Ward TOD Metropolitan District Nos. 1-3

2019 Supplemental Consolidated Annual Report

EXHIBIT A
2019 Audit (District No. 1)

WARD TOD METROPOLITAN DISTRICT NO. 1
Jefferson County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

WARD TOD METROPOLITAN DISTRICT NO. 1
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Independent Auditor's Report

To the Board of Directors
Ward TOD Metropolitan District No. 1

We have audited the accompanying financial statements of the governmental activities and the major funds of Ward TOD Metropolitan District No. 1 as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express 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 of 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.

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 the major funds of Ward TOD Metropolitan District No. 1, as of December 31, 2019 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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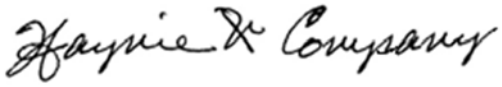
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Required Supplementary Information
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Ward TOD Metropolitan District No. 1's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
September 25, 2020

BASIC FINANCIAL STATEMENTS

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	$ 4,250,491
Accounts Receivable - Intergovernmental	51
Accounts Receivable - County Treasurer	51
Property Taxes Receivable	54,115
Capital Assets, Not Being Depreciated:	
Construction in Progress	1,798,950
Total Assets	6,103,658
LIABILITIES	
Accounts Payable	18,965
Accrued Interest on Bonds	19,294
Noncurrent Liabilities:	
Due in More Than One Year	6,583,687
Total Liabilities	6,621,946
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	54,115
Total Deferred Inflows of Resources	54,115
NET POSITION	
Restricted For:	
Emergency Reserves	1,300
Unrestricted	(573,703)
Total Net Position	$ (572,403)

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 51,888	$ -	$ 33,268	$ -	$ (18,620)
Interest and Related Costs on Long-Term Debt	453,038	-	-	-	(453,038)
Total Governmental Activities	$ 504,926	$ -	$ 33,268	$ -	(471,658)
GENERAL REVENUES					
Property Taxes					6,946
Specific Ownership Taxes					622
Net Investment Income					5,559
Total General Revenues					13,127
CHANGE IN NET POSITION					(458,531)
Net Position - Beginning of Year					(113,872)
NET POSITION - END OF YEAR					$ (572,403)

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	$ 511	$ 1,190,334	3,059,646	$ 4,250,491
Accounts Receivable - Intergovernmental	51	-	-	51
Accounts Receivable - County Treasurer	51	-	-	51
Property Taxes Receivable	10,763	43,352	-	54,115
Due from Other Funds	707	-	-	707
Total Assets	$ 12,083	$ 1,233,686	$ 3,059,646	$ 4,305,415
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	11,372	-	7,593	18,965
Due to Other Funds	-	-	707	707
Total Liabilities	11,372	-	8,300	19,672
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	10,763	43,352	-	54,115
Total Deferred Inflows of Resources	10,763	43,352	-	54,115
FUND BALANCES				
Restricted For:				
Emergencies (TABOR)	1,300	-	-	1,300
Debt Service	-	1,190,334	-	1,190,334
Capital Projects	-	-	3,051,346	3,051,346
Unassigned	(11,352)	-	-	(11,352)
Total Fund Balances	(10,052)	1,190,334	3,051,346	4,231,628
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 12,083	$ 1,233,686	$ 3,059,646	
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.				1,798,950
Long-term liabilities, including Developer advances payable and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(6,453,000)
Accrued Interest Payable - Bonds				(26,676)
Developer Advance Payable				(77,902)
Accrued Interest Payable - Developer Advance				(45,403)
Net Position of Governmental Activities				$ (572,403)

