PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
Adams County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

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WIPFLI

14143 Denver W Parkway #450
Lakewood, CO 80401

303 988 1900
wipfli.com

Independent Auditor's Report

Board of Directors
Prairie Center Metropolitan District No. 7
Adams County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Prairie Center Metropolitan District No. 7 (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; 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. 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 Prairie Center Metropolitan District No. 7 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.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Sincerely,

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

June 14, 2021

BASIC FINANCIAL STATEMENTS

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and Investments	$ 76,792
Cash and Investments - Restricted	8,982,539
Accounts Receivable	23,864
Prepaid Expenses	8,856
Receivable from County Treasurer	1,073
Property Taxes Receivable	224,477
Capital Assets, Not Being Depreciated:	
Construction in Progress	9,624,069
Total Assets	18,941,670
LIABILITIES	
Accounts Payable	842,517
Retainage Payable	127,174
Unearned Fees	3,047
Project Management Fee Payable	384,347
Project Management Fee Interest Payable	41,706
Accrued Interest Payable - Bonds	23,346
Noncurrent Liabilities:	
Due in More than One Year	18,091,935
Total Liabilities	19,514,072
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	224,477
Total Deferred Inflows of Resources	224,477
NET POSITION	
Restricted For:	
Emergency Reserves	7,400
Debt Service	394,265
Unrestricted	(1,198,544)
Total Net Position	$ (796,879)

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 396,320	$ -	$ 32,974	$ 807,975	$ 444,629
Interest and Related Costs on Long-Term Debt	1,535,633	-	-	806,425	(729,208)
Total Governmental Activities	$ 1,931,953	$ -	$ 32,974	$ 1,614,400	(284,579)
GENERAL REVENUES					
Property Taxes					195,943
Specific Ownership Taxes					14,380
Net Investment Income					3,908
Other Revenue					1,759
Total General Revenues					215,990
CHANGE IN NET POSITION					(68,589)
Net Position - Beginning of Year					(728,290)
NET POSITION - END OF YEAR					$ (796,879)

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 76,792	$ -	$ -	$ 76,792
Cash and Investments - Restricted	7,400	1,208,110	7,767,029	8,982,539
Accounts Receivable	-	22,546	1,318	23,864
Prepaid Expenses	8,856	-	-	8,856
Receivable from County Treasurer	1,073	-	-	1,073
Property Taxes Receivable	37,411	187,066	-	224,477
Total Assets	$ 131,532	$ 1,417,722	$ 7,768,347	$ 9,317,601
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 46,762	$ -	$ 795,755	$ 842,517
Retainage Payable	-	-	127,174	127,174
Unearned Fees	3,047	-	-	3,047
Project Management Fee Payable	-	-	384,347	384,347
Project Management Fee Interest Payable	-	-	41,706	41,706
Total Liabilities	49,809	-	1,348,982	1,398,791
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	37,411	187,066	-	224,477
Total Deferred Inflows of Resources	37,411	187,066	-	224,477
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	8,856	-	-	8,856
Restricted For:				
Emergency Reserves	7,400	-	-	7,400
Debt Service	-	1,230,656	-	1,230,656
Capital Projects	-	-	6,419,365	6,419,365
Assigned:				
Subsequent Year's Expenditures	28,056	-	-	28,056
Total Fund Balances	44,312	1,230,656	6,419,365	7,694,333
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 131,532	$ 1,417,722	$ 7,768,347	$ 9,317,601

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Fund Balances - Total Governmental Funds	$ 7,694,333
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets, Not Being Depreciated	9,624,069
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable	(11,825,000)
Accrued Interest Payable - Bonds	(23,346)
Developer Advance Payable	(6,131,150)
Accrued Interest Payable - Developer Advances	(87,053)
Funding Fees on Developer Advances	(48,732)
Net Position of Governmental Activities	$ (796,879)

