

TOWN CENTER SUB DISTRICT NO. 4

FINANCIAL STATEMENTS

JUNE 30, 2020

TOWN CENTER SUB DISTRICT NO. 4
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Capital Projects	Total
ASSETS			
Cash - Checking	\$ 6,185	\$ -	\$ 6,185
Due from other districts	53	-	53
Accounts receivable	1,410	-	1,410
Receivable from County Treasurer	74,087	-	74,087
TOTAL ASSETS	\$ 81,735	\$ -	\$ 81,735
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	\$ 28,289	\$ -	\$ 28,289
Due to other districts	84,832	-	84,832
Prepaid assessments	1,332	-	1,332
Total Liabilities	114,453	-	114,453
FUND BALANCES			
Total Fund Balances	(32,718)	-	(32,718)
TOTAL LIABILITIES AND FUND BALANCES	\$ 81,735	\$ -	\$ 81,735

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**TOWN CENTER SUB DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ -	\$ 20	\$ 20
Landscape maintenance fee	84,080	35,280	(48,800)
Property taxes	157,486	153,187	(4,299)
Specific ownership tax	9,450	3,657	(5,793)
TOTAL REVENUES	<u>251,016</u>	<u>192,144</u>	<u>(58,872)</u>
EXPENDITURES			
Accounting	18,000	10,123	7,877
Billing services	6,150	7,026	(876)
Contingency	1,394	-	1,394
County Treasurer's fee	1,575	1,532	43
District management	20,000	9,720	10,280
Intergovernmental expenditure - TCSD1	165,361	155,332	10,029
Irrigation repairs	4,320	1,362	2,958
Landscape maintenance - front yards	43,200	18,540	24,660
Snow removal	20,000	22,200	(2,200)
TOTAL EXPENDITURES	<u>280,000</u>	<u>225,835</u>	<u>54,165</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,984)	(33,691)	(4,707)
OTHER FINANCING SOURCES (USES)			
Developer advance	25,000	-	(25,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
NET CHANGE IN FUND BALANCES	(3,984)	(33,691)	(29,707)
FUND BALANCES - BEGINNING	<u>4,207</u>	<u>974</u>	<u>(3,233)</u>
FUND BALANCES - ENDING	<u>\$ 223</u>	<u>\$ (32,717)</u>	<u>\$ (32,940)</u>

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SUPPLEMENTARY INFORMATION

**TOWN CENTER SUB DISTRICT NO. 4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
TOTAL REVENUES			
EXPENDITURES			
Clubhouse	2,500,000	-	2,500,000
TOTAL EXPENDITURES	2,500,000	-	2,500,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,500,000)	-	2,500,000
OTHER FINANCING SOURCES (USES)			
Developer advance	2,500,000	-	(2,500,000)
TOTAL OTHER FINANCING SOURCES (USES)	2,500,000	-	(2,500,000)
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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TOWN CENTER METROPOLITAN DISTRICT – SUBDISTRICT NO. 4
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Board of Directors of Town Center Metropolitan District (Town) by resolution allowed for the division of Town into one or more areas. Town Center Metropolitan District Subdistrict No. 4 (Subdistrict) was established on February 5, 2014, and reestablished on September 1, 2017. Different rates of levy for property tax purposes may be fixed against all the taxable property within the Subdistrict for operations and/or repayment of indebtedness issued by the Subdistrict to finance services, programs, and facilities furnished or to be furnished within the Subdistrict.

The organizational election for the Subdistrict was held on November 3, 2015, which authorized the Subdistrict to increase property taxes up to \$40,000 annually, as necessary, to pay for the costs of constructing, operating and maintaining the improvements within and/or benefiting the Subdistrict and allowed the District to impose fees of up to \$40,000 annually, and to retain all revenues without limitation. Debt authorization was also approved in the amount of \$15,000,000 for water systems, \$15,000,000 for sanitary sewer, \$15,000,000 for street improvements, \$15,000,000 for park and recreation, \$15,000,000 for security services, \$90,000,000 for debt refunding, and \$15,000,000 for reimbursement agreements. An election held on November 7, 2017, approved authorization to increase property taxes up to \$1,000,000 annually, as necessary, to pay for the cost of constructing, operating and maintaining the improvements within and/or benefitting Subdistrict No.4. The election also authorized Subdistrict No. 4 to collect, retain, and spend amounts collected annually from any and all revenue sources without regard to any limitations contained within Article X, Section 20, of the Colorado Constitution. There was no financial activity during 2017 for Subdistrict No. 4.

The Subdistrict has no employees and all administrative functions are contracted.

The Subdistrict prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the Subdistrict believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the Subdistrict's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year.

The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied are detailed on Property Tax Summary pages of the budget.

TOWN CENTER METROPOLITAN DISTRICT – SUBDISTRICT NO. 4
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (Continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the Subdistrict's share will be equal to approximately 6% of the property taxes collected by the General Fund.