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 6,946	$ -	$ -	$ 6,946
Specific Ownership Taxes	622	-	-	622
Intergovernmental Revenue	33,268	-	-	33,268
Net Investment Income	-	1,584	3,975	5,559
Total Revenues	40,836	1,584	3,975	46,395
EXPENDITURES				
General:				
Accounting	15,859	-	-	15,859
County Treasurer's Fees	104	-	-	104
Legal	35,085	-	707	35,792
Miscellaneous Expenses	133	-	-	133
Debt Service:				
Bond Issue Costs	-	-	417,222	417,222
Capital Projects:				
Capital Outlay	-	-	1,798,950	1,798,950
Total Expenditures	51,181	-	2,216,879	2,268,060
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,345)	1,584	(2,212,904)	(2,221,665)
OTHER FINANCING SOURCES (USES)				
Developer Advances	40,279	-	1,791,357	1,831,636
Repay Developer Advances	(52,958)	-	(1,791,357)	(1,844,315)
Transfers from Other Funds	-	1,188,750	-	1,188,750
Transfers to Other Funds	-	-	(1,188,750)	(1,188,750)
Bond Proceeds	-	-	6,453,000	6,453,000
Total Other Financing Sources (Uses)	(12,679)	1,188,750	5,264,250	6,440,321
NET CHANGE IN FUND BALANCES	(23,024)	1,190,334	3,051,346	4,218,656
Fund Balances - Beginning of Year	12,972	-	-	12,972
FUND BALANCES - END OF YEAR	$ (10,052)	$ 1,190,334	$ 3,051,346	$ 4,231,628

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Governmental Funds	$	4,218,656
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:		
Capital Assets Acquired		1,798,950
The issuance of long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment 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.		
Bond Issuance		(6,453,000)
Developer Advance - O&M		(40,279)
Developer Advance - Infrastructure		(1,791,357)
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.		
Repayment of Developer Advances - O&M		52,958
Repayment of Developer Advances - Infrastructure		1,791,357
Accrued Interest on Bonds - Change in Liability		(26,676)
Accrued Interest on Developer Advance - Change in Liability		(9,140)
Change in Net Position of Governmental Activities	$	(458,531)

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 6,946	$ 6,946	$ 6,946	$ -
Specific Ownership Taxes	300	585	622	37
Intergovernmental Revenue	32,000	33,164	33,268	104
Total Revenues	39,246	40,695	40,836	141
EXPENDITURES				
General:				
Accounting	4,380	10,000	15,859	(5,859)
Audit	200	-	-	-
County Treasurer's Fees	52	104	104	-
Insurance	1,880	-	-	-
Legal	8,800	8,800	35,085	(26,285)
Miscellaneous Expenses	260	160	133	27
Contingency	-	7,936	-	7,936
Total Expenditures	15,572	27,000	51,181	(24,181)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,674	13,695	(10,345)	(24,040)
OTHER FINANCING SOURCES (USES)				
Developer Advances	15,520	35,000	40,279	5,279
Repay Developer Advances	(51,000)	(53,000)	(52,958)	42
Total Other Financing Sources (Uses)	(35,480)	(18,000)	(12,679)	5,321
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(11,806)	(4,305)	(23,024)	(18,719)
Fund Balance - Beginning of Year	12,962	12,962	12,972	10
FUND BALANCE - END OF YEAR	$ 1,156	$ 8,657	$ (10,052)	$ (18,709)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Ward TOD Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the Jefferson County District Court on June 1, 2012, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan, along with Ward TOD Metropolitan District No. 2 ("District No. 2") and Ward TOD Metropolitan District No. 3 ("District No. 3") approved by the City of Wheat Ridge, Colorado ("the City"), on April 9. 2012. Such Service Plan was replaced in its entirety by an Amended and Restated Service Plan for Ward TOD Metropolitan District Nos. 1 – 3, which was approved by the City on May 13, 2019. The Districts were established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the public improvements and services, including streets, park and recreation, water, sanitation and storm sewer and safety protection.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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.

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, 2019.

The District incurred expenditures in excess of appropriation for the year ended December 31, 2019 in the General Fund, which may be in violation of the Local Government Budget Law.

Pooled Cash and Investments

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

Property Taxes

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

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.

Depreciation on property that will remain assets of the District is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2019.

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, *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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

Deficits

The General Fund reported a deficit in the fund financial statements as of December 31, 2019. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2020.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments - Restricted	$ 4,250,491
Total Cash and Investments	$ 4,250,491

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

Deposits with Financial Institutions	$ 511
Investments	4,249,980
Total Cash and Investments	$ 4,250,491

Deposits with Financial Institutions

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

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

At December 31, 2019, the District's cash deposits had a bank balance and a carrying balance of $511.

