inflows of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. 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.

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Deferred Inflow/Outflow of Resources

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

Equity

Net Position

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

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur.

Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2020. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2021.

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	\$ 2,531
Cash and Investments - Restricted	49,500
Total Cash and Investments	<u>\$ 52,031</u>

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

Deposits with Financial Institutions	\$ 260
Investments	51,771
Total Cash and Investments	<u>\$ 52,031</u>

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

At December 31, 2020, the District's cash deposits had a bank balance and a carrying balance of \$260.

Investments

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

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

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

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Investment	Maturity	Amount
Colorado Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 15,165
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	36,606
Total		<u>\$ 51,771</u>

COLOTRUST

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

CSAFE

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

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
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:

<u>By Classification</u>	Balance at December 31, 2019	Additions	Retirements	Balance at December 31, 2020
Capital Assets, Not Being Depreciated:				
Construction in Process	\$ 1,136,657	\$ -	\$ 1,136,657	\$ -
Total Capital Assets, Not Being Depreciated	1,136,657	-	1,136,657	2,273,314
Capital Assets, Not Being Depreciated:				
Pond	-	77,388	-	77,388
Total Capital Assets, Not Being Depreciated	-	77,388	-	77,388
Governmental Activities - Capital Assets, Net	<u>\$ 1,136,657</u>	<u>\$ -</u>	<u>\$ 1,136,657</u>	<u>\$ 77,388</u>

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, 2020:

	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020	Due Within One Year
Bonds Payable:					
Series 2019 Limited Tax G.O. Convertible CABs	\$ 1,097,140	\$ 68,844	\$ -	\$ 1,165,984	\$ -
Notes/Direct Borrowings:					
Developer Advance - General	39,852	56,940	-	96,792	-
Developer Advance - Capital	663,657	500	370,224	293,933	-
Interest on Developer Advances	5,750	34,900	-	40,650	-
Note/Direct Borrowings Total	709,259	92,340	370,224	431,375	-
Total Long-Term Obligations	<u>\$ 1,806,399</u>	<u>\$ 161,184</u>	<u>\$ 370,224</u>	<u>\$ 1,597,359</u>	<u>\$ -</u>

The detail of the District's general obligation bonds outstanding during 2020 is as follows:

**Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2019
(the 2019 Bonds) dated December 5, 2019**

2019 Bonds Detail

The District issued the 2019 Bonds on December 5, 2019, in the par amount of \$1,097,140 with a maturity value on the conversion date to current interest bonds of \$1,240,000. Proceeds from the sale of the 2019 Bonds were used to pay or reimburse the costs of public improvements and to pay costs of issuance of the 2019 Bonds.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2019 Bonds Detail (Continued)

The 2019 Bonds were issued as accretion bonds and are convertible to current interest bonds on December 1, 2021. Prior to conversion to current interest bonds, the 2019 Bonds do not pay current interest and accrete in value at an annual yield equal to 6.25%. The accreted amount compounds semiannually on June 1 and December 1, beginning June 1, 2020, to and including December 1, 2021. Such accreted amount, together with the original principal amount of the 2019 Bonds, bears interest at the interest rate borne by the 2019 Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion on December 1, 2021, will be \$1,240,000. Upon conversion to current interest bonds, the 2019 Bonds will bear interest at a rate of 6.25%, payable semiannually on June 1 and December 1, commencing on June 1, 2022. Annual principal payments are due on December 1 of each year beginning December 1, 2028. The 2019 Bonds mature on December 1, 2049.

On and after conversion to current interest bonds, (a) to the extent principal of any 2019 Bond is not paid when due, such principal shall remain outstanding until the earlier of (i) the Termination Date of December 1, 2058 or (ii) payment thereof, and shall continue to bear interest at the rate then borne by the 2019 Bonds; and (b) to the extent interest on any 2019 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 2019 Bond until the earlier of (i) the Termination Date or (ii) payment thereof.

The District is not be obligated to pay more than the amount permitted by law, the Service Plan, and its electoral authorization in repayment of the 2019 Bonds. All of the 2019 Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that, to the extent the principal of and interest on the 2019 Bonds remains outstanding, the District shall not be relieved of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs.

