

BUFFALO RIDGE METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

**BUFFALO RIDGE METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Buffalo Ridge Metropolitan District
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Buffalo Ridge Metropolitan District (the District) as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Buffalo Ridge Metropolitan District, as of December 31, 2020, and the respective changes in financial position thereof, 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.

|

Fiscal Focus Partners, LLC

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary and other information (together, the information) as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
September 30, 2021

BASIC FINANCIAL STATEMENTS

**BUFFALO RIDGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

| | Governmental Activities |
|---------------------------------------|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 596,552 |
| Cash and Investments - Restricted | 11,979,410 |
| Receivable - County Treasurer | 16,519 |
| Property Taxes Receivable | 2,196,957 |
| Accounts Receivable - Other | 508,455 |
| Prepaid Expenses | 450 |
| Construction Deposits | 61,320 |
| Capital Assets, Not Being Depreciated | 18,770,886 |
| Total Assets | 34,130,549 |
| LIABILITIES | |
| Accounts Payable | 40,888 |
| Retainage Payable | 61,252 |
| Accrued Interest on Bonds | 101,090 |
| Noncurrent Liabilities: | |
| Due in One Year | 149,535 |
| Due in More Than One Year | 44,013,212 |
| Total Liabilities | 44,365,977 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Gain on Refunding | 85,435 |
| Deferred Property Taxes | 2,196,957 |
| Total Deferred Inflows of Resources | 2,282,392 |
| NET POSITION | |
| Restricted for: | |
| Emergency Reserves | 32,500 |
| Debt Service | 1,210,400 |
| Conservation Trust Funds | 146,393 |
| Capital Projects | 10,479,148 |
| Unrestricted | (24,386,261) |
| Total Net Position | \$ (12,517,820) |

See accompanying Notes to Basic Financial Statements.

**BUFFALO RIDGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

| | | Program Revenues | | | Net Revenue (Expense) and Change in Net Position |
|---|----------------------------|--|--|----------------------------|---|
| Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| FUNCTIONS/PROGRAMS | | | | | |
| Primary Government: | | | | | |
| Government Activities: | | | | | |
| General Government | \$ 778,333 | \$ - | \$ 833,914 | \$ - | \$ 55,581 |
| Interest on Long-Term Debt and Related Costs | 2,284,746 | - | - | 751,925 | (1,532,821) |
| Total Government Activities | \$ 3,063,079 | \$ - | \$ 833,914 | \$ 751,925 | (1,477,240) |
| GENERAL REVENUES | | | | | |
| Property Taxes | | | | | 1,916,463 |
| Specific Ownership Taxes | | | | | 140,736 |
| Interest Income | | | | | 98,199 |
| Miscellaneous Income | | | | | 8 |
| Gain on sale of asset | | | | | 236,435 |
| Total General Revenues | | | | | 2,391,841 |
| CHANGE IN NET POSITION | | | | | 914,601 |
| Net Position - Beginning of Year | | | | | (13,432,421) |
| NET POSITION - END OF YEAR | | | | | \$ (12,517,820) |

See accompanying Notes to Basic Financial Statements.

**BUFFALO RIDGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|--|---------------------|---------------------|----------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Investments | \$ 596,552 | \$ - | \$ - | \$ 596,552 |
| Cash and Investments - Restricted | 32,500 | 1,296,900 | 10,650,010 | 11,979,410 |
| Accounts Receivable - Other | 504,872 | - | 3,583 | 508,455 |
| Receivable - County Treasurer | 1,929 | 14,590 | - | 16,519 |
| Property Taxes Receivable | 256,490 | 1,940,467 | - | 2,196,957 |
| Prepaid Expenses | 450 | - | - | 450 |
| Construction Deposits | - | - | 61,320 | 61,320 |
| | <u>\$ 1,392,793</u> | <u>\$ 3,251,957</u> | <u>\$ 10,714,913</u> | <u>\$ 15,359,663</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 12,768 | \$ - | \$ 28,120 | \$ 40,888 |
| Retainage Payable | - | - | 61,252 | 61,252 |
| Total Liabilities | <u>12,768</u> | <u>-</u> | <u>89,372</u> | <u>102,140</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Property Taxes | 256,490 | 1,940,467 | - | 2,196,957 |
| Total Deferred Inflows of Resources | <u>256,490</u> | <u>1,940,467</u> | <u>-</u> | <u>2,196,957</u> |
| FUND BALANCES | | | | |
| Nonspendable: | | | | |
| Prepays | 450 | - | - | 450 |
| Restricted for: | | | | |
| Emergency Reserves | 32,500 | - | - | 32,500 |
| Debt Service | - | 1,311,490 | - | 1,311,490 |
| Conservation Trust Funds | - | - | 146,393 | 146,393 |
| Capital Projects | - | - | 10,479,148 | 10,479,148 |
| Unassigned | 1,090,585 | - | - | 1,090,585 |
| Total Fund Balances | <u>1,123,535</u> | <u>1,311,490</u> | <u>10,625,541</u> | <u>13,060,566</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,392,793</u> | <u>\$ 3,251,957</u> | <u>\$ 10,714,913</u> | |

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Not Being Depreciated 18,770,886

Other long-term assets and deferred inflows of resources are not available to pay for current period expenditures and, therefore, are expensed in the funds.

Deferred Gain on Refunding, Net (85,435)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable (44,162,747)

Accrued Bond Interest Payable (101,090)

Net Position of Governmental Activities \$ (12,517,820)

See accompanying Notes to Basic Financial Statements.

**BUFFALO RIDGE METROPOLITAN DISTRICT
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 | | | | |
| Property Taxes | \$ 223,749 | \$ 1,692,714 | \$ - | \$ 1,916,463 |
| Specific Ownership Taxes | 16,431 | 124,305 | - | 140,736 |
| Net Investment Income | 7,142 | 18,403 | 72,654 | 98,199 |
| Miscellaneous Income | 8 | - | - | 8 |
| System Development Fees | - | 283,360 | - | 283,360 |
| ERU Sales | - | 705,000 | - | 705,000 |
| Permit Fee Rebate | 163,311 | - | - | 163,311 |
| City Sales/Use Tax Rebate | 378,176 | - | - | 378,176 |
| Drainage Fees | 93,886 | - | - | 93,886 |
| Road Impact Fees | 198,541 | - | - | 198,541 |
| Total Revenues | <u>1,081,244</u> | <u>2,823,782</u> | <u>72,654</u> | <u>3,977,680</u> |
| EXPENDITURES | | | | |
| Accounting | 53,074 | - | 14,819 | 67,893 |
| Audit | 4,700 | - | - | 4,700 |
| District Management Fees | 50,401 | - | 23,417 | 73,818 |
| Dues and Subscriptions | 430 | - | - | 430 |
| Election Expense | 5,498 | - | - | 5,498 |
| Insurance and Bonds | 6,466 | - | - | 6,466 |
| Legal | 31,874 | - | 8,035 | 39,909 |
| Miscellaneous Expenses | 1,183 | - | - | 1,183 |
| Water - Irrigation | 721 | - | - | 721 |
| Treasurer's Fees | 3,362 | 25,435 | - | 28,797 |
| Bond Interest Expense | - | 3,664,692 | - | 3,664,692 |
| Paying Agent Fees | - | 6,000 | - | 6,000 |
| Construction Management | - | - | 105,788 | 105,788 |
| Capital Improvements | - | - | 1,125,890 | 1,125,890 |
| Total Expenditures | <u>157,709</u> | <u>3,696,127</u> | <u>1,277,949</u> | <u>5,131,785</u> |
| NET CHANGE IN FUND BALANCES | 923,535 | (872,345) | (1,205,295) | (1,154,105) |
| Fund Balances - Beginning of Year | <u>200,000</u> | <u>2,183,835</u> | <u>11,830,836</u> | <u>14,214,671</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 1,123,535</u> | <u>\$ 1,311,490</u> | <u>\$ 10,625,541</u> | <u>\$ 13,060,566</u> |

See accompanying Notes to Basic Financial Statements.