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Credit Public Improvement Fees from Building Permits	$ -	$ 54,527	$ 73,771	$ 128,298
Credit Public Improvement Fees from Building Permits - PRI	-	-	32,311	32,311
Add-On Public Improvement Fees from Building Permits	-	54,527	73,771	128,298
Facilities Fees	-	105,000	141,000	246,000
Drainage Impact Fees	-	215,260	192,360	407,620
Rebated City Fees	-	310,811	162,162	472,973
Neighborhood Park Impact Fees	-	66,300	132,600	198,900
Working Capital Fees	16,000	-	-	16,000
Operations Fees	16,974	-	-	16,974
Property Taxes	195,943	-	-	195,943
Specific Ownership Taxes	14,380	-	-	14,380
Net Investment Income	-	684	3,224	3,908
Other Revenue	1,759	-	-	1,759
Total Revenues	245,056	807,109	811,199	1,863,364
EXPENDITURES				
General and Operations	243,727	-	24,987	268,714
Debt Service	-	585,109	833,619	1,418,728
Capital Outlay	-	-	3,013,618	3,013,618
Total Expenditures	243,727	585,109	3,872,224	4,701,060
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,329	222,000	(3,061,025)	(2,837,696)
OTHER FINANCING SOURCES (USES)				
Transfers (to) Other Funds	-	-	(1,008,341)	(1,008,341)
Transfers from Other Funds	-	1,008,341	-	1,008,341
Developer Advances	68,237	-	856,091	924,328
Repayment of Developer Advances	-	-	(2,489,205)	(2,489,205)
Bond Issuance	-	-	12,225,000	12,225,000
Total Other Financing Sources (Uses)	68,237	1,008,341	9,583,545	10,660,123
NET CHANGE IN FUND BALANCES	69,566	1,230,341	6,522,520	7,822,427
Fund Balances - Beginning of Year	(25,254)	315	(103,155)	(128,094)
FUND BALANCES - END OF YEAR	$ 44,312	$ 1,230,656	$ 6,419,365	$ 7,694,333

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
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 - Total Governmental Funds	$ 7,822,427
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay 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	2,886,012
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 record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.	
Bond Principal Payment	400,000
Bond Issuance	(12,225,000)
Developer Advances	(924,328)
Repayment of Developer Advances - Principal	1,448,907
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:	
Funding Fees on Developer Advances	(48,732)
Accrued Interest on Bonds Payable - Change in Liability	1,016,952
Accrued Interest on Developer Advances - Change in Liability	(444,827)
Change in Net Position of Governmental Activities	$ (68,589)

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Working Capital Fees	$ 12,000	$ 19,030	$ 16,000	$ (3,030)
Operations Fees	13,500	19,780	16,974	(2,806)
Property Taxes	195,944	195,944	195,943	(1)
Specific Ownership Taxes	15,600	14,000	14,380	380
Other Revenue	-	3,000	1,759	(1,241)
Total Revenues	237,044	251,754	245,056	(6,698)
EXPENDITURES				
Accounting	35,000	60,000	52,308	7,692
Audit	4,500	3,850	3,850	-
Billing and Collection	8,000	20,000	12,446	7,554
Community Management	20,000	15,000	14,000	1,000
County Treasurer's Fees	2,939	2,939	2,939	-
Dues and Membership	500	461	461	-
District Management	25,000	20,000	15,534	4,466
Election Expense	1,000	1,780	1,780	-
Electric - District Tracts	1,200	500	-	500
Insurance	12,000	12,067	12,067	-
Irrigation Repairs - District Tracts	1,000	-	-	-
Irrigation Repairs - Park	1,000	-	-	-
Irrigation Water - District Tracts	15,000	70,000	63,807	6,193
Landscape Maintenance - District Tracts	15,000	20,000	14,593	5,407
Landscape Maintenance - Park	18,000	10,000	4,897	5,103
Legal Services	35,000	20,000	17,145	2,855
Repairs and Maintenance - District Tracts	2,400	2,500	1,912	588
Miscellaneous/Contingency	24,461	40,903	25,988	14,915
Total Expenditures	222,000	300,000	243,727	56,273
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,044	(48,246)	1,329	49,575
OTHER FINANCING SOURCES (USES)				
Developer Advances	-	81,000	68,237	(12,763)
Total Other Financing Sources (Uses)	-	81,000	68,237	(12,763)
NET CHANGE IN FUND BALANCE	15,044	32,754	69,566	36,812
Fund Balance - Beginning of Year	-	(25,254)	(25,254)	-
FUND BALANCE - END OF YEAR	$ 15,044	$ 7,500	$ 44,312	$ 36,812