Optional Redemption

The 2019 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter, upon payment of the sum of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2024, to November 30, 20	3.00%
December 1, 2025, to November 30, 20	2.00
December 1, 2026, to November 30, 20	1.00
December 1, 2027, and thereafter	0.00

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Security for the 2019 Bonds

The 2019 Bonds are secured by Pledged Revenue which is the money derived by the District from the following sources, net of any costs of collection and any tax refunds or abatements authorized by or on behalf of the City and/or County: (a) the Required Mill Levy, together with any moneys derived by the District from any debt service mill levy imposed by the District in 2017 for collection in 2018 and from any debt service mill levy imposed by the District in 2018 for collection in 2019; (b) all Specific Ownership Tax Revenues resulting from the Required Mill Levy, any debt service mill levy imposed by the District in 2017 for collection in 2018, and any debt service mill levy imposed by the District in 2018 for collection in 2019; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the 2019 Bond Fund.

The 2019 Bonds are further secured by the Surplus Fund which was funded by District funds in the amount of \$32,607 on the date of issuance of the 2019 Bonds and by Pledged Revenue that is not needed to pay debt service on the 2019 Bonds in any year, up to the Maximum Surplus Amount of \$109,714. Amounts on deposit in the Surplus Fund in excess of the Maximum Surplus Amount shall be remitted by the Trustee to the District for application to any lawful purpose of the District. To the extent there are any amounts remaining on deposit in the Surplus Fund after the full repayment or defeasance of the 2019 Bonds and any permitted Refunding Bonds, such amount shall be returned to the District.

The District has acknowledged that state law places certain restrictions on the use of money derived from bond proceeds and debt service mill levies.

Required Mill Levy

The District has covenanted to impose a Required Mill Levy upon all taxable property in the District each year in an amount that will fund the 2019 Bond Fund and pay the 2019 Bonds when due, but (i) not in excess of 30.000 mills (subject to adjustment described below), and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 30.000 mills (subject to adjustment), or such lesser mill levy that will fund the 2019 Bond Fund, pay the 2019 Bonds when due, and will fund the Surplus Fund up to the Maximum Surplus Amount.

In the event the method of calculating assessed valuation is changed after January 1, 2006, the minimum and maximum mill levies shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

The Required Mill Levy is not to be imposed by the District after tax levy year 2057 (for collection in 2058) unless certain conditions in the Service Plan have been satisfied or eliminated.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Gallagher Adjustment

The Gallagher Amendment to the Colorado Constitution states that residential assessed values Statewide must be approximately 45% of total assessed values. When the market values of residential property increase faster than the values of nonresidential property, the residential assessment rate must decline to keep the 45%/55% ratio.

On January 1, 2006, the residential assessment rate was 7.96%. On June 5, 2017, the State Legislature enacted a Gallagher Adjustment that decreased the residential assessment rate from 7.96% to 7.20% beginning in tax levy year 2017. On June 3, 2019, the State Legislature further decreased the residential assessment rate from 7.20% to 7.15%. Absent corresponding increases in the District's mill levy, these decreases in the residential assessment rate would result in decreases in the District's tax revenue. As a result, the District has adjusted the foregoing mill levy as authorized under the District's Service Plan and as required by the Indenture.

2019 Bonds Debt Service

The outstanding principal and interest of the 2019 Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ -	\$ -
2022	-	77,500	77,500
2023	-	77,500	77,500
2024	-	77,500	77,500
2025-2029	10,000	387,188	397,188
2030-2034	85,000	376,250	461,250
2035-2039	190,000	337,814	527,814
2040-2044	365,000	257,814	622,814
2045-2049	590,000	117,501	707,501
Total	<u>\$ 1,240,000</u>	<u>\$ 1,709,067</u>	<u>\$ 2,949,067</u>

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On November 8, 2016, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$45,000,000, at an interest rate not to exceed 18% per annum. At December 31, 2020, the District had authorized but unissued indebtedness from this election in the following amounts allocated for the following purposes:

	Authorized November 8, 2016 Election	Authorization Used Series 2019 Bonds	Remaining at December 31, 2020
Streets	\$ 3,000,000	\$ 481,029	\$ 2,518,971
Water	3,000,000	341,351	2,658,649
Sanitation/Storm Water	3,000,000	274,760	2,725,240
Parks and Recreation	3,000,000	-	3,000,000
Safety Protection	3,000,000	-	3,000,000
Mosquito Control	3,000,000	-	3,000,000
Transportation	3,000,000	-	3,000,000
Fire Protection	3,000,000	-	3,000,000
Security	3,000,000	-	3,000,000
Television Relay	3,000,000	-	3,000,000
Operations and Maintenance	3,000,000	-	3,000,000
Refunding Financial Obligations	3,000,000	-	3,000,000
Intergovernmental Agreements	3,000,000	-	3,000,000
District Private Agreements	3,000,000	-	3,000,000
Special Assessments	3,000,000	-	3,000,000
Total	<u>\$ 45,000,000</u>	<u>\$ 1,097,140</u>	<u>\$ 43,902,860</u>

Pursuant to the Consolidated Service Plan, the Districts are collectively limited to issuing general obligation debt of \$1,100,000.

Developer Advances

The District has entered into Funding and Reimbursement Agreement(s) with the Developer as follows:

Infrastructure Acquisition and Reimbursement Agreement

On January 30, 2017, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with TFFV1, LLC to repay advances made by the Developer for capital infrastructure costs. The Agreement was subsequently amended on November 6, 2017. The District agreed to repay the Developer for such advances plus accrued interest at the rate of 6.5%.

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

On November 4, 2019, the District entered into an Infrastructure Acquisition and Reimbursement Agreement with Tuscan Bench Development, Inc. Under this agreement the parties agreed that construction of the Public Infrastructure by the Developer for the benefit of the District were necessary and appropriate due to lack of the funding currently available to the District. Per this agreement, the District is responsible to reimburse the Developer for all of the District eligible costs. The total amount of District eligible cost to be reimbursed to Tuscan Bench Development, Inc. is \$652,513. As of December 31, 2020, outstanding capital developer advances under the agreement totaled \$293,933 and accrued interest totaled \$33,812.

Operations and Maintenance Funding and Reimbursement Agreement

On January 30, 2017, the District entered into a Funding and Reimbursement Agreement (Operations and Maintenance) with TFV1, LLC to repay advances made by the Developer for operations and maintenance (O&M) costs. The Agreement was subsequently amended on November 6, 2017. The District agreed to repay the Developer for such O&M advances plus accrued interest at the rate of 6.5%. As of December 31, 2020, outstanding advances under the agreement totaled \$96,792, and accrued interest totaled \$6,838.

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 77,388
Less Capital Related Debt:	
Noncurrent Portion of Long-Term Obligations	(90,982)
Net Investment in Capital Assets	<u>\$ (13,594)</u>

Restricted net position includes 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 as of December 31, 2020, as follows:

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 NET POSITION (CONTINUED)

Restricted Net Position:

Emergencies	\$ 64
Debt Service	16,925
Total Restricted Net Position	<u>\$ 16,989</u>

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

NOTE 7 RELATED PARTY

The Developers of the property which constitute the District are TFV1, LLC and Tuscan Bench Development, Inc. The majority members of the Board of Directors are employees, owners or otherwise associated with the Developers, and may have conflicts of interest in dealing with the District.

NOTE 8 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 9 AGREEMENTS

Infrastructure Acquisition and Reimbursement Agreement

On January 30, 2017, the District entered into Infrastructure Acquisition and Reimbursement Agreement with Developers. The agreement was dated as of January 30, 2017, and subsequently amended on November 6, 2017.

Pursuant to the Infrastructure Acquisition and Reimbursement Agreement, the District has determined to provide funding for the Public Infrastructure and pay all District Eligible Costs related from legally available revenues of the District, including but not limited to the execution and issuance of one or more loans, reimbursement notes, bonds or other instruments (each a Reimbursement Obligation) payable to or at the direction of the Developer, in an aggregate amount equal to the District Eligible Costs approved by the District.