**BUFFALO RIDGE METROPOLITAN DISTRICT
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, 2020**

Net Change in Fund Balances - Governmental Funds \$ (1,154,105)

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. Therefore, the following are the amounts of capital outlay in the current period.

| | |
|--------------------|-----------|
| Capital Outlay | 1,125,890 |
| Cost of ERU's Sold | (468,565) |

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

| | |
|-----------------------------------|--------|
| Amortization of Gain on Refunding | 96,683 |
| Amortization of Bond Premium | 49,535 |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | |
|---|-----------|
| Accrued Interest Payable on Bonds - Change in Liability | 1,265,163 |
|---|-----------|

| | |
|--|------------|
| Changes in Net Position of Governmental Activities | \$ 914,601 |
|--|------------|

**BUFFALO RIDGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|---------------------|---|
| REVENUES | | | |
| Property Taxes | \$ 223,893 | \$ 223,749 | \$ (144) |
| Specific Ownership Taxes | 17,911 | 16,431 | (1,480) |
| Net Investment Income | 14,000 | 7,142 | (6,858) |
| Miscellaneous Revenue | - | 8 | 8 |
| Building Permit Fee Rebate | 80,000 | 163,311 | 83,311 |
| City Sales/Use Tax Rebate | 200,000 | 378,176 | 178,176 |
| Drainage Fees | 55,000 | 93,886 | 38,886 |
| Road Impact Fees | 100,000 | 198,541 | 98,541 |
| Total Revenues | <u>690,804</u> | <u>1,081,244</u> | <u>390,440</u> |
| EXPENDITURES | | | |
| Accounting | 47,500 | 53,074 | (5,574) |
| Audit | 5,600 | 4,700 | 900 |
| District Management Fees | 40,000 | 50,401 | (10,401) |
| Dues and Subscriptions | 500 | 430 | 70 |
| Election Expense | 3,000 | 5,498 | (2,498) |
| Insurance and Bonds | 6,500 | 6,466 | 34 |
| Legal | 26,000 | 31,874 | (5,874) |
| Miscellaneous Expenses | 4,000 | 1,183 | 2,817 |
| Water - Irrigation | 2,000 | 721 | 1,279 |
| Treasurer's Fees | 3,358 | 3,362 | (4) |
| Contingency | 50,000 | - | 50,000 |
| Total Expenditures | <u>188,458</u> | <u>157,709</u> | <u>30,749</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 502,346 | 923,535 | 421,189 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In (Out) | <u>(502,346)</u> | - | 502,346 |
| Total Other Financing Sources (Uses) | <u>(502,346)</u> | - | 502,346 |
| NET CHANGE IN FUND BALANCE | - | 923,535 | 923,535 |
| Fund Balance - Beginning of Year | <u>200,000</u> | <u>200,000</u> | - |
| FUND BALANCE - END OF YEAR | <u>\$ 200,000</u> | <u>\$ 1,123,535</u> | <u>\$ 923,535</u> |

See accompanying Notes to Basic Financial Statements.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Buffalo Ridge Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized on November 19, 1996 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in City of Commerce City, Adams County, Colorado (the City). The District was established to finance and construct water, sanitation, street, fire and safety protection, park and recreation improvements, and transportation services. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

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 taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

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

Pooled Cash and Investments

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

Property Taxes

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

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

Capital Assets

Capital assets, which include plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activity's 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 are recorded as construction in progress and are not included in the calculation of net investment in capital assets component of the District's net position.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District does not have any items that qualifies for reporting in this category.

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 two items that qualifies for reporting in this category. The item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available. The item *deferred gain on refunding* results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunded debt.

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.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

| | |
|-----------------------------------|-----------------------------|
| Cash and Investments | \$ 596,552 |
| Cash and Investments - Restricted | <u>11,979,410</u> |
| Total Cash and Investments | <u><u>\$ 12,575,962</u></u> |

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

| | |
|--------------------------------------|-----------------------------|
| Deposits with Financial Institutions | \$ 409,376 |
| Investments | <u>12,166,586</u> |
| Total Cash and Investments | <u><u>\$ 12,575,962</u></u> |

Deposits with Financial Institutions

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

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

At December 31, 2020, the District's cash deposits had a bank balance of \$413,592 and a carrying balance of \$409,376.

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.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE which are recorded at amortized cost, and COLOTRUST which are recorded at net asset value.

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

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|---|-----------------------------------|----------------------|
| Colorado Local Government Liquid Asset Trust (COLOTRUST) | Weighted Average Under 60 Days | \$ 12,166,586 |
| Total | | <u>\$ 12,166,586</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 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, 2020, follows:

| | Balance - December 31, 2019 | Additions | Deletions | Balance - December 31, 2020 |
|---|-----------------------------------|---------------------|-------------------|-----------------------------------|
| Capital Assets, Not Being Depreciated: | | | | |
| Construction in Progress | \$ 16,301,194 | \$ 1,125,890 | \$ - | \$ 17,427,084 |
| ERU and Option Fee Credits | 1,812,367 | - | 468,565 | 1,343,802 |
| Total Capital Assets, Not Being Depreciated | <u>18,113,561</u> | <u>1,125,890</u> | <u>468,565</u> | <u>18,770,886</u> |
| Capital Assets, Net | <u>\$ 18,113,561</u> | <u>\$ 1,125,890</u> | <u>\$ 468,565</u> | <u>\$ 18,770,886</u> |

The District will convey streets and safety control assets and transfer certain water, sewer, and storm-drainage facilities constructed and financed by the District to other local government entities for maintenance by such local government entities after completion of a specified warranty period. Upon final conveyance/transfer and acceptance, they are removed from capital assets.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM DEBT

The following is an analysis of changes in long-term debt for the period ending December 31, 2020:

| | Balance - December 31, 2019 | Additions | Deletions | Balance - December 31, 2020 | Current Portion |
|---|-----------------------------------|---------------------|---------------------|-----------------------------------|--------------------|
| Bonds Payable: | | | | | |
| General Obligation Refunding and Improvement Bonds Series 2018A | \$ 29,000,000 | \$ - | \$ - | \$ 29,000,000 | \$ 100,000 |
| Subordinate Limited Tax General Obligation Bonds Series 2018B: | | | | | |
| Principal | 13,936,000 | - | - | 13,936,000 | - |
| Interest | 1,631,998 | 1,186,448 | 2,451,611 | 366,835 | - |
| Subtotal | 44,567,998 | 1,186,448 | 2,451,611 | 43,302,835 | 100,000 |
| Bond Premium - 2018A | 909,447 | - | 49,535 | 859,912 | 49,535 |
| Total | <u>\$ 45,477,445</u> | <u>\$ 1,186,448</u> | <u>\$ 2,501,146</u> | <u>\$ 44,162,747</u> | <u>\$ 149,535</u> |

A description of the long-term obligations as of December 31, 2020, is as follows:

**General Obligation Refunding and Improvement Bonds, Series 2018A and
Subordinate Limited Tax General Obligation Bonds, Series 2018B**

Bond Details

The District issued the General Obligation Refunding and Improvement Bonds Series 2018A (Series 2018A Bonds) and the Subordinate Limited Tax General Obligation Bonds Series 2018B (Series 2018B Bonds) on May 30, 2018, in the par amounts of \$29,000,000 for the 2018A Bonds and \$13,936,000 for the 2018B Bonds. Proceeds of the Series 2018A Bonds were used to: (i) finance or reimburse the costs of public improvements; (ii) prepay the District's Series 2013 and 2016 Loans; (iii) redeem the District's Series 2010A Bonds; and (iv) pay other costs in connection with the issuance of the Bonds. Proceeds of the 2018B Bonds were used to finance or reimburse the costs of public improvements.

The Series 2018A Bonds bear interest at rates ranging from 3.00% to 5.00%, payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2018. Annual principal is due on December 1, beginning December 1, 2021, through December 1, 2035. The Series 2018A Bonds maturing on December 1, 2047, are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2036, and on December 1 thereafter through December 1, 2047. The Series 2018A Bonds mature on December 1, 2047. The Series 2018A Bonds maturing on and after December 1, 2029, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities, on December 1, 2028, and on any date thereafter, upon payment of par, accrued interest, without redemption premium.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM DEBT (CONTINUED)

General Obligation Refunding and Improvement Bonds, Series 2018A and Subordinate Limited Tax General Obligation Bonds, Series 2018B (Continued)

Bond Details (Continued)

The Series 2018A Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: (i) all property tax revenues generated by the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (iii) all Capital Fees; (iv) all ERU Sale Proceeds Revenue; (v) all PILOT Revenues; and (vi) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The Series 2018A Bonds are also secured by amounts on deposit in the Senior Surplus Fund. The Senior Surplus Fund shall be funded from deposits of Senior Pledged Revenue up to the Maximum Surplus Amount of \$1,058,200 and except to the extent Senior Pledged Revenue is available thereunder, the District has no obligation to fund the Senior Surplus Fund in any amount. The Surplus Fund is to be maintained as long as any Series 2018A Bonds remain outstanding. Amounts on deposit in the Senior Surplus Fund (if any) on the final maturity date of the Series 2018A Bonds shall be applied to the payment of the Series 2018A Bonds. The balance in the Senior Surplus Fund on December 31, 2020, was \$1,058,326.