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Prairie Center Metropolitan District No. 7 (District) is a quasi-municipal corporation located in the City of Brighton, Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on June 6, 2006, concurrently with Prairie Center Metropolitan District Nos 3-6 and 8-10, pursuant to an order and decree of the Adams County District Court. The Service Plan for the District was approved by the City of Brighton on February 21, 2006, modified on November 13, 2006, and amended and restated on November 4, 2008, and modified on April 14, 2013.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translation and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

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, public improvement fees, 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.

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 public improvement fees and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

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.

Capital Assets

Capital assets, which include property and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. 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.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress/not yet conveyed.

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 that will be dedicated to the other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and 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 property tax revenues are recorded as revenue in the year they are collected.

Operations and Capital Fees

The District established an operations fee of $360 per year on each residential lot along with a one-time working capital fee of $200 upon closing to cover the costs of operations and maintaining the District improvements.

Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees and Neighborhood Park Impact Fees

According to the Amended and Restated Intergovernmental Agreement Regarding Assignment of Revenues between the District and Prairie Center Metro District No. 3 (see Note 7), certain revenues are being assigned to the District, including but not limited to, the following:

Facilities Fees – The fees are $3,000 per single-family, detached dwelling unit, due on or before the date of issuance of a building permit by the City of Brighton. Additional fees are $1,500 per townhome/condominium, $500 per apartment, and $0.75 per square foot of nonresidential gross building space.

Credit and Add-On Public Improvement Fees (PIF) – The fees are assessed on use tax transactions and collected at the time of building permit issuance. The Credit PIF is calculated as 1.25% of 50% of the project valuation. The Add-On PIF is calculated as 1.00% of 50% of the project valuation.

Drainage Impact Fees – The City of Brighton shall reimburse the District, on a quarterly basis from building permits issued, for the design, financing and construction of the stormwater improvements.

Rebated City Fees – The City of Brighton shall remit a per-lot rebated fee to the District, on a quarterly basis from certificates of occupancy issued, in the amount of $6,757 per single-family residential lot for a total reimbursement not to exceed $2,500,000 at the completion of the Village I Subdivision.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facilities Fees, Credit PIF, Add-On PIF, Drainage Impact Fees, Rebated City Fees and Neighborhood Park Impact Fees (Continued)

Neighborhood Park Impact Fees – the City of Brighton has agreed to remit the Neighborhood Park Impact Fees to the District as reimbursement for the costs of construction of certain Neighborhood Park Improvements in the amount of $1,700 per residential unit.

Deferred Inflows of Resources

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

Equity

Net Position

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

Fund Balance

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:		
Cash and Investments	$	76,792
Cash and Investments - Restricted		8,982,539
Total Cash and Investments	$	9,059,331

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

Deposits with Financial Institutions	$	438,311
Investments		8,621,020
Total Cash and Investments	$	9,059,331

Deposits with Financial Institutions

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

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

At December 31, 2020, the District's cash deposits had a bank balance of $1,099,418 and a carrying balance of $438,311.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has adopted a formal investment policy wherein the District follows state statutes regarding investments.