Developer Advances

The Subdistrict is in the development stage. A portion of the operations and maintenance costs and all of the capital costs of the Subdistrict are expected to be funded by the Developer in 2020. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the Subdistrict is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

District fees

The Subdistrict imposes an operations fee to offset the landscape maintenance expenditures of the Subdistrict. The monthly amount per residential unit is \$80.00 and will be billed monthly as determined by the Subdistrict.

Expenditures

Administrative, Operating, and Maintenance Expenditures

Administrative expenditures include the services necessary to maintain the Subdistrict's administrative viability such as legal, accounting, managerial, and other administrative expenses, as well as landscape maintenance and other repairs.

Intergovernmental expenditures to Town Center Subdistrict No. 1 are to fund operations of club houses that are used by the Subdistrict residents. These expenditures include services for pest control, alarm monitoring, phone/cable/internet, utilities, janitorial, trash pickup, mechanical and geothermal maintenance and servicing, elevator service, window cleaning, and management reimbursements.

Capital Outlay

Anticipated capital improvements for 2020 are detailed on Capital Project Fund pages of the budget.

Debt and Leases

Currently, the Subdistrict has neither outstanding debt nor any operating or capital leases.

TOWN CENTER METROPOLITAN DISTRICT – SUBDISTRICT NO. 4
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Reserves

Emergency Reserves

The Subdistrict has provided an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

TOWN CENTER METROPOLITAN DISTRICT
Subdistrict No. 4
Schedule of Cash Position
June 30, 2020
Updated as of July 16, 2020

	General Fund
<u>1st Bank - Checking Account</u>	
Balance as of 6/30/20	\$ 6,184.72
Subsequent activities:	
07/10/20 Ptax collection - June	74,086.76
07/15/20 Checks #1060-1062	(6,077.91)
07/16/20 July Customer Deposits to Date	968.82
07/16/20 Transfer from TCSD1	52.50
07/16/20 Developer Advance	20,000.00
07/16/20 Release Checks #1057-1059	(17,350.92)
<i>Anticipated Transfer to TCSD1</i>	<i>(80,500.00)</i>
<i>Anticipated Developer Advance to cover July checks</i>	<i>7,000.00</i>
<i>Anticipated Balance</i>	<i>\$ 4,363.97</i>

Town Center Sub District No. 4

Check List

All Bank Accounts

July 15, 2020

Check Number	Check Date	Payee	Amount
Vendor Checks			
1060	07/15/20	Clifton Larson Allen, LLP	3,593.71
1061	07/15/20	GVR Landscape	1,361.95
1062	07/15/20	Timberline District Consulting, LLC	1,122.25
Vendor Check Total			<u>6,077.91</u>
Check List Total			<u><u>6,077.91</u></u>

Check count = 3

TOWN CENTER METROPOLITAN SUBDISTRICT NO. 4
Property Taxes Reconciliation
2020

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 5,914.86	\$ -	\$ 824.88	\$ -	\$ (59.15)	6,680.59	3.76%	3.76%	-	0.00%	0.00%
February	36,478.43	-	768.98	-	(364.78)	36,882.63	23.16%	26.92%	-	0.00%	0.00%
March	6,738.12	-	399.95	-	(67.38)	7,070.69	4.28%	31.20%	-	0.00%	0.00%
April	9,038.43	-	247.89	-	(90.38)	9,195.94	5.74%	36.94%	-	0.00%	0.00%
May	20,859.79	-	764.10	-	(208.60)	21,415.29	13.25%	50.18%	-	0.00%	0.00%
June	74,157.42	-	650.95	20.16	(741.77)	74,086.76	47.09%	97.27%	-	0.00%	0.00%
July	-	-	-	-	-	-	0.00%	97.27%	-	0.00%	0.00%
August	-	-	-	-	-	-	0.00%	97.27%	-	0.00%	0.00%
September	-	-	-	-	-	-	0.00%	97.27%	-	0.00%	0.00%
October	-	-	-	-	-	-	0.00%	97.27%	-	0.00%	0.00%
November	-	-	-	-	-	-	0.00%	97.27%	-	0.00%	0.00%
December	-	-	-	-	-	-	0.00%	97.27%	-	0.00%	0.00%
	\$ 153,187.05	\$ -	\$ 3,656.75	\$ 20.16	\$ (1,532.06)	\$ 155,331.90	97.27%	97.27%	\$ -	0.00%	0.00%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

General Fund	\$ 157,486.00	100.00%	\$ 153,187.05	97.27%
	<u>\$ 157,486.00</u>	<u>100.00%</u>	<u>\$ 153,187.05</u>	<u>97.27%</u>

Specific Ownership Tax

General Fund	\$ 9,450.00	100.00%	\$ 3,656.75	38.70%
	<u>\$ 9,450.00</u>	<u>100.00%</u>	<u>\$ 3,656.75</u>	<u>38.70%</u>

Treasurer's Fees

General Fund	\$ 1,575.00	100.00%	\$ 1,532.06	97.27%
	<u>\$ 1,575.00</u>	<u>100.00%</u>	<u>\$ 1,532.06</u>	<u>97.27%</u>

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