The District agreed to acquire the Public Infrastructure constructed by the Developer for the District Eligible Costs upon the District's acceptance of the Public Infrastructure or such other date as may be mutually agreed upon by the parties.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 AGREEMENTS (CONTINUED)

Operations and Maintenance Funding and Reimbursement Agreement

On January 30, 2017, the District entered into an Operation Funding and Reimbursement Agreement to repay advances made by the Developer for operations and maintenance (O&M) costs. The Agreement was subsequently amended on November 6, 2017. The Developers agreed to loan to the District one or more sums of money, not to exceed the aggregate of \$50,000 per annum for four years, up to \$200,000 (the Maximum Loan Amount). These funds shall be loaned to the District in one or a series of installments and shall be available to the District through December 31, 2021 (as the same may be amended pursuant to an annual review evidenced by supplement or amendment hereto, the Loan Obligation Termination Date).

The parties agreed and acknowledged that the Developer has incurred Costs on behalf of the District prior to execution of this Agreement in anticipation that the same would be reimbursed by the District. Reimbursement for Prior Costs shall be made in accordance with, and subject to the terms and conditions of this Agreement governing the reimbursement for Costs, except that any Prior Costs reimbursed in accordance with this agreement shall not be included in the calculation of the Maximum Loan Amount.

NOTE 10 INTERFUND AND OPERATING TRANSFERS

The transfer from the Capital Projects Fund to the Debt Service Fund was the result of closing the Cost of Issuance Fund and Project Fund and transferring balances to Debt Service Fund.

NOTE 11 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 (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.

The District pays annual premiums to the Pool for liability, property 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.

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS

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

On November 8, 2016, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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

On November 8, 2016, the District's voters approved an annual increase in property taxes of \$5,000,000 without limitation of rate, to pay the District's operations and maintenance costs. The election also approved an additional annual increase in property taxes of \$24,600,000 without limitation of rate, to pay the District's operation and maintenance costs. The District was authorized to collect, retain and spend such revenue as a permanent revenue change under TABOR and an exception to the limitations set forth in Section 29-1-203, Colorado Revised Statutes.

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 may require judicial interpretation.

SUPPLEMENTARY INFORMATION

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 11,009	\$ 11,009	\$ -
Specific Ownership Taxes	1,211	1,197	(14)
Net Investment Income	380	703	323
Total Revenues	12,600	12,909	309
EXPENDITURES			
County Treasurer's Fee	165	173	(8)
Contingency	35	-	35
Total Expenditures	200	173	27
OTHER FINANCING SOURCES (USES)			
Transfer (to) From Other Funds	-	3,768	3,768
Total Other Financing Sources (Uses)	-	3,768	3,768
NET CHANGE IN FUND BALANCE	12,400	16,504	4,104
Fund Balance - Beginning of Year	32,924	33,028	104
FUND BALANCE - END OF YEAR	<u>\$ 45,324</u>	<u>\$ 49,532</u>	<u>\$ 4,208</u>

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Net Investment Income	\$ -	\$ 1,791	\$ 1,789	\$ (2)
Total Revenues	-	1,791	1,789	(2)
EXPENDITURES				
Repay Developer Advance	-	370,224	370,224	-
Engineering	-	500	500	-
Total Expenditures	-	370,724	370,724	-
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	498	500	2
Transfer (to) From Other Funds	-	(3,768)	(3,768)	-
Total Other Financing Sources (Uses)	-	(3,270)	(3,268)	2
NET CHANGE IN FUND BALANCES	-	(372,203)	(372,203)	-
Fund Balance - Beginning of Year	-	372,203	372,203	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

\$1,097,139.60 Limited Tax General Obligation Convertible Capital Appreciation Bonds