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2019, the District had the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	$ 4,249,980

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.

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2018	Increases	Decreases	Balance - December 31, 2019
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ -	$ 1,798,950	$ -	$ 1,798,950
Total Capital Assets, Being Depreciated	$ -	$ 1,798,950	$ -	$ 1,798,950

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2018	Additions	Reductions	Balance - December 31, 2019	Due Within One Year
Limited Tax General Obligation Bonds:					
Senior - Series 2019A	$ -	$ 5,145,000	$ -	$ 5,145,000	$ -
Subordinate - Series 2019B	-	600,000	-	600,000	-
Junior Lien - Series 2019C	-	708,000	-	708,000	-
Accrued Interest on					
Subordinate - Series 2019B	-	3,488	-	3,488	-
Junior Lien - Series 2019C	-	3,894	-	3,894	-
Total Bonds Payable	-	6,460,382	-	6,460,382	-
Developer Advances - O&M	90,581	40,279	52,958	77,902	-
Developer Advances - Infrastructure	-	1,791,357	1,791,357	-	-
Accrued Interest on					
Developer Advances - O&M	36,263	5,341	-	41,604	-
Accrued Interest on					
Developer Advances - Infrastructure	-	3,799	-	3,799	-
Total	$ 126,844	$ 6,509,801	$ 52,958	$ 6,583,687	$ -

The details of the District's general obligation bonds outstanding during 2019 are as follows:

Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A (the Senior Bonds), **Subordinate Limited Tax General Obligation Bonds, Series 2019B** (the Subordinate Bonds), and **Junior Lien Limited Tax General Obligation Bonds, Series 2019C** (the Junior Lien Bonds, and together with the Senior Bonds and the Subordinate Bonds, the Bonds)

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Proceeds

The District issued the Bonds on December 5, 2019, in the par amounts of $5,145,000 for the Senior Bonds, $600,000 for the Subordinate Bonds, and on December 10, 2019 $708,000 for the Junior Lien Bonds. Proceeds of the Senior Bonds were used to: (i) pay project costs; (ii) fund capitalized interest for the Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay other costs in connection with the issuance of the Bonds. Proceeds of the Subordinate Bonds were applied to pay project costs. The Junior Lien Bonds were issued to pay a portion of amounts due and payable to the Developer under the Acquisition and Reimbursement Agreement.

Senior Bonds Details

The Senior Bonds bear interest at 5.000% per annum, payable semiannually on June 1 and December 1 of each year commencing June 1, 2020, and mature on December 1, 2049. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026.

To the extent the principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid subject to the discharge date of December 1, 2059, of the Senior Bonds. To the extent interest on any Senior Bond is not paid when due, such interest shall compound semiannually on each June 1 and December 1 at the interest rate then borne by the Senior Bond until the total repayment obligation of the District for the Senior Bonds equals the amount permitted by law and the Election in repayment of the Senior Bonds. In the event that any amount of principal of or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2059, the Senior Bonds and the lien of the Senior Indenture shall be deemed discharged.

Senior Bonds Optional Redemption

The Senior 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 par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

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

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Pledged Revenue

The Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, as follows: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Capital Fees, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

"Senior Property Tax Revenues" are generally defined as all moneys derived from imposition by the District of the Senior Required Mill Levy, whether received by the District directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Senior Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Senior Property Tax Revenues do not include Senior Specific Ownership Tax Revenues.

"Senior Specific Ownership Tax Revenues" mean the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy.

"Capital Fees" are defined as all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District. Capital Fees do not include any other fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

Senior Required Mill Levy

Prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount that generates Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due (less any amounts then on deposit in the Senior Surplus Fund), but not in excess of 60 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2018). For so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 60 mills (subject to adjustment) or such lesser amount that generates Senior Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Surplus Fund, will pay the Senior Bonds in full in the year such levy is collected.