The District has covenanted to impose a Senior Required Mill Levy each year without limitation as to rate in an amount necessary to generate Senior Property Tax Revenues and PILOT Revenues (if any) sufficient to pay the principal of, premium if any, and interest on the Series 2018A Bonds as the same become due and payable (less any amounts then on deposit in the Senior Bond Fund and, in the District's discretion, the Senior Surplus Fund), provided, however, that for so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount or any portion of the Senior Surplus Fund is taken into account in determining the mill levy that would be sufficient to pay the principal of, premium if any, and interest on the Series 2018A Bonds as the same become due and payable, the Senior Required Mill Levy shall be equal to not less than 41.389 mills (subject to adjustment as provided below), or such lesser mill levy that will generate Senior Property Tax Revenues and PILOT Revenues (if any): (a) sufficient to pay the principal of, premium if any, and interest on the Series 2018A Bonds as the same become due and payable, 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 Bond Fund and the Senior Surplus Fund, will pay the Series 2018A Bonds in full in the year such mill levy is collected. In the event that the method of calculating assessed valuation is changed after January 1, 2018, the minimum mill levy of 41.389 mills is subject to adjustment. The District certified a mill levy of 41.489 mills in 2020 (for collection in 2021).

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM DEBT (CONTINUED)

General Obligation Refunding and Improvement Bonds, Series 2018A and Subordinate Limited Tax General Obligation Bonds, Series 2018B (Continued)

Bond Details (Continued)

The Series 2018B Bonds bear interest at 7.375% and mature on December 15, 2047. The Series 2018B Bonds are structured as “cash flow” bonds, meaning that: (a) principal on the Series 2018B Bonds is payable on each December 15 from, and only to the extent of, Subordinate Pledged Revenue available, and (b) interest on the Series 2018B Bonds is payable on each December 15, but only from and to the extent of Subordinate Pledged Revenue available. Unpaid interest will accrue and compound annually at the rate of interest on the Series 2018B Bonds until sufficient Subordinate Pledged Revenue is available for payment. Any interest and principal for the Series 2018B Bonds which remains on December 15, 2057, shall be deemed discharged.

The Series 2018B Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 15, 2023, 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:

| <u>Date of Redemption</u> | <u>Redemption Premium</u> |
|--|-------------------------------|
| December 15, 2023 to December 14, 2024 | 3.00 % |
| December 15, 2024 to December 14, 2025 | 2.00 |
| December 15, 2025 to December 14, 2026 | 1.00 |
| December 15, 2026 and Thereafter | - |

The Series 2018B Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue defined generally in the 2018B Subordinate Indenture as the following, net of any costs of collection: (i) all property tax revenues generated by the Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; (iii) all Subordinate Capital Fee Revenue; (iv) all Subordinate ERU Sale Proceeds Revenue; (v) all Subordinate PILOT Revenues; and (vi) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM DEBT (CONTINUED)

General Obligation Refunding and Improvement Bonds, Series 2018A and Subordinate Limited Tax General Obligation Bonds, Series 2018B (Continued)

Bond Details (Continued)

The District has covenanted to impose a Subordinate Required Mill Levy in the amount of: (i) 41.389 mills (subject to adjustment as provided below) less the Senior Required Mill Levy, or (ii) such lesser mill levy that will generate Subordinate Property Tax Revenues and Subordinate PILOT Revenues (if any) which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Series 2018B Bonds in full in the year such mill levy is collected. The Subordinate Required Mill Levy will equal zero at any time that: (i) the payment of the Series 2018A Bonds (and any other Senior Parity Bonds) requires the imposition of at least 41.389 mills (subject to adjustment as provided below), and (ii) at any time that there is on deposit in the Senior Surplus Fund less than the Maximum Surplus Amount. The District is not required to impose the Subordinate Required Mill Levy after December 2056 (for collection in calendar year 2057). In the event that the method of calculating assessed valuation is changed after January 1, 2018, the minimum mill levy of 41.389 mills is subject to adjustment. The District certified a mill levy of 0.00 mills in 2020 (for collection in 2021).

Net proceeds of \$6,796,000 from the sale of the 2018B Subordinate Bonds were deposited to the Restricted Account of the Subordinate Project Fund. Such Restricted Account will only be available for acquisition of public improvements if released from the applicable Restricted Account in accordance with the Subordinate Indenture. During 2020, \$-0- of the Restricted Account was released to the Unrestricted Account.

Annual principal and interest payments to retire long-term debt are as follows:

| <u>Year Ending December 31,</u> | <u>Bonded Debt</u> | | <u>Total</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2021 | \$ 100,000 | \$ 1,213,081 | \$ 1,313,081 |
| 2022 | 290,000 | 1,208,082 | 1,498,082 |
| 2023 | 410,000 | 1,193,581 | 1,603,581 |
| 2024 | 510,000 | 1,173,081 | 1,683,081 |
| 2025 | 555,000 | 1,147,581 | 1,702,581 |
| 2026-2030 | 3,525,000 | 5,298,432 | 8,823,432 |
| 2031-2035 | 4,780,000 | 4,470,500 | 9,250,500 |
| 2036-2040 | 6,465,000 | 3,276,400 | 9,741,400 |
| 2041-2045 | 8,375,000 | 1,837,000 | 10,212,000 |
| 2046-2047 | 3,990,000 | 241,000 | 4,231,000 |
| Total | <u>\$ 29,000,000</u> | <u>\$ 21,058,738</u> | <u>\$ 50,058,738</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM DEBT (CONTINUED)

**General Obligation Refunding and Improvement Bonds, Series 2018A and
Subordinate Limited Tax General Obligation Bonds, Series 2018B (Continued)**

Bond Details (Continued)

Events of default under the 2018A Senior Indenture are as follows:

- (a) The District fails to pay the principal, interest or premium, if any, on the bonds when due;
- (b) The District defaults on the performance or observance of any of the covenants, agreements, or conditions on the part of the District, and fails to remedy the same after notice; and
- (c) The District files for bankruptcy.

Acceleration of the 2018A Senior Bonds shall not be an available remedy for an event of default.

Events of default under the 2018B Subordinate Indenture are as follows:

- (a) The District fails or refuses to impose the Subordinate Required Mill Levy or to apply the Subordinate Pledged Revenue as required by the indenture;
- (b) The District defaults on the performance or observance of any of the covenants, agreements, or conditions on the part of the District, and fails to remedy the same after notice; and
- (c) The District files for bankruptcy.

Acceleration of the 2018B Subordinate Bonds shall not be an available remedy for an event of default.

Debt Authorization

As of December 31, 2020, the District had remaining voted debt authorization of approximately \$30,616,995. The District has not budgeted to issue any additional debt in 2021.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 AGREEMENTS WITH LANDOWNERS