Series 2019

Dated December 5, 2019

Interest Rates 6.25%

Payable June 1 and December 1

Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Accreted</u>	<u>Interest</u>	<u>Total</u>
2021	-	\$ -	\$ -	\$ -
2022	-	-	77,500	77,500
2023	-	-	77,500	77,500
2024	-	-	77,500	77,500
2025	-	-	77,500	77,500
2026	-	-	77,500	77,500
2027	-	-	77,500	77,500
2028	4,423.95	576	77,500	82,500
2029	4,423.95	576	77,188	82,188
2030	8,847.90	1,152	76,875	86,875
2031	8,847.90	1,152	76,250	86,250
2032	17,695.80	2,304	75,625	95,625
2033	17,695.80	2,304	74,375	94,375
2034	22,119.75	2,880	73,125	98,125
2035	22,119.75	2,880	71,563	96,563
2036	30,967.65	4,032	70,000	105,000
2037	30,967.65	4,032	67,813	102,813
2038	39,815.55	5,184	65,625	110,625
2039	44,239.50	5,761	62,813	112,813
2040	53,087.40	6,913	59,688	119,688
2041	53,087.40	6,913	55,938	115,938
2042	66,359.25	8,641	52,188	127,188
2043	70,783.20	9,217	47,500	127,500
2044	79,631.10	10,369	42,500	132,500
2045	84,055.05	10,945	36,875	131,875
2046	97,326.90	12,673	30,938	140,938
2047	101,750.85	13,249	24,063	139,063
2048	115,022.70	14,977	16,875	146,875
2049	123,870.60	16,129	8,750	148,750
Total	<u>1,097,139.60</u>	<u>\$ 142,860.40</u>	<u>\$ 1,709,067</u>	<u>\$ 2,949,067</u>

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2017	\$ -	0.000	0.000	\$ -	\$ -	- %
2018	534,190	0.000	30.000	16,026	16,026	100.00
2019	417,340	0.000	30.000	12,520	12,520	100.00
2020	329,650	5.566	33.398	12,844	12,844	100.00
Estimated for Year Ending December 31,						
2021	\$ 884,080	5.566	33.398	\$ 34,447		

NOTE:

Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

**CONTINUING DISCLOSURE ANNUAL INFORMATION AS
REQUIRED BY THE LIMITED TAX GENERAL OBLIGATION
CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019**

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE LIMITED TAX
GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019
DECEMBER 31, 2020**

History of District's Mill Levy, Assessed Valuation and Property Tax Collections

Levy/Collection Year	Mill Levy		Assessed Valuation		Property Taxes		
	General	Bond	Assessed Valuation	Percent Change	Taxes Levied	Taxes Collected	Collections as Percent of Tax Levied
	Fund Mill Levy	Fund Mill Levy					
2017/2018	0.000	30.000	\$ 534,190	0.00%	\$ 16,026	\$ 16,026	100.00%
2018/2019	0.000	30.000	417,340	-21.87%	12,520	12,520	100.00%
2019/2020	5.566	33.398	329,650	-21.01%	12,844	12,844	100.00%
2020/2021	5.566	33.398	884,080	168.19%	34,447	n/a	n/a

¹Source - County Assessor's Office

Assessed and "Actual" Valuation of Classes of Property in the District

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Vacant	\$ 711,710	80.50%	\$ 2,454,322	50.44%
Residential	172,370	19.50%	2,411,510	49.56%
Total	<u>\$ 884,080</u>	<u>100.00%</u>	<u>\$ 4,865,832</u>	<u>100.00%</u>

¹Source - County Assessor's Office

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE LIMITED TAX
GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019
(CONTINUED)
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Largest Taxpayers Within the District

Name	Assessed Valuation 2020	Percent of Total Assessed Valuation
TFV1 LLC	\$ 267,470	30.25%
TUSCAN BENCH DEVELOPMENT INC	210,000	23.75%
VANGUARD HOMES INC	98,720	11.17%
HALL KARL	27,060	3.06%
HOMEOWNER	26,910	3.04%
HOMEOWNER	17,290	1.96%
HOMEOWNER	17,290	1.96%
HOMEOWNER	12,560	1.42%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	12,340	1.40%
HOMEOWNER	8,380	0.95%
HOMEOWNER	8,380	0.95%
LEMMON FAMILY REVOC LIVING TRUST	8,380	0.95%
HOMEOWNER	8,380	0.95%
HOMEOWNER	6,510	0.74%
HOMEOWNER	6,490	0.73%
ALICE J SNERE REVOCABLE TRUST	6,090	0.69%
HOMEOWNER	6,090	0.69%
Total	<u>\$ 884,080</u>	<u>100.00%</u>

¹Source - County Assessor's Office

TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE LIMITED TAX
GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2019
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General Fund Budget Summary and Comparison