On and after the Conversion Date, the District has covenanted to impose an ad valorem mill levy on all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due (less any amounts then on deposit in the Senior Surplus Fund). On and after the Conversion Date, the definition of Senior Required Mill Levy shall be determined exclusively by this paragraph regardless of any subsequent increase in the Senior Debt to Assessed Ratio.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Required Mill Levy (Continued)

The Conversion Date is the first date on which both of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less; and (b) no amounts of principal or interest on the Senior Bonds are due but unpaid. The Senior Debt to Assessed Ratio means the ratio derived by dividing the then-outstanding principal amount of all Senior Debt by the most recent certified assessed valuation of the District.

Additional Security for Senior Bonds

The Senior Bonds are additionally secured by capitalized interest which was funded from proceeds of the Bonds in the amount of $771,750 and by amounts in the Senior Surplus Fund (if any). The Senior Surplus Fund was partially funded in the amount of the Initial Deposit of $417,000 on the date of issuance of the Senior Bonds. The Senior Surplus Fund will be further funded from Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds (if any) in any year up to the Maximum Surplus Amount of $1,029,000. Promptly after the Conversion Date, all amounts then on deposit in the Senior Surplus Fund in excess of the amount of the Initial Deposit shall be released to the District for application to any lawful purpose.

If on the Conversion Date, the amount on deposit in the Senior Surplus Fund is less than the amount of the Initial Deposit, then no moneys shall be released to the District from the Senior Surplus Fund. After the Conversion Date, the District shall have no obligation to replenish or fund the Senior Surplus Fund in the event it is drawn upon. Amounts on deposit in the Senior Surplus Fund (if any) on the final maturity date of the Senior Bonds are to be applied to the payment of the Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in the levy year prior to the final maturity of the Senior Bonds. The balance in the Senior Surplus Fund as of December 31, 2019, is $417,556.

Subordinate Bonds Details

The Subordinate Bonds bear interest at 7.750% and mature on December 15, 2049. The Subordinate Bonds constitute subordinate “cash flow” bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Subordinate Pledged Revenue is available for payment. Principal and interest payments are due on the Subordinate Bonds on each December 15, beginning December 15, 2020, through December 15, 2049, only to the extent of available Subordinate Pledged Revenue.

In the event that Subordinate Pledged Revenue is insufficient to pay the Subordinate Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the Subordinate Bonds equals the amount permitted by law and the Election in repayment of the Subordinate Bonds. In the event that any amount of principal of or interest on the Subordinate Bonds remains unpaid after the application of all available Subordinate Pledged Revenue on December 15, 2059, the Subordinate Bonds shall be deemed discharged and shall no longer be due and outstanding.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Bonds Optional Redemption

The Subordinate 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 par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

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

Subordinate Bonds Pledged Revenue

The Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, net of any costs of collection, as follows: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) all Subordinate Capital Fee Revenue, if any; (d) any amounts released from the Senior Surplus Fund pursuant to the Senior Indenture; and (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

"Subordinate Property Tax Revenues" are defined as all moneys derived from imposition by the District of the Subordinate Required Mill Levy, whether received directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Subordinate Property Tax Revenues do not include Subordinate Specific Ownership Tax Revenues.

"Subordinate Specific Ownership Tax Revenues" mean the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy.

"Subordinate Capital Fee Revenue" means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations.

Subordinate Required Mill Levy

The District has covenanted to impose a Subordinate Required Mill Levy on all taxable property of the District each year in an amount equal to (i) 60 mills (as adjusted) less the Senior Obligation Mill Levy, or (ii) such lesser amount, which if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Subordinate Bonds in full in the year such levy is collected. The Senior Obligation Mill Levy is the sum of the Senior Required Mill Levy and any other mill levy required to be imposed for the payment of Senior Obligations.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Junior Lien Bonds Details

The Junior Lien 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 par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

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

Junior Lien Bonds Pledged Revenue

The Junior Lien Bonds are payable solely from and to the extent of the Junior Lien Pledged Revenue, net costs of collection, as follows: (a) all Junior Lien Property Tax Revenues; (b) all Junior Lien Specific Ownership Tax Revenues; (c) all Junior Lien Capital Fee Revenue, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

"Junior Lien Property Tax Revenues" are defined as all moneys derived from imposition by the District of the Junior Lien Required Mill Levy, whether received by the District directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Junior Lien Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Junior Lien Property Tax Revenues do not include Junior Lien Specific Ownership Tax Revenues.