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

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

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

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

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

Investment	Maturity	Amount
Colorado Surplus Asset Trust Fund (CSAFE)	Weighted Average Under 60 Days	$ 7,808,088
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	812,932
		$ 8,621,020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

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

CSAFE

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

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2020:

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Capital Assets, Not Being Depreciated:				
Construction in Progress/ Not Yet Conveyed	$ 6,738,057	$ 2,886,012	$ -	$ 9,624,069

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 - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Current Portion
Bonds Payable					
Bonds Payable - Series 2020	$ -	$ 12,225,000	$ 400,000	$ 11,825,000	$ -
Subtotal of Bonds Payable	-	12,225,000	400,000	11,825,000	-
Other Debts					
Developer Advance - Operating	123,362	68,237	-	191,599	-
Accrued Interest on Developer Advance - Operating	10,644	12,332	-	22,976	-
Developer Advance - Capital	6,532,367	856,091	1,448,907	5,939,551	-
Accrued Interest on Developer Advance - Capital	671,880	432,495	1,040,298	64,077	-
Funding Fee Payable	-	48,732	-	48,732	-
Subtotal of Other Debts	7,338,253	1,417,887	2,489,205	6,266,935	-
Total Long-Term Obligations	$ 7,338,253	$ 13,642,887	$ 2,889,205	$ 18,091,935	$ -

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2020 (the Bonds)

The District issued Series 2020 Limited Tax General Obligation Bonds on August 12, 2020, in the par amount of $12,225,000. Proceeds from the sale of the Bonds are used to finance a portion of the costs of constructing certain public infrastructure to serve the Development and certain other property within Prairie Center and repay advances made by the Developer to the District to construct such public infrastructure. A portion of the proceeds of the Bonds are also used to fund: (a) the Reserve Fund, (b) capitalized interest on the Bonds; and (c) costs of issuing the Bonds. The Bonds will be issued as two term bonds. The first term bond in the amount of $7,225,000 bears interest at 4.125% and matures on December 15, 2036. The second term bond in the amount of $5,000,000 bears interest at 4.875% and matures on December 15, 2044. Interest on the Bonds is payable semi-annually on June 15 and December 15 (“Interest Payment Dates”), beginning on December 15, 2020, to the extent of available Pledged Revenue.

The Bonds are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the term Bonds prior to their respective maturity dates. Instead, principal is payable on each June 15 and December 15 from available Pledged Revenue, if any, pursuant to a mandatory redemption, after paying interest due on such Interest Payment Date and after funding in full interest coming due on the next Interest Payment Date (the “Subsequent Interest Payment Date”), less any amounts on deposit in such account, including any deposits from capitalized interest. To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond.

The Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Specific Ownership Taxes attributable to the Required Mill Levy, Pledged PIF Revenues, and any other legally available moneys of the District which the District deposits with the Trustee for application as Pledged Revenue. The Bonds are also secured by amounts held in the Reserve Fund in the amount $812,672.

The annual debt service requirements of the Bonds are not currently determinable since they are payable only to the extent of available Pledged Revenue.

Authorized Debt

On May 2, 2006, the District’s voters authorized total indebtedness of $5,290,000,000 for construction of public improvements and operating and maintenance expenditures and $750,000,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities.

As a result of issuance of the Bonds, the District had $5,277,775,000 in remaining unused electoral authorization for indebtedness for public improvements and operating and maintenance expenditures and $750,000,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to the Service Plans of District Nos. 2–10, the maximum aggregate principal of debt that may be incurred by all of such Districts, together with District No. 1, collectively, is $750,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Developer Advances

The District has entered into the Funding, Acquisition, and Reimbursement Agreement (Agreement) with the Developer (defined below) as amended wherein the District agrees to reimburse the Developer for advances made to the District (see Note 8). During 2020, total Developer advances recorded was $924,328.

As of December 31, 2020, outstanding advances under the Agreement totaled $191,599 for operations and maintenance costs, and $5,939,551 for capital costs. Accrued interest on Developer advances as of December 31, 2020, totaled $22,976 for operations and maintenance costs, and $64,077 for capital costs.

Funding Fee

Under the Funding, Acquisition, and Reimbursement Agreement (Agreement), at the Developer's discretion, the District shall pay an additional funding fee on outstanding Developer advances, subject to annual appropriation. As of December 31, 2020, the outstanding Funding Fee is $48,732.