Water Resource Agreements

On July 26, 2007, Northwood Village Associates, LTD (Northwood), 120th and Buckley Associates, LTD (Buckley), and 120th & Chambers, LLC (Chambers), (the Buffalo Run Landowners), entered into a Revised Plan B Project Participant Water Resource Agreement (Water Resource Agreement) with South Adams County Water and Sanitation District (SACWSD), wherein Northwood, Buckley, and Chambers were given the right to purchase certain ERU water connections, ERU water credits and option fee credits to be used in connection with certain lands within SACWSD, including the property included within the District's boundaries. The Water Resource Agreement was amended by a First Amendment dated July 1, 2008, and a Second Amendment dated March 9, 2010. The Water Resources Agreement, as amended, allocates to the Buffalo Run Landowners the right to purchase a total of 828 ERU water connections and obligates the Buffalo Run Landowners to make certain FRICO installment payments, option payments, and other payments as described in the Water Resources Agreement in order to obtain the corresponding ERU water credits and option fee credits. On May 21, 2009, the District, Northwood, Buckley, and Chambers entered into an Assignment and Bill of Sale for ERU Water Connections and Water Credits. On May 21, 2009, the Buffalo Run Landowners transferred and assigned 166 ERU water connections, together with the corresponding 166 ERU water credits and 166 option fee credits to the District, without the obligations under the Water Resources Agreement previously acquired from SACWSD. On May 28, 2009, the District paid \$606,564 to the Buffalo Run Landowners for these 166 ERU water connections and corresponding ERU water credits and option fee credits. On November 26, 2009, the District advanced from the Construction Fund account of the Series 2009 Bonds the amount of \$109,620 as payment for the purchase of 16.25 additional ERU water connections, together with the corresponding 16.25 ERU water credits and 27.46 option fee credits, the assignment of which was completed in 2010. On December 7, 2010, the Buffalo Run Landowners transferred and assigned an additional 45.12 ERU water connections, together with the corresponding 45.12 ERU water credits and 33.91 option fee credits to the District, without the obligations under the Water Resources Agreement previously acquired from SACWSD. On December 7, 2010, the District paid \$214,830 to the Buffalo Run Landowners for these 45.12 ERU water connections and corresponding ERU water credits and 33.91 option fee credits, which included \$3,000 in transfer fees. On September 2, 2011, the Buffalo Run Landowners transferred and assigned an additional 1.69 ERU water connections, together with a corresponding 1.69 ERU water credits and 1.29 option fee credits to the District, without the obligations under the Water Resources Agreement previously acquired from SACWSD. On December 8, 2011, the District paid \$8,157 to the Buffalo Run Landowners for these 1.69 ERU water credits and 1.29 option fee credits. On November 28, 2012, the District paid \$8,254 to SACWSD for the purchase of 1.69 ERU water connections, together with a corresponding 1.69 ERU water credits, and 1.34 option fee credits. On November 26, 2013, the District paid \$219,243 to SACWSD for the purchase of 45.12 ERU water connections, together with a corresponding 45.12 ERU water credits and 37.58 option fee credits. On December 1, 2014, the District paid \$223,389 to SACWSD for the purchase of 45.12 ERU water credits and connections, and 38.89 option fee credits. On November 20, 2015, the District paid \$226,128 to SACWSD for the purchase of 45.12 ERU water credits and connections, and 40.26 option fee credits. On November 21, 2016, the District paid \$227,462 to SACWSD for the purchase of 45.12 ERU water credits and connections, and 41.67 option fee credits. On October 3, 2017, the District paid \$230,396 to SACWSD for the purchase of 45.12 ERU water credits and connections, and 43.14 option fee credits. On April 20, 2018, the District paid \$830,444 to SACWSD for the purchase of 176.17 ERU water credits and connections, and 134.35 option fee credits.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 AGREEMENTS WITH LANDOWNERS (CONTINUED)

Water Resource Agreements (Continued)

Following is a schedule summarizing the above purchases made under the Water Resource Agreement:

| <u>Purchase Date</u> | <u>ERU Water Connections</u> | <u>ERU Water Credits</u> | <u>ERU Option Fee Credits</u> | <u>Amount</u> |
|----------------------|----------------------------------|------------------------------|-----------------------------------|---------------|
| 5/28/2009 | 166.00 | 166.00 | 166.00 | \$ 606,564 |
| 11/26/2009 | 16.25 | 16.25 | 27.46 | 109,620 |
| 12/7/2010 | 45.12 | 45.12 | 33.91 | 214,830 |
| 9/2/2011 | 1.69 | 1.69 | 1.29 | 8,157 |
| 11/28/2012 | 1.69 | 1.69 | 1.34 | 8,254 |
| 11/26/2013 | 45.12 | 45.12 | 37.58 | 219,243 |
| 12/1/2014 | 45.12 | 45.12 | 38.89 | 223,389 |
| 11/20/2015 | 45.12 | 45.12 | 40.26 | 226,128 |
| 11/21/2016 | 45.12 | 45.12 | 41.67 | 227,462 |
| 10/3/2017 | 45.12 | 45.12 | 43.14 | 230,396 |
| 4/20/2018 | 176.17 | 176.17 | 134.35 | 830,444 |
| Subtotal | 632.52 | 632.52 | 565.89 | 2,904,487 |
| Sold - 2017 | (42.00) | (42.00) | (42.00) | (153,468) |
| Sold - 2018 | (184.77) | (184.77) | (184.77) | (695,689) |
| Sold - 2019 | (50.00) | (50.00) | (50.00) | (242,963) |
| Sold - 2020 | (94.00) | (94.00) | (94.00) | (468,565) |
| Remaining | 261.75 | 261.75 | 195.12 | \$ 1,343,802 |

On August 21, 2015, the District entered into an ERU Water Credit Escrow Agreement (ERU Escrow Agreement) with Northwood, Lokal BR5, LLC (Lokal BR5), and Land Title Guarantee Company (Escrow Agent). Lokal BR5 has acquired 46 residential lots within the District from Northwood and Northwood has agreed to convey 46 FRICO ERU water credits and water option rights to Lokal BR5. Since Northwood currently does not own any ERUs, the District has agreed to sell to Lokal BR5 the 46 separate transfer agreements relating to the ERUs, which have been deposited by the District with the Escrow Agent. The District agrees to retain available ERU water connections under the Water Resource Agreement at least sufficient to cover the number of ERUs to be transferred pursuant to the ERU Escrow Agreement. The Escrow Agent shall immediately release an Assignment for an ERU to Lokal BR5 upon receipt of \$7,500. Upon receipt of funds for release of an Assignment for an ERU, the Escrow Agent shall immediately remit such payment to the District. As of December 31, 2020, no funds were received by the District under the ERU Escrow Agreement.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 AGREEMENTS WITH LANDOWNERS (CONTINUED)

Water Resource Agreements (Continued)

On August 18, 2016, as terminated and replaced on December 12, 2017, the District entered into an ERU Water Credit Escrow Agreement – VBRE Filing 6 (ERU Escrow Agreement Filing 6) with Buckley, Northwood, Lokal BR6, LLC (Lokal BR6), and Land Title Guarantee Company (Escrow Agent). Lokal BR6 has acquired 138 residential lots within the District from Northwood and Buckley, and Northwood and Buckley have agreed to convey 138 FRICO ERU water credits and water option rights to Lokal BR6. Since Northwood and Buckley currently do not own any ERUs, the District has agreed to sell to Lokal BR6 the 138 separate transfer agreements relating to the ERUs, which have been deposited by the District with the Escrow Agent. The District agrees to retain available ERU water connections under the Water Resource Agreement at least sufficient to cover the number of ERUs to be transferred pursuant to the ERU Escrow Agreement Filing 6. The Escrow Agent shall immediately release an Assignment for an ERU to Lokal BR6 upon receipt of \$7,500. Upon receipt of funds for release of an Assignment for an ERU, the Escrow Agent shall immediately remit such payment to the District. In 2017, 2018, 2019, and 2020, \$67,500, \$330,000, \$240,000, and \$397,500, respectively, was received by the District under the ERU Escrow Agreement Filing 6. At December 31, 2020, all 138 ERUs had been purchased.

On December 15, 2016, as terminated and replaced on December 12, 2017, the District entered into an ERU Water Credit Escrow Agreement – VBRE Filing 7 (ERU Escrow Agreement Filing 7) with Northwood, Lokal BR7, LLC (Lokal BR7), and Land Title Guarantee Company (Escrow Agent). Lokal BR7 has acquired 48 residential lots within the District from Northwood and Northwood has agreed to convey 48 FRICO ERU water credits and water option rights to Lokal BR7. Since Northwood currently does not own any ERUs, the District has agreed to sell to Lokal BR7 the 48 separate transfer agreements relating to the ERUs, which have been deposited by the District with the Escrow Agent. The District agrees to retain available ERU water connections under the Water Resource Agreement at least sufficient to cover the number of ERUs to be transferred pursuant to the ERU Escrow Agreement Filing 7. The Escrow Agent shall immediately release an Assignment for an ERU to Lokal BR7 upon receipt of \$7,500. Upon receipt of funds for release of an Assignment for an ERU, the Escrow Agent shall immediately remit such payment to the District.