"Junior Lien Specific Ownership Tax Revenues" mean the specific ownership taxes remitted to the District as a result of its imposition of the Junior Lien Required Mill Levy.

"Junior Lien Capital Fee Revenue" means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior/Subordinate Obligations.

Junior Lien Required Mill Levy

The District has covenanted to impose a Junior Lien Required Mill Levy on all taxable property of the District each year in an amount equal to (i) 60 mills (as adjusted) less the Senior/Subordinate Required Mill Levy (which is defined as the sum of the Senior Required Mill Levy, the Subordinate Required Mill Levy, and any other ad valorem property tax levy required to be imposed by the District for the payment of other Senior/Subordinate Obligations), or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Junior Lien Property Tax Revenues which, when combined with moneys then on deposit in the Junior Lien Bond Fund, will pay the Junior Lien Bonds in full in the year such levy is collected.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Debt Service

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

Year Ending December 31,	Principal	Interest	Total
2020	$ -	$ 254,392	$ 254,392
2021	-	257,250	257,250
2022	-	257,250	257,250
2023	-	257,250	257,250
2024	-	257,250	257,250
2025-2029	305,000	1,267,750	1,572,750
2030-2034	615,000	1,153,500	1,768,500
2035-2039	880,000	974,500	1,854,500
2040-2044	1,240,000	719,750	1,959,750
2045-2049	2,105,000	367,750	2,472,750
Total	$ 5,145,000	$ 5,766,642	$ 10,911,642

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

Authorized Debt

At an election held May 8, 2012, a majority of the qualified electors of the District who voted in the elections authorized the issuance of general obligation indebtedness in an amount not to exceed $630,000,000 for providing public improvements and refunding of previously issued indebtedness.

	Authorized May 8, 2012 Election	Authorization Used, Series 2019 Bonds	Remaining at December 31, 2019
Streets	$ 65,000,000	$ 1,802,427	$ 63,197,573
Sanitary Sewer and Storm	65,000,000	2,817,590	62,182,410
Water	65,000,000	1,164,338	63,835,662
Parks and Recreation	65,000,000	568,344	64,431,656
Safety Protection	65,000,000	100,301	64,899,699
Operations and Maintenance	65,000,000	-	65,000,000
Refunding of Debt	120,000,000	-	120,000,000
Intergovernmental Agreements	120,000,000	-	120,000,000
Total	$ 630,000,000	$ 6,453,000	$ 623,547,000

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt on behalf of the Districts for purposes of providing public improvements to support development as it occurs within the Districts' service areas. The Service Plans for the Districts limit the aggregate amount of debt that they may issue together with any debt issued by the CAB to $25,000,000.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

The District entered into Funding and Reimbursement Agreement and Infrastructure Acquisition and Reimbursement Funding Agreement with Toll Southwest, LLC (the "Developer"), in 2019, for the purpose of funding certain operation and maintenance expenses and construction and acquisition of public improvements (see Note 7).

NOTE 6 NET POSITION

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

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2019, as follows:

Restricted Net Position:		
Emergencies	$	1,300
Total Restricted Net Position	$	1,300

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, of which a significant portion of these improvements will be conveyed to other governmental entities and which costs will be removed from the District's financial records.

NOTE 7 AGREEMENTS

Intergovernmental Agreement between Districts and the City of Wheat Ridge

On May 13, 2019, the District entered into the Intergovernmental Agreement (the "IGA") with the City of Wheat Ridge (the "City"), Ward TOD Metropolitan District No. 2 and Ward TOD Metropolitan District No. 3. Pursuant to the IGA, the District agrees to dedicate the public improvements to the City or other appropriate jurisdiction in a manner contemplated under the approved development plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts are authorized, but not obligated, to own, operate and maintain public improvements not otherwise dedicated to the City or other public entity.