NOTE 6 NET POSITION

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

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

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	$ 7,400
Debt Service	394,265
Total Restricted Net Position	$ 401,665

The unrestricted component of the District's net position is a deficit. This deficit amount is the result of issuance costs and interest on the Bonds paid from bond proceeds, and operating costs paid from Developer advances.

NOTE 7 INTERFUND TRANSFERS

The transfer from the Capital Projects Fund to Debt Service Fund was to transfer capitalized interest and reserve funds resulting from the issuance of the Bonds.

NOTE 8 AGREEMENTS

Comprehensive Agreement

The Comprehensive Funding Plan, Master Development Agreement, Pre-Annexation Agreement and Intergovernmental Agreement for Prairie Center (Comprehensive Agreement) was made and entered into, in December 2005, by and between the City of Brighton, the City of Brighton Water, Sewer and Drainage Enterprise, THF Prairie Center Development L.L.C., THF Prairie Center Retail One L.L.C., Prairie Center Metropolitan District No. 1 (District No. 1) and Prairie Center Metropolitan District No. 2 (District No. 2) (collectively the Districts). The Comprehensive Agreement establishes the framework for the construction and financing of public infrastructures required by the Prairie Center Development, and sets forth the terms and provisions pertaining to the imposition, collection and application of the privately imposed Credit Public Improvement Fee (Credit PIF) and privately imposed Add-On Public Improvement Fee (Add-On PIF), and the implementation of the City Sales/Use Tax Credit. The Comprehensive Agreement categorizes the public infrastructure required by the Development and legally permitted to be funded by the Districts into: 1) Primary Public Improvements (PPI), such as major and minor arterial streets and related landscaping and trails, collector streets and related landscaping and trails, traffic signals, certain potable and nonpotable water distribution lines, regional/community/neighborhood parks, trails and open spaces; 2) Parks and Recreation Public Improvements (PRI); and 3) District Public Improvements (DPI) which is comprised of all other improvements that may be provided by the Districts. The Comprehensive Agreement provides that the Districts' receipt of the 1.25% Credit PIF (for which the City grants a credit against the municipal sales and use taxes that would otherwise be payable on sales and use tax transactions) may only be used for PPI improvements. Further, the Comprehensive Agreement allows the Districts to receive a 1% Add-On PIF to finance any other public improvements or services (DPI) that the Districts are authorized by statute and its Service Plans to provide.

On November 8, 2006, an Assignment of Agreement was made between and among District No. 1, District No. 2 and District No. 3. As of the date of the assignment, District No. 1 and District No. 2 assigned to District No. 3, and District No. 3 assumed, all their rights, benefits, obligations and duties under the Comprehensive Agreement, with the exception of District No. 1's rights and obligations related to the operation of the London Mine Water Tunnel and Extension Tunnel Facility and activities related to such operation. Such rights and obligations were assigned to District No. 9 on January 1, 2008 and were conveyed by District No. 9 to a private entity in 2016. District No. 9 was dissolved in 2019.

In July 2009, the First Amendment to the Comprehensive Agreement was executed to include certain properties to the Incorporated Property for all purposes under the Comprehensive Agreement and to increase maximum amount of PPI costs that the Districts can finance with Credit PIF Revenues (Cap Amount) from $125,000,000 to $146,476,240.

NOTE 8 AGREEMENTS (CONTINUED)

Comprehensive Agreement (Continued)

In February 2012, the Second Amendment to the Comprehensive Agreement (Second Amendment) was executed to modify certain terms of the Comprehensive Agreement. The Second Amendment, among other matters, redefined Shared Revenues to include Credit PIF Revenues, Shared City Fees, Shared Sales Tax Incremental Revenues (see Cooperation Agreement below), Shared General Fund Sales Taxes (see General Fund Sales Tax Sharing Agreement below), and other City or Brighton Urban Renewal Authority (BURA) revenues that the parties agree are to be shared by the City or BURA with District No. 3 to pay or reimburse Eligible Costs. The terms as to when and how the new Revenues (such as General Fund Sales Taxes) will be shared were also explained in the Second Amendment. Further, the Second Amendment restated and clarified the definitions of Eligible Costs, which is comprised of Hard Costs, Soft Costs, Interest Costs, and Financing Costs, that can be paid from Shared Revenues. With regard to the Interest Costs incurred by District No. 3 in connection with a Developer Advance and payable from Shared Revenues, the Second Amendment allows a simple rate of 5% per annum accruing from the date of such Developer Advance.