On April 5, 2017, as terminated and replaced on December 12, 2017, the District entered into an ERU Water Credit Escrow Agreement – VBRE Filing 7 Phase 2 (ERU Escrow Agreement Filing 7 Phase 2) with Northwood, Lokal BR7, LLC (Lokal BR7), and Land Title Guarantee Company (Escrow Agent). Lokal BR7 has acquired 24 residential lots within the District from Northwood and Northwood has agreed to convey 24 FRICO ERU water credits and water option rights to Lokal BR7. Since Northwood currently does not own any ERUs, the District has agreed to sell to Lokal BR7 the 24 separate transfer agreements relating to the ERUs, which have been deposited by the District with the Escrow Agent. The District agrees to retain available ERU water connections under the Water Resource Agreement at least sufficient to cover the number of ERUs to be transferred pursuant to the ERU Escrow Agreement Filing 7 Phase 2. The Escrow Agent shall immediately release an Assignment for an ERU to Lokal BR7 upon receipt of \$7,500. Upon receipt of funds for release of an Assignment for an ERU, the Escrow Agent shall immediately remit such payment to the District.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 AGREEMENT WITH LANDOWNERS (CONTINUED)

Water Resource Agreements (Continued)

On July 6, 2017, as terminated and replaced on December 12, 2017, the District entered into an ERU Water Credit Escrow Agreement – VBRE Filing 7 Phase 3 (ERU Escrow Agreement Filing 7 Phase 3) with Northwood, Lokal BR7, LLC (Lokal BR7), and Land Title Guarantee Company (Escrow Agent). Lokal BR7 has acquired 24 residential lots within the District from Northwood and Northwood has agreed to convey 24 FRICO ERU water credits and water option rights to Lokal BR7. Since Northwood currently does not own any ERUs, the District has agreed to sell to Lokal BR7 the 24 separate transfer agreements relating to the ERUs, which have been deposited by the District with the Escrow Agent. The District agrees to retain available ERU water connections under the Water Resource Agreement at least sufficient to cover the number of ERUs to be transferred pursuant to the ERU Escrow Agreement Filing 7 Phase 3. The Escrow Agent shall immediately release an Assignment for an ERU to Lokal BR7 upon receipt of \$7,500. Upon receipt of funds for release of an Assignment for an ERU, the Escrow Agent shall immediately remit such payment to the District.

On October 11, 2017, as terminated and replaced on December 12, 2017, the District entered into an ERU Water Credit Escrow Agreement – VBRE Filing 7 Phase 4 (ERU Escrow Agreement Filing 7 Phase 4) with Northwood, Lokal BR7, LLC (Lokal BR7), and Land Title Guarantee Company (Escrow Agent). Lokal BR7 has acquired 55 residential lots within the District from Northwood and Northwood has agreed to convey 55 FRICO ERU water credits and water option rights to Lokal BR7. Since Northwood currently does not own any ERUs, the District has agreed to sell to Lokal BR7 the 55 separate transfer agreements relating to the ERUs, which have been deposited by the District with the Escrow Agent. The District agrees to retain available ERU water connections under the Water Resource Agreement at least sufficient to cover the number of ERUs to be transferred pursuant to the ERU Escrow Agreement Filing 7 Phase 4. The Escrow Agent shall immediately release an Assignment for an ERU to Lokal BR7 upon receipt of \$7,500. Upon receipt of funds for release of an Assignment for an ERU, the Escrow Agent shall immediately remit such payment to the District.

In 2017, 2018, 2019, and 2020, \$30,000, \$360,000, \$135,000, and \$307,500, respectively, was received by the District under the ERU Escrow Agreement for all phases of Filing 7. At December 31, 2020, 40 ERUs remain available for purchase.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 AGREEMENTS WITH LANDOWNERS (CONTINUED)

Water Resource Agreements (Continued)

On May 30, 2017, the District entered into an ERU Water Credit Escrow Agreement – Filing 2 (ERU Escrow Agreement Filing 2) with Chambers, Chambers 120th, LLC (Chambers 120th), and Land Title Guarantee Company (Escrow Agent). Chambers 120th has acquired property within the District from Chambers and the Buffalo Run Landowners have agreed to convey 8 FRICO ERU water credits and water option rights to Chambers 120th. Since Chambers currently owns 2.39 ERUs, the District has agreed to sell to Chambers 120th the 5.61 separate transfer agreements relating to the ERUs, which have been deposited by the District with the Escrow Agent. The District agrees to retain available ERU water connections under the Water Resource Agreement at least sufficient to cover the number of ERUs to be transferred pursuant to the ERU Escrow Agreement Filing 2. The Escrow Agent shall immediately release the Assignments for the ERUs to Chambers 120th upon receipt of \$42,075. Upon receipt of funds for the release of the Assignments for the ERUs, the Escrow Agent shall immediately remit such payment to the District. As of December 31, 2020, no funds were received by the District under the ERU Escrow Agreement Filing 2.

On May 30, 2017, the District entered into an ERU Water Credit Escrow Agreement – Filing 2 Lot 2 (ERU Escrow Agreement Filing 2 Lot 2) with Chambers, WDG Chambers, LLC (WDG Chambers), and Land Title Guarantee Company (Escrow Agent). WDG Chambers has acquired property within the District from Chambers and the Buffalo Run Landowners have agreed to convey 4 FRICO ERU water credits and water option rights to WDG Chambers. Since Chambers currently owns 1 ERU, the District has agreed to sell to WDG Chambers the 3 separate transfer agreements relating to the ERUs, which have been deposited by the District with the Escrow Agent. The District agrees to retain available ERU water connections under the Water Resource Agreement at least sufficient to cover the number of ERUs to be transferred pursuant to the ERU Escrow Agreement Filing 2 Lot 2. The Escrow Agent shall immediately release the Assignments for the ERUs to WDG Chambers upon receipt of \$22,500. Upon receipt of funds for the release of the Assignments for the ERUs, the Escrow Agent shall immediately remit such payment to the District. As of December 31, 2020, no funds were received by the District under the ERU Escrow Agreement Filing 2.

On September 5, 2018, the District entered into an ERU Transfer and Statutory Lien – Filing 3 (ERU Transfer Agreement Filing 3) with Buckley and Lokal BR3, LLC (Lokal BR3). Lokal BR3 has acquired property within the District from Buckley and the Buffalo Run Landowners have agreed to convey 113.86 FRICO ERU water credits and water option rights to Lokal BR3. Since Buckley currently does not own any ERUs, the District has agreed to sell to Lokal BR3 the 113.86 separate transfer agreements relating to the ERUs. The District has recorded a Statement of Lien in regards to the 113.86 FRICO ERU water credits and water option rights to be transferred pursuant to the ERU Transfer Agreement Filing 3. The District shall immediately release an Assignment for an ERU to Lokal BR3 upon receipt of \$7,500, which will terminate the ERU Lien against such lot. In 2020, no funds were received by the District under the ERU Transfer Agreement Filing 3.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 AGREEMENTS WITH LANDOWNERS (CONTINUED)

Financing and Reimbursement Agreements

The District entered into a Financing and Reimbursement Agreement with the Landowners on February 12, 2002, which states that the District intends to reimburse any noncapital advances plus interest from the District's revenues other than bond proceeds. These agreements cover advances from 2000, 2001, and 2002. The interest rate per the agreement is to be the highest rate of interest payable by the District on its Revenue Bonds Series 2000A. The District signed renewal agreements dated January 1, 2003. These agreements automatically renew each year unless either party provides notice of its intent not to renew. During 2020, the District received no advances under these agreements.

NOTE 7 INTERGOVERNMENTAL AGREEMENT – CITY OF COMMERCE CITY

Intergovernmental Agreement – 120th and Chambers Partnership

The Intergovernmental Agreement, dated March 20, 2002, provides that the City will allow the District an amount not to exceed 33% of the Building Permit Fees and 33% of the 3% City Sales and Use Tax collected within the Chambers Parcel subject to certain conditions. The City's obligation will continue until all debt instruments to fund the public improvements have been retired, but not later than 15 years from the date construction is first initiated in the Chambers Parcel.

In addition, the City has agreed to pay the District up to 100% of the Road Impact Fees and any Additional Impact Fees collected by the City from properties within the District, not to exceed the costs of eligible improvements made by the District. On October 20, 2003, the City imposed a Regional Drainage Improvement Fee which comprises an Additional Impact Fee.

Intergovernmental Agreement – Northwood-McFall

The Intergovernmental Agreement, dated March 20, 2002, provides that the City will allow the District an amount not to exceed 33% of the Building Permit Fees and 33% of the 3% City Sales and Use Tax collected within the Buckley and Northwood Parcels. The City's obligation will continue until all debt instruments to fund the public improvements have been retired, but not later than 20 years from the date construction is first initiated in the Buckley and Northwood Parcels.

In addition, the City has agreed to pay the District up to 100% of the Road Impact Fees and any Additional Impact Fees collected by the City from properties within the District, not to exceed the costs of eligible improvements made by the District. On October 20, 2003, the City imposed a Regional Drainage Improvement Fee which comprises an Additional Impact Fee.

In 2020, the City had reimbursed the District \$833,914 for both agreements.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 INTERGOVERNMENTAL AGREEMENT – CITY OF COMMERCE CITY (CONTINUED)

Reimbursement Agreement – E 112th Avenue Offsite Segment

Pursuant to the Reimbursement Agreement, effective September 15, 2016, the City will reimburse the District the actual costs of design and construction of the District Improvements Filing 7 PIA. Reimbursement under this agreement is limited to road impact funds actually collected from within the Property as defined in the Filing 7 PIA. No interest shall accrue on any reimbursement during any period during which Funds are inadequate to provide any reimbursement.