NOTE 7 AGREEMENTS (CONTINUED)

Cooperation Agreement with Wheat Ridge Urban Renewal Authority dba Renewal Wheat Ridge

On October 1, 2019, the District entered into a Cooperation Agreement with Wheat Ridge Urban Renewal Authority dba Renewal Wheat Ridge (the "Authority"). Under the terms of the Cooperation Agreement, the Authority and the District agreed that, in consideration for the District undertaking certain improvements and activities within the District pursuant to the Service Plan, the portion of revenues that the Authority receives as a result of certain incremental increases in property taxes which are attributable to all of the property tax revenues calculated, produced, allocated and paid to the Authority as a result of all ad valorem property tax levies of the District upon taxable property described in the I-70/Kipling Corridors Urban Renewal Plan (the "Urban Renewal Plan"), the ("Tax Increment Revenues"), shall be segregated upon receipt and shall be remitted by the Authority to the District on each April 15 and October 15. The terms of the Cooperation Agreement are in effect until the expiration of the TIF authorization granted pursuant to the Urban Renewal Plan, December 13, 2040.

Operation Funding Agreement with IBC Denver II, LLC

On July 3, 2012, the District entered into the Operation Funding Agreement (the "IBC OFA") with IBC Denver II, LLC ("IBC"), pursuant to which IBC agrees to advance funds to the District for certain operation and maintenance expenses. The District agrees to repay these advances, together with accrued interest at the rate of 8% per annum accruing from the date of each advance. The IBC OFA was terminated in 2019 and see details below.

Agreement Regarding Termination of Operation Funding Agreements

On August 27, 2019, the District entered into the Agreement Regarding Termination of Operation Funding Agreements (Termination Agreement) with IBC Denver II, LLC, Toll Southwest, LLC, Ward TOD Metropolitan District No. 2 and Ward TOD Metropolitan District No. 3. Pursuant to Termination Agreement, IBC and District agree to terminate the IBC OFA. Upon the execution, any amounts due and owing to IBC under the IBC OFA are now due and owing to Toll Southwest, LLC in accordance with the Funding and Reimbursement Agreement (Operations and Maintenance) dated between the District and Toll Southwest, LLC.

Funding and Reimbursement Agreement (Operations and Maintenance) with Toll Southwest, LLC

On August 27, 2019, the District entered into the Funding and Reimbursement Agreement (Operations and Maintenance) (the "O&M Agreement) with Toll Southwest, LLC (the "Developer"). Pursuant to the O&M Agreement, the Developer agrees to advance funds to the District, for operation and maintenance expenses, one or more sums of money, not exceed the aggregate of $50,000 per annum for fiscal years 2019 through 2020. The maximum amount to be advanced for Operations and Maintenance Expenses pursuant to this agreement is one hundred thousand dollars ($100,000). The District agrees to repay these advances together with accrued interest at the rate of 8% per annum accruing from the date any such advance is made. The term of repayment under the O&M Agreement shall not extend beyond Twenty (20) years from the date of the O&M Agreement.

NOTE 7 AGREEMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement with Toll Southwest, LLC

On August 27, 2019, the District entered into the Infrastructure Acquisition and Reimbursement Agreement (the "Agreement") with the Developer, pursuant to which the Developer makes advances to the District the purpose of the acquisition, financing, construction, and installation of the public improvements. The District, upon the execution of the Agreement, the District agrees to acquire certain public infrastructure constructed or caused to be constructed by the Developer to be owned by the District and the City of Wheat Ridge. The District agrees to repay these advances and reimburse the developer for the certified District eligible costs, together with accrued simple interest at the rate of 8% per annum from the date of payment or the date of the related acceptance resolution.

NOTE 8 RELATED PARTIES

The Developer of the property within the District is Toll Southwest, LLC, and purchased the property on June 3, 2019 from IBC Denver II, LLC, the previous owner. The Developer has advanced funds to the District. The members of the Board of Directors of the District and the Districts hold direct or indirect ownership interests in the Toll Southwest, LLC or are otherwise associated with Toll Southwest, LLC and may have conflicts of interest in dealing with the District. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

NOTE 9 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay for most of its operational and certain capital expenditures. Until an independent revenue base is established, continuation of the District's operation and financing of certain capital improvements are dependent upon Developer advances.