The Third Amendment to the Comprehensive Agreement (Third Amendment) was entered into as of June 16, 2015. The Third Amendment reduced the principal amount of the 1.25% Credit PIF to be applied to PRI Improvements from $14 million to $9 million and requires that $2.5 million of such revenues be paid to the City for design and/or construction of the second phase of an adult recreation center and relieved District No. 3 of its obligations under the original Cooperation Agreement related to the initial phase of the adult recreation center. The Third Amendment also provides for the City to rebate portions of certain City bridge/crossing and traffic impact fees paid with respect to development of the phase of residential single-family dwelling units known as Prairie Center Residential Village One (Village I) in the total amount of $2.5 million, which rebated fees shall be applied to specified street improvements and shall count against the Cap Amount. The rebated use tax and rebated building permit fees (or any other rebated fees approved by Council) do not need to be applied to eligible costs related to primary public improvements and do not count against the Cap Amount. Pursuant to the Intergovernmental Agreement (IGA) entered into between the District and District No. 3, the fees as described above that are related to Village I will be collected by or transferred to the District.

Intergovernmental Agreement Regarding Facilities Fee Collection

On November 13, 2007, the District entered into the Intergovernmental Agreement Regarding Facilities Fee Collection with District Nos. 2-6 and 8-10; agreeing to let District No. 3 administer and collect facilities fees imposed by District Nos. 2-6 and 8-10; provided, however, that the revenue derived from facilities fees of a specific District shall remain the property and subject to the control of such District’s Board of Directors. The agreement was amended on September 4, 2019 to remove District No. 9 as a party, due to that District’s dissolution. Pursuant to the Intergovernmental Agreement Regarding Assignment of Revenues between the District and District No. 3 (described below), the District is entitled to receive certain assigned revenues, including facilities fees collected from Prairie Center Village I Subdivision No. 1.

NOTE 8 AGREEMENTS (CONTINUED)

Funding, Acquisition, and Reimbursement Agreement

On October 1, 2017, the District entered into the Funding, Acquisition and Reimbursement Agreement (the FARA) with GKT Brighton Residential Development, L.L.C (the Developer) establishing certain expectations as to the financing, construction, and reimbursement on improvements located within Village I. The Agreement was amended on July 22, 2020. Pursuant to the FARA, the Developer agrees to advance funds to the District to pay for capital and operational expenses when the District's revenues are not sufficient to pay for such expenses. The District will pay the Developer interest compounding semi-annually, from the date of each Developer advance, at the rate of 3% per annum above the rate announced by Bank of America, N.A., St. Louis, Missouri. In addition, at the Developer's discretion, the District shall pay an additional funding fee of 1% on amounts outstanding 24 months from the funding date, said fee being charged once every 24 months while the amounts remain outstanding. The District's payment of Developer advances under this agreement is subject to annual appropriation.

Project Management Agreement

On October 1, 2017, the District entered into the Project Management Agreement (Project Agreement) with GKT Brighton Residential Management, L.L.C. (Project Manager), an entity affiliated with the Developer. Pursuant to the Project Agreement, the Project Manager shall provide all management services relating to the planning, design, construction, and installation of and obtaining municipal approval of the public improvements. The Project Manager's duties also include supervision, on behalf of the District, of the Construction Manager. As compensation for services provided by the Project Manager, the District shall pay, on a monthly basis, a fee of four percent (4%) of the actual cost of public improvements. Any unpaid fees will accrue interest at the rate of two percent (2%) per annum above the prime rate announced by Bank of America, N.A., St. Louis, Missouri. The Project Agreement is for one year and shall renew annually thereafter for a period of twenty (20) years. As of December 31, 2020, the outstanding balances of the project management fees and related interest are $384,347 and $41,706, respectively.