Reimbursement Agreement – High Plains Parkway Offsite Segment

Pursuant to the Reimbursement Agreement, effective September 15, 2016, the City will reimburse the District the actual costs of design and construction of the High Plains Parkway Offsite Segment. Reimbursement under this agreement is limited to road impact funds actually collected from within the Property as defined in the Filing 6 PIA. No interest shall accrue on any reimbursement during any period during which Funds are inadequate to provide any reimbursement.

NOTE 8 OTHER AGREEMENTS

Public Improvements Agreement – Filing 6 PIA

On August 18, 2016, the District and Buckley entered into a separate Partial Assignment and Assumption Agreement relating to an Agreement for Public Improvements (Villages at Buffalo Run East, Filing No. 6) (Filing 6 PIA), that was entered into between Buckley and Commerce City on March 23, 2016. Under this Partial Assignment and Assumption Agreement, the District assumed the obligations under the Filing 6 PIA as it pertains to the Off-Site District Development Work. Per the Filing 6 PIA, an escrow, irrevocable letter of credit, or performance security bond payable to the City in the amount of 115% of the estimated Infrastructure Improvements for the Off-Site District Development Work, which is \$243,370, is to be provided prior to commencing construction. On October 14, 2016, the District opened an Irrevocable Letter of Credit with Citywide Bank in the amount of \$243,670 as security for the Filing 6 PIA. Per the Letter of Credit with Citywide Bank, the Letter of Credit will accrue interest at 18% and mature on April 14, 2018. A portion of the Letter of Credit in the amount of \$42,303.70 was extended to April 13, 2019. The Letter of Credit shall be secured by amounts on deposit at Citywide Bank in the Filing 6 PIA escrow account and an additional security account in the amount of \$25,000. As of December 31, 2018, the District had \$-0- on deposit in the Credit Facility Security Account with Citywide Bank securing this Letter of Credit for the Filing 6 PIA. Also, in regards to the Filing 6 PIA, the District, Commerce City, and Citywide Banks entered into an Improvement Escrow Agreement (Escrow Agreement Filing 6 PIA) on September 15, 2016. Per the Escrow Agreement Filing 6 PIA, the District shall deposit in an escrow account \$243,670 representing 115% of the estimated Infrastructure Improvements for the Off-Site District Development Work under the Filing 6 PIA. The District will request withdrawals of funds from the escrow account for payment of invoices and payment requests in connection with the Filing 6 PIA improvements. If the funds in the escrow account does not equal 115% of the cost to complete the Filing 6 PIA Improvements, the District shall deposit such additional funds in the escrow account.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 OTHER AGREEMENTS (CONTINUED)

Public Improvements Agreement – Filing 6 PIA (Continued)

If there are any funds remaining in the Escrow Account after the initial acceptance of the Filing 6 PIA Improvements, the funds will be delivered to the District and the corresponding Letter of Credit will be terminated. As of December 31, 2020, the District had \$44,773 on deposit in the Escrow Account with Citywide Bank.

Public Improvements Agreement – Filing 7 PIA

On April 5, 2017, the District and Lokal BR7, LLC entered into a separate Partial Assignment and Assumption Agreement relating to an Agreement for Public Improvements (Villages at Buffalo Run East, Filing No. 7) (Filing 7 PIA), that was entered into between Northwood and Commerce City on July 12, 2016. Under this Partial Assignment and Assumption Agreement, the District assumed the obligations under the Filing 7 PIA as it pertains to a portion of the District On-Site Improvements and District Off-Site Improvements (District Improvements Filing 7 PIA). Per the Filing 7 PIA, an escrow, irrevocable letter of credit or performance security bond payable to the City in the amount of 115% of the estimated Infrastructure Improvements for the District Improvements Filing 7A, which is \$326,790, is to be provided prior to commencing construction. On August 8, 2017, the District opened an Irrevocable Letter of Credit with Citywide Bank in the amount of \$326,790 as security for the Filing 7 PIA. Per the Letter of Credit with Citywide Bank, the Letter of Credit will accrue interest at 18% and mature on February 8, 2019. The Letter of Credit shall be secured by amounts on deposit at Citywide Bank in the Filing 7 PIA escrow account and an additional security account in the amount of \$25,000. As of December 31, 2020, the District had \$25,000 on deposit in the Credit Facility Security Account with Citywide Bank securing this Letter of Credit for the Filing 7 PIA and the PIA. Also, in regards to the Filing 7 PIA, the District, Commerce City, and Citywide Banks entered into an Improvement Escrow Agreement (Escrow Agreement Stage 2 - Filing 7) in June 2017. Per the Escrow Agreement Stage 2 - Filing 7, the District shall deposit in an escrow account \$326,789 representing 115% of the estimated Infrastructure Improvements for the District Improvements Filing 7 PIA. The District will request withdrawals of funds from the escrow account for payment of invoices and payment requests in connection with the District Improvements Filing 7 PIA. If the funds in the escrow account does not equal 115% of the cost to complete the District Improvements Filing 7 PIA, the District shall deposit such additional funds in the escrow account. If there are any funds remaining in the escrow account after the initial acceptance of the District Improvements Filing 7 PIA, the funds will be delivered to the District and the corresponding Letter of Credit will be terminated. As of December 31, 2020, the District had \$57,033 on deposit in the escrow account with Citywide Bank.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 OTHER AGREEMENTS (CONTINUED)

Public Improvements Agreement – Offsite Improvements

On May 30, 2017, the District and Chambers entered into a separate Partial Assignment and Assumption Agreement relating to a Public Improvements Agreement (Agreement for Public Improvements, District Off-Site Improvements) (PIA) that was entered into between Chambers and Commerce City on April 27, 2017. Under this Partial Assignment and Assumption Agreement, the District assumed the obligations under the PIA as it pertains to a portion of the District Off-Site Improvements (District Off-Site Improvements PIA). Per the PIA, an irrevocable letter of credit or performance security bond payable to the City in the amount of 115% of the estimated Infrastructure Improvements and 125% of the estimated Landscape Improvements, which is \$66,652, is to be provided prior to commencing construction. On August 25, 2017, the District opened an Irrevocable Letter of Credit with Citywide Bank in the amount of \$66,652 as security for the PIA. Per the Letter of Credit with Citywide Bank, the Letter of Credit will accrue interest at 18% and mature on February 25, 2019. The Letter of Credit shall be secured by amounts on deposit at Citywide Bank in the PIA escrow account and an additional security account in the amount of \$25,000. As of December 31, 2020, the District had \$25,000 on deposit in the Credit Facility Security Account with Citywide Bank securing this Letter of Credit for the PIA and the Filing 7 PIA. Also, in regards to the PIA, the District, Commerce City, and Citywide Banks entered into an Improvement Escrow Agreement (Escrow Agreement Buffalo Run Filing No. 2) on August 18, 2017. Per the Escrow Agreement Buffalo Run Filing No. 2, the District shall deposit in an escrow account \$66,652 representing 115% of the estimated Infrastructure Improvements and 125% of the estimated Landscape Improvements for the District Improvements PIA. The District will request withdrawals of funds from the escrow account for payment of invoices and payment requests in connection with the District Improvements PIA. If the funds in the escrow account do not equal 115% of the cost to complete the Infrastructure Improvements and 125% of the cost to complete the Landscape Improvements for the PIA, the District shall deposit such additional funds in the escrow account. If there are any funds remaining in the escrow account after the initial acceptance of the Infrastructure and Landscape Improvements, the funds will be delivered to the District and the corresponding Letter of Credit will be terminated. As of December 31, 2020, the District had \$66,302 on deposit in the escrow account with Citywide Bank.

Public Improvements Agreement – Filing 3 PIA Traffic Signal

On September 5, 2018, the District and Buckley entered into a separate Partial Assignment and Assumption Agreement relating to an Agreement for Public Improvements (Villages at Buffalo Run East, Filing No. 3, Amendment No. 1, Traffic Signal Obligations) (Filing 3 PIA), that was entered into between Buckley and Commerce City on August 2, 2018. Under this Partial Assignment and Assumption Agreement, the District assumed the obligations under the Filing 3 PIA as it pertains to the cash-in-lieu of \$305,500, which constitutes one-half of the cost of the design and construction of a future traffic signal to be constructed at 118th Ave and Highplains Parkway, in the City of Commerce City, on or before the 181st day following the execution date of the Filing 3 PIA. As of December 31, 2020, no payments have been made under this agreement.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 OTHER AGREEMENTS (CONTINUED)

Public Improvements Agreement – Development Filing 2

On May 30, 2017, the District, Chambers, WDG Chambers, and Chambers 120th entered into a Development Agreement (Development Agreement). Per the Development Agreement, the District shall at its sole expense, construct and install the District Development Work, as defined in the Development Agreement, and shall repair the District Development Work as necessary until final inspection by the City. The parties agree that the District Development Work will be constructed and installed in one phase and all costs for the completion and warranty of the District Development Work shall be paid by the District. Construction of the District Development Work shall commence within 60 days and shall be completed as soon as possible, but within 180 days.