	2018 Year End (unaudited)	2019 Year End Audited	2020 Budget (as amended)	2020 Year End Audited	2021 Budget (as adopted)
Beginning Fund Balance	\$ -	\$ (3,698)	\$ (8,270)	\$ (8,270)	\$ 100
Revenues					
Property Taxes	-	-	1,835	1,835	4,921
Specific Ownership Tax	-	-	196	200	492
Interest Income	1	4	9	88	-
Other Revenue	-	1	-	-	-
Total Funds Available	1	(3,693)	(6,230)	(6,147)	5,513
Expenditures					
Accounting	8,165	8,000	30,000	28,436	25,000
Audit	-	-	3,000	3,000	4,000
County Treasurer's Fee	-	-	28	29	74
Dues and Licenses	267	355	300	300	400
Insurance and Bonds	2,235	3,108	2,510	2,510	3,300
Legal Services	10,820	13,642	20,000	17,417	20,000
Miscellaneous	4	-	100	-	100
Election Expense	1,531	-	1,077	1,077	-
Contingency	-	-	3,485	-	2,126
Total Expenditures	23,022	25,105	60,500	52,769	55,000
Excess of Revenues Over (Under) Expenditures	(23,021)	(28,798)	(66,730)	(50,646)	(49,487)
Other Financing Sources (Uses)					
Developer Advances	19,322	20,528	66,730	56,940	50,144
Net Change in Fund Balance	(3,699)	(8,270)	-	6,294	657
Ending Fund Balance	<u>\$ (3,699)</u>	<u>\$ (8,270)</u>	<u>\$ -</u>	<u>\$ (1,976)</u>	<u>\$ 657</u>

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
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(CONTINUED)
DECEMBER 31, 2020**

Debt Service Fund Budget Summary and Comparison

	2018 Year End (unaudited)	2019 Year End Audited	2020 Budget (as adopted)	2020 Year End Audited	2021 Budget (as adopted)
Beginning Fund Balance	\$ -	\$ 18,200	\$ 32,924	\$ 33,028	\$ 49,075
Revenues					
Property Taxes	16,026	12,520	11,009	11,009	29,526
Specific Ownership Tax	2,025	1,516	1,211	1,197	2,953
Interest Income	391	987	380	703	320
Total Revenues	18,442	15,023	12,600	12,909	32,799
Expenditures					
County Treasurer's Fee	240	195	165	173	443
Contingency	-	-	35	-	57
Total Expenditures	240	195	200	173	500
Excess of Revenues Over (Under) Expenditures	18,202	14,828	12,400	12,736	32,299
Other Financing Sources (Uses)					
Transfer from Other Funds	-	-	-	3,768	-
Net Change in Fund Balance	18,202	14,828	12,400	16,504	32,299
Ending Fund Balance	\$ 18,202	\$ 33,028	\$ 45,324	\$ 49,532	\$ 81,374

**TUSCAN FOOTHILLS VILLAGE METROPOLITAN DISTRICT
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Capital Project Fund Budget Summary and Comparison

	2019 Year End Audited	2020 Budget (as amended)	2020 Year End Audited	2021 Budget (as adopted)
Beginning Fund Balance	\$ -	\$ 372,203	\$ 372,203	\$ -
Revenues				
Developer Advances	1,147,801	498	500	-
Bond Issuance	1,097,140	-	-	-
Interest Income	469	1,791	1,789	-
Total Revenues	<u>2,245,410</u>	<u>2,289</u>	<u>2,289</u>	<u>-</u>
Expenditures				
Accounting	4,189	-	-	-
Bond Issuance Costs	241,262	-	-	-
Capital Outlay	1,136,657	-	-	-
Legal	6,955	-	-	-
Organization Costs	-	-	-	-
Repay Developer Advance	484,144	370,224	370,224	-
Engineering	-	500	500	-
Total Expenditures	<u>1,873,207</u>	<u>370,724</u>	<u>370,724</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	372,203	(368,435)	(368,435)	-
Other Financing Sources (Uses)				
Transfer to Other Funds	<u>-</u>	<u>3,768</u>	<u>3,768</u>	<u>-</u>
Net Change in Fund Balance	<u>372,203</u>	<u>(364,667)</u>	<u>(364,667)</u>	<u>-</u>
Ending Fund Balance	<u><u>\$ 372,203</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>