Intergovernmental Agreement Regarding Assignment of Revenues (IGA)

On May 23, 2019, the District and District No. 3 entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA). On July 22, 2020 the District amended and restated the IGA, with an effective date of December 19, 2017. Per the IGA, District No. 3 agrees to transfer to the District its rights to receive revenues as set forth in the IGA that are directly attributable to Village I. District No. 3 is relieved from providing any public improvements or management services related to Village I as it is being developed by the District, separately from the remaining development.

NOTE 8 AGREEMENTS (CONTINUED)

Prairie Center Village 1 Subdivision Filing No. 1 Development Agreement

On December 19, 2017, the District, the City of Brighton, and the Developer entered into the Prairie Center Village 1 Subdivision Filing No. 1 Development Agreement (Development Agreement). The agreement was amended on December 17, 2019. In connection with the approval of the final plat for Prairie Center Village I Subdivision Filing No. 1 the City, District, and Developer entered into the Development Agreement to memorialize their agreement regarding their respective obligations relating to the construction of certain public improvements for the Development. In the Development Agreement, the City acknowledged that the obligation to construct the Public Improvements is assigned to the District (provided that the District is not obligated to construct improvements that are not permitted by its Service Plan), and that such obligation is the joint and several obligation of the Developer and the District. The Development Agreement also acknowledges that the District has provided or will provide an improvement guarantee required by the Development Agreement.

The Development Agreement also provides the following: (1) the development of the Property is subject to the terms and conditions of the Comprehensive Agreement; (2) no residential building permits are to be issued prior to the preliminary acceptance of Public Improvements with respect to the applicable phase of development ("Phase"), and no certificates of occupancy are to be issued prior to preliminary acceptance of such Public Improvements (excepting the final asphalt lift for streets within the Phase); (3) Developer or the District is required to maintain, repair and replace the Public Improvements for a one-year period from the date of preliminary acceptance of any improvement; (4) the City is required to impose and collect a "neighborhood park impact fee" pursuant to the City's applicable fee resolution, and that such fees are to be used to pay for or reimburse the expenses incurred by the District in connection with construction of Golden Eagle Park; (5) the District will install an underdrain system within the Development to serve the residential lots therein; (6) the District is responsible for the extension of the nonpotable water system improvements into the Development; (7) the City agrees to provide water and water taps to adequately serve the Development, subject to the applicable provisions of the Comprehensive Agreement, including provisions relating to the payment of certain water fees by the Developer or the applicable building permit applicant; (8) the City agrees to provide sanitary sewer collection and treatment services for the Development, subject to the provisions of the Comprehensive Agreement; (9) the District or the Developer is required to purchase water taps for all community landscape areas in the Development; (10) the District is required to complete all landscaping for such areas for the applicable Phase prior to issuance of any certificates of occupancy within such Phase; and (11) in the event of a breach, the City may exercise certain remedies available to it under the Development Agreement and applicable law including, withholding of any additional infrastructure permits, building permits, certificates of occupancy, or provision of new utilities fixtures or services.

NOTE 9 RELATED PARTY

The developer of the property which constitutes the District is GKT Brighton Residential Development, L.L.C., a Colorado limited liability company, (Developer). All members of the Board of Directors are officers or employees of an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District.

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

The District pays annual premiums to the Pool for liability, property and public officials' liability 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 which apply to the state of Colorado and all local governments.

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

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 benefit increases.

NOTE 11 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

On May 2, 2006, a majority of the District's electors authorized the District to increase property taxes $10,000,000 annually, without limitation to rate, to pay the District's operations and maintenance costs. Additionally, the District's voters authorized the District to collect, retain and spend all revenue in excess of TABOR spending, revenue raising, or other limitations.