NOTE 9 NET POSITION

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

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

| | Governmental Activities |
|-------------------------------|----------------------------|
| Retricted Net Position: | |
| Emergency Reserves | \$ 32,500 |
| Debt Service | 1,210,400 |
| Conservation Trust Funds | 146,393 |
| Capital Projects | 10,479,148 |
| Total Restricted Net Position | \$ 11,868,441 |

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

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 MILL LEVY CAP AND FEE LIMITATION AGREEMENT

On July 28, 2000, the District entered into an agreement with Richmond American Homes of Colorado, Inc., 120th & Chambers LLC, 120th & Buckley Associates Ltd., and Northwood Village Associates Ltd., which provided for a cap on the debt service mill levy and a limitation on the fees imposed by the District. The mill levy cap was set at 35 mills, subject to legislative or constitutionally imposed adjustments, for a minimum of five years beginning with the tax collection year of 2001. The removal of the cap after that time is subject to certain conditions being met. As of December 31, 2020, there was no cap on the District's debt service mill levy pledged to pay the Series 2018A Bonds, since at the time of the issuance of the Series 2013 and 2016 Loans, the agreement in the opinion of the general counsel was no longer in force.

As required by this agreement, the District adopted a System Development Fee Resolution which authorized the District to impose a fee upon the application for a certificate of occupancy within the District. The original fees ranged between \$1,000 and \$2,000 for single family detached residential units, \$500 to \$750 depending on densities for single family attached or multi-family units, and \$10,000 per acre for all other structures. During 2020, the District collected \$283,360 in fees. In November 2019, the Board voted to increase the System Development Fee. Effective January 1, 2020, the fees ranged between \$1,800 and \$3,600 for single family detached residential units, \$900 to \$1,350 depending on densities for single family attached or multi-family units, and \$17,200 per acre for all other structures.

NOTE 11 RELATED PARTY

No members of the Board of Directors are associated with the primary Landowners with the District. One member of the Board provides consulting services for the District. Management believes that all potential conflicts, if any, have been disclosed to the Board and to the Secretary of State.

NOTE 12 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.

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.

**BUFFALO RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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, including debt service. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue or the revenue is pledged to pay voter authorized debt.

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

On November 5, 1996, a majority of the District's electors authorized the District to collect and spend up to \$250,000 annually all proceeds from levied taxes and investment income of the District without regard to any limitations under TABOR.

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend up to \$100,000 annually all proceeds from levied taxes and investment income of the District 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 may require judicial interpretation.

SUPPLEMENTARY INFORMATION

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

| | Budget | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 1,693,802 | \$ 1,693,802 | \$ 1,692,714 | \$ (1,088) |
| Specific Ownership Taxes | 135,504 | 135,504 | 124,305 | (11,199) |
| System Development Fees - Residential | 200,000 | 285,000 | 283,360 | (1,640) |
| System Development Fees - Commercial | 85,000 | 85,000 | - | (85,000) |
| ERU Sales | 405,000 | 705,000 | 705,000 | - |
| Net Investment Income | 38,000 | 38,000 | 18,403 | (19,597) |
| Total Revenues | <u>2,557,306</u> | <u>2,942,306</u> | <u>2,823,782</u> | <u>(118,524)</u> |
| EXPENDITURES | | | | |
| Bond Interest - 2018A | 1,213,081 | 1,213,081 | 1,213,081 | - |
| Bond Interest - 2018B | 1,855,529 | 2,435,529 | 2,451,611 | (16,082) |
| Paying Agent Fees | 6,000 | 6,000 | 6,000 | - |
| Treasurer's Fees | 25,407 | 25,407 | 25,435 | (28) |
| Contingency | 20,000 | 20,000 | - | 20,000 |
| Total Expenditures | <u>3,120,017</u> | <u>3,700,017</u> | <u>3,696,127</u> | <u>3,890</u> |
| EXCESS OF REVENUES UNDER EXPENDITURES | (562,711) | (757,711) | (872,345) | (114,634) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | 502,346 | 502,346 | - | (502,346) |
| Total Other Financing Sources (Uses) | <u>502,346</u> | <u>502,346</u> | <u>-</u> | <u>(502,346)</u> |
| NET CHANGE IN FUND BALANCE | (60,365) | (255,365) | (872,345) | (616,980) |
| Fund Balance - Beginning of Year | <u>2,058,092</u> | <u>2,183,835</u> | <u>2,183,835</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 1,997,727</u> | <u>\$ 1,928,470</u> | <u>\$ 1,311,490</u> | <u>\$ (616,980)</u> |

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

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|-----------------------------------|---------------------------------|-----------------------------|---|
| REVENUES | | | |
| Net Investment Income | \$ 128,719 | \$ 72,654 | \$ (56,065) |
| Total Revenues | <u>128,719</u> | <u>72,654</u> | <u>(56,065)</u> |
| EXPENDITURES | | | |
| Capital Improvements | 4,220,000 | 1,125,890 | 3,094,110 |
| Accounting | 30,000 | 14,819 | 15,181 |
| Construction Management | 121,000 | 105,788 | 15,212 |
| District Management Fees | 32,000 | 23,417 | 8,583 |
| Legal | 15,000 | 8,035 | 6,965 |
| Miscellaneous | 2,000 | - | 2,000 |
| Contingency | 81,000 | - | 81,000 |
| Total Expenditures | <u>4,501,000</u> | <u>1,277,949</u> | <u>3,223,051</u> |
| NET CHANGE IN FUND BALANCE | (4,372,281) | (1,205,295) | 3,166,986 |
| Fund Balance - Beginning of Year | <u>11,631,670</u> | <u>11,830,836</u> | <u>199,166</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 7,259,389</u></u> | <u><u>\$ 10,625,541</u></u> | <u><u>\$ 3,366,152</u></u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

\$29,000,000 General Obligation Refunding
and Improvement Bonds - Series 2018A

Dated: May 30, 2018

Interest Rate: 3.00% - 5.00%

Interest Payable June 1 and December 1

Principal Payable December 1

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| 2021 | \$ 100,000 | \$ 1,213,081 | \$ 1,313,081 |
| 2022 | 290,000 | 1,208,082 | 1,498,082 |
| 2023 | 410,000 | 1,193,581 | 1,603,581 |
| 2024 | 510,000 | 1,173,081 | 1,683,081 |
| 2025 | 555,000 | 1,147,581 | 1,702,581 |
| 2026 | 615,000 | 1,119,832 | 1,734,832 |
| 2027 | 650,000 | 1,089,081 | 1,739,081 |
| 2028 | 710,000 | 1,060,956 | 1,770,956 |
| 2029 | 745,000 | 1,025,456 | 1,770,456 |
| 2030 | 805,000 | 1,003,107 | 1,808,107 |
| 2031 | 830,000 | 977,950 | 1,807,950 |
| 2032 | 905,000 | 936,450 | 1,841,450 |
| 2033 | 950,000 | 891,200 | 1,841,200 |
| 2034 | 1,020,000 | 857,950 | 1,877,950 |
| 2035 | 1,075,000 | 806,950 | 1,881,950 |
| 2036 | 1,165,000 | 753,200 | 1,918,200 |
| 2037 | 1,210,000 | 706,600 | 1,916,600 |
| 2038 | 1,300,000 | 658,200 | 1,958,200 |
| 2039 | 1,350,000 | 606,200 | 1,956,200 |
| 2040 | 1,440,000 | 552,200 | 1,992,200 |
| 2041 | 1,500,000 | 494,600 | 1,994,600 |
| 2042 | 1,600,000 | 434,600 | 2,034,600 |
| 2043 | 1,665,000 | 370,600 | 2,035,600 |
| 2044 | 1,770,000 | 304,000 | 2,074,000 |
| 2045 | 1,840,000 | 233,200 | 2,073,200 |
| 2046 | 1,955,000 | 159,600 | 2,114,600 |
| 2047 | 2,035,000 | 81,400 | 2,116,400 |
| Total | <u>\$ 29,000,000</u> | <u>\$ 21,058,738</u> | <u>\$ 50,058,738</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