NOTE 10 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). 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.

NOTE 10 RISK MANAGEMENT (CONTINUED)

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 salary or benefit increases. As of December 31, 2019, the District had provided but did not fund an Emergency Reserve, which may be a violation of the Constitutional Amendment.

On May 8, 2012, a majority of the District's electors authorized the District to increase property taxes $15,000,000 annually; increase fees $15,000,000 annually and increase property taxes for intergovernmental agreements $15,000,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

WARD TOD METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ -	$ 1,584	$ 1,584
Total Revenues	-	1,584	1,584
EXPENDITURES	-	-	-
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,584	1,584
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	-	1,188,750	1,188,750
Total Other Financing Sources (Uses)	-	1,188,750	1,188,750
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	1,190,334	1,190,334
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ 1,190,334	$ 1,190,334

WARD TOD METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ -	$ -	$ 3,975	$ 3,975
Total Revenues	-	-	3,975	3,975
EXPENDITURES				
General:				
Legal	-	707	707	-
Contingency	-	26,014	-	26,014
Debt Service:				
Bond Issue Costs	422,400	417,222	417,222	-
Capital Projects:				
Captial Outlay	694,425	1,798,950	1,798,950	-
Total Expenditures	1,116,825	2,242,893	2,216,879	26,014
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,116,825)	(2,242,893)	(2,212,904)	29,989
OTHER FINANCING SOURCES (USES)				
Developer Advances	694,425	1,791,357	1,791,357	-
Repay Developer Advances	(694,425)	(1,791,357)	(1,791,357)	-
Transfers to Other Fund	(1,188,750)	(1,188,750)	(1,188,750)	-
Bond Proceeds	5,745,000	6,453,000	6,453,000	-
Total Other Financing Sources (Uses)	4,556,250	5,264,250	5,264,250	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	3,439,425	3,021,357	3,051,346	29,989
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ 3,439,425	$ 3,021,357	$ 3,051,346	$ 29,989

OTHER INFORMATION

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019

$5,145,000 Senior Limited Tax General Obligation Bonds
Series 2019A
Dated December 5, 2019
Interest Rate 5.00%
Payable June 1 and December 1
Principal Due December 1

Year Ending December 31,	Principal	Interest	Total
2020	$ -	$ 254,392	$ 254,392
2021	-	257,250	257,250
2022	-	257,250	257,250
2023	-	257,250	257,250
2024	-	257,250	257,250
2025	-	257,250	257,250
2026	40,000	257,250	297,250
2027	80,000	255,250	335,250
2028	90,000	251,250	341,250
2029	95,000	246,750	341,750
2030	105,000	242,000	347,000
2031	110,000	236,750	346,750
2032	125,000	231,250	356,250
2033	130,000	225,000	355,000
2034	145,000	218,500	363,500
2035	150,000	211,250	361,250
2036	165,000	203,750	368,750
2037	175,000	195,500	370,500
2038	190,000	186,750	376,750
2039	200,000	177,250	377,250
2040	220,000	167,250	387,250
2041	230,000	156,250	386,250
2042	250,000	144,750	394,750
2043	260,000	132,250	392,250
2044	280,000	119,250	399,250
2045	295,000	105,250	400,250
2046	320,000	90,500	410,500
2047	335,000	74,500	409,500
2048	360,000	57,750	417,750
2049	795,000	39,750	834,750
Total	$ 5,145,000	$ 5,766,642	$ 10,911,642

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2019

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied
2015	$ 408,030	5.000	$ 2,040	$ 2,040	100.00%
2016	416,730	5.000	2,084	2,052	98.46
2017	416,730	5.000	2,084	2,084	100.00
2018	694,589	5.000	3,473	3,473	100.00
2019	693,402	10.000	6,934	6,946	100.17
Estimated for the Year Ending December 31, 2020	$ 717,523	75.419	$ 54,115		

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.