The District's management has taken steps it believes are necessary to comply 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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Credit Public Improvement Fees from Building Permits	$ -	$ 60,000	$ 54,527	$ (5,473)
Add-On Public Improvement Fees from Building Permits	-	60,000	54,527	(5,473)
Drainage Impact Fees	-	215,260	215,260	-
Rebated City Fees	-	310,811	310,811	-
Facilities Fees	-	105,000	105,000	-
Neighborhood Park Impact Fees	-	66,300	66,300	-
Net Investment Income	-	1,000	684	(316)
Total Revenues	-	818,371	807,109	(11,262)
EXPENDITURES				
Bond Interest	-	185,109	185,109	-
Bond Principal	-	400,000	400,000	-
Miscellaneous/Contingency	315	14,891	-	14,891
Total Expenditures	315	600,000	585,109	14,891
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(315)	218,371	222,000	3,629
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	1,008,341	1,008,341	-
Total Other Financing Sources (Uses)	-	1,008,341	1,008,341	-
NET CHANGE IN FUND BALANCE	(315)	1,226,712	1,230,341	3,629
Fund Balance - Beginning of Year	315	315	315	-
FUND BALANCE - END OF YEAR	$ -	$ 1,227,027	$ 1,230,656	$ 3,629

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DECEMBER 31, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Credit Public Improvement Fees from Building Permits	$ 108,000	$ 75,000	$ 73,771	$ (1,229)
Credit Public Improvement Fees from Building Permits - PRI	-	30,000	32,311	2,311
Add-On Public Improvement Fees from Building Permits	87,000	75,000	73,771	(1,229)
Drainage Impact Fees	275,000	192,360	192,360	-
Rebated City Fees	202,000	162,162	162,162	-
Facilities Fees	180,000	141,000	141,000	-
Neighborhood Park Impact Fees	-	132,360	132,600	240
Net Investment Income	-	4,000	3,224	(776)
Total Revenues	852,000	811,882	811,199	(683)
EXPENDITURES				
PPI				
Village 1 - Phase 1	-	10,000	3,983	6,017
Village 1 - Phase 2	-	360,000	334,318	25,682
Village 1 - Phase 3	-	240,000	229,717	10,283
DPI				
Accounting	-	15,000	15,343	(343)
District Management	-	5,000	3,784	1,216
Legal Services	-	5,000	5,860	(860)
Miscellaneous/Contingency	827,000	8,835	-	8,835
Project Management Fee	-	120,000	111,134	8,866
Project Management Fee - Interest	25,000	25,000	16,472	8,528
Village 1 - Phase 1	-	80,000	77,101	2,899
Village 1 - Phase 2	-	1,500,000	1,379,106	120,894
Village 1 - Phase 3	-	1,000,000	861,787	138,213
General				
Bond Issue Costs	-	833,619	833,619	-
Total Expenditures	852,000	4,202,454	3,872,224	330,230
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(3,390,572)	(3,061,025)	329,547
OTHER FINANCING SOURCES (USES)				
Transfers (to) Other Funds	-	(1,008,341)	(1,008,341)	-
Developer Advances	-	856,091	856,091	-
Repayment of Developer Advances	-	(2,489,205)	(2,489,205)	-
Bond Issuance	-	12,225,000	12,225,000	-
Total Other Financing Sources (Uses)	-	9,583,545	9,583,545	-
NET CHANGE IN FUND BALANCE	-	6,192,973	6,522,520	329,547
Fund Balance - Beginning of Year	-	(103,155)	(103,155)	-
FUND BALANCE - END OF YEAR	$ -	$ 6,089,818	$ 6,419,365	$ 329,547

OTHER INFORMATION

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2018	$ 20	55.277	-	$ 1	$ -	- %
2019	6,820	55.277	-	377	377	100.00
2020	2,933,470	66.796	-	195,944	195,943	100.00
Estimated for the Year Ending December 31,						
2021	$ 3,360,630	11.132	55.664	$ 224,477		