| Year Ended <u>December 31,</u> | Prior Year Assessed Valuation for Current Year Tax Levy | Mill Levy | | Total Mills Levied | Total Property Taxes | | Percent Collected to Levied |
|---|---|-----------|-----------------|--------------------------|----------------------|------------|-----------------------------------|
| | | General | Debt Service | | Levied | Collected | |
| 2016 | \$ 20,436,250 | 5.000 | 37.827 | 42.827 | \$ 875,223 | \$ 875,161 | 99.99 % |
| 2017 | 21,268,240 | 5.000 | 37.827 | 42.827 | 910,855 | 910,695 | 99.98 |
| 2018 | 29,043,220 | 5.471 | 41.389 | 46.860 | 1,360,965 | 1,360,878 | 99.99 |
| 2019 | 31,465,070 | 5.471 | 41.389 | 46.860 | 1,474,453 | 1,470,902 | 99.76 |
| 2020 | 40,730,090 | 5.497 | 41.586 | 47.083 | 1,917,695 | 1,916,463 | 99.94 |
| Estimated for the Year Ending <u>December 31,</u> | \$ 46,770,640 | 5.484 | 41.489 | 46.973 | \$ 2,196,957 | | |
| 2021 | | | | | | | |

**CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION
(UNAUDITED)**

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

History of Assessed Valuations and Mill Levies for the District

| Levy / Collection Year | Assessed Valuation | | Mill Levy | | |
|------------------------------|--------------------|-------------------|-----------------|-----------------|--------|
| | Amount | Percent Change | General Fund | Debt Service | Total |
| 2015/2016 | \$ 20,436,250 | 28.15 % | 5.000 | 37.827 | 42.827 |
| 2016/2017 | 21,268,240 | 4.07 | 5.000 | 37.827 | 42.827 |
| 2017/2018 | 29,043,220 | 36.56 | 5.471 | 41.389 | 46.860 |
| 2018/2019 | 31,465,070 | 8.34 | 5.471 | 41.389 | 46.860 |
| 2019/2020 | 40,730,090 | 29.45 | 5.497 | 41.586 | 47.083 |
| 2020/2021 | 46,770,640 | 14.83 | 5.484 | 41.489 | 46.973 |

Property Tax Collections in the District

| Levy / Collection Year | Taxes Levied | Tax Collections | Collection Rate |
|------------------------------|-----------------|--------------------|--------------------|
| 2015/2016 | \$ 875,223 | \$ 875,161 | 99.99 % |
| 2016/2017 | 910,855 | 910,695 | 99.98 |
| 2017/2018 | 1,360,965 | 1,360,878 | 99.99 |
| 2018/2019 | 1,474,453 | 1,470,902 | 99.76 |
| 2019/2020 | 1,917,695 | 1,916,463 | 99.94 |

| | |
|--|--------------|
| Estimated for Levy/Collection Year | |
| 2020/2021 | \$ 2,196,957 |

NOTE: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION (CONTINUED)
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

Ten Largest Taxpayers Within the District

| Taxpayer Name | 2020 Assessed Valuation | Percentage of Total Assessed Valuation ⁽¹⁾ |
|--------------------------------------|-------------------------------|---|
| H and A Storage LLC | \$ 2,524,470 | 5.40 % |
| Nexmetro Buffalo Run LLC | 1,788,540 | 3.82 |
| Buffalo Run Commercial Investors LLC | 529,840 | 1.13 |
| Lokal BR3 LLC | 459,570 | 0.98 |
| YFP LLC | 452,400 | 0.97 |
| Public Service Company of CO (XCEL) | 381,330 | 0.82 |
| 120th and Buckley Associates LTD | 343,650 | 0.73 |
| United Power Inc | 330,200 | 0.71 |
| Lokal BR6 LLC | 260,170 | 0.56 |
| AH4R Properties Two LLC | 196,300 | 0.42 |
| Total | <u>\$ 7,266,470</u> | <u>15.54 %</u> |

⁽¹⁾ Based on a 2020 total assessed valuation of \$46,770,640

2020 Assessed Valuation of Classes of Property in the District

| Class | Total Assessed Valuation | Percentage of Total Assessed Valuation |
|-------------------|--------------------------------|--|
| Residential | \$ 39,965,040 | 85.45 % |
| Commercial | 2,976,580 | 6.36 |
| Vacant | 3,010,430 | 6.44 |
| Personal Property | 798,070 | 1.71 |
| State Assessed | 20,510 | 0.04 |
| Agricultural | 10 | 0.00 |
| Total | <u>\$ 46,770,640</u> | <u>100.00 %</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION (CONTINUED)
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

Selected Debt Ratios of the District

| | <u>Total Debt</u> | <u>Senior Debt</u> |
|--|----------------------|----------------------|
| Amount of Debt as of December 31, 2020 | \$ 42,936,000 | \$ 29,000,000 |
| Overlapping Debt | 17,115,113 | 17,115,113 |
| Total Direct Debt and Overlapping Debt | <u>\$ 60,051,113</u> | <u>\$ 46,115,113</u> |
| 2020 Assessed Valuation | \$ 46,770,640 | \$ 46,770,640 |
| Ratio of Direct Debt to 2020 District Certified Assessed Valuation | 92 % | 62 % |
| Ratio of Direct Debt Plus Overlapping Debt to 2020 District Certified Assessed Valuation | 128 % | 99 % |
| 2020 District Statutory "Actual" Value | \$ 582,419,194 | \$ 582,419,194 |
| Ratio of Direct Debt to 2020 District Statutory "Actual" Value | 7 % | 5 % |
| Ratio of Direct Debt Plus Overlapping Debt to 2020 District Statutory "Actual" Value | 10 % | 8 % |

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION (CONTINUED)
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND**

| | Years Ended December 31, | | | | |
|---|--------------------------|-------------------|-------------------|-------------------|---------------------|
| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Actual |
| REVENUE | | | | | |
| Property Taxes | \$ 102,174 | \$ 106,322 | \$ 158,885 | \$ 171,730 | \$ 223,749 |
| Specific Ownership Taxes | 8,421 | 10,232 | 13,684 | 13,888 | 16,431 |
| Net Investment Income | 3,345 | 6,217 | 19,374 | 20,989 | 7,142 |
| Miscellaneous Income | - | - | 279 | - | 8 |
| Building Permit Fee Rebate | 79,964 | 47,590 | 75,853 | 86,346 | 163,311 |
| Road Impact Fees | 127,363 | 62,593 | 143,721 | 105,099 | 378,176 |
| Drainage Fees | 56,185 | 30,955 | 48,186 | 54,912 | 93,886 |
| City Sales/Use Tax Rebate | 188,928 | 113,807 | 199,077 | 209,854 | 198,541 |
| Total Revenue | <u>566,380</u> | <u>377,716</u> | <u>659,059</u> | <u>662,818</u> | <u>1,081,244</u> |
| EXPENDITURES | | | | | |
| Accounting | 31,700 | 29,272 | 34,675 | 36,342 | 53,074 |
| Audit | - | 5,200 | 5,200 | 5,600 | 4,700 |
| Election | 2,487 | - | 1,751 | - | 5,498 |
| Insurance/Dues | 4,064 | 4,427 | 6,551 | 6,609 | 6,896 |
| Legal | 27,297 | 26,265 | 24,050 | 21,290 | 31,874 |
| Management Fees | 37,118 | 30,347 | 27,983 | 31,636 | 50,401 |
| Miscellaneous Expenses | 2,760 | 4,647 | 2,459 | 2,987 | 1,183 |
| Water Irrigation | - | 1,928 | 2,446 | 1,124 | 721 |
| Treasurer's Fees | 1,534 | 1,595 | 2,384 | 2,579 | 3,362 |
| Total Expenditures | <u>106,960</u> | <u>103,681</u> | <u>107,499</u> | <u>108,167</u> | <u>157,709</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 459,420 | 274,035 | 551,560 | 554,651 | 923,535 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In (Out) | (459,422) | (274,035) | (551,560) | (554,651) | - |
| Total Other Financing Sources (Uses) | <u>(459,422)</u> | <u>(274,035)</u> | <u>(551,560)</u> | <u>(554,651)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (2) | - | - | - | 923,535 |
| Fund Balance - Beginning of Year | 200,002 | 200,000 | 200,000 | 200,000 | 200,000 |
| FUND BALANCE - END OF YEAR | <u>\$ 200,000</u> | <u>\$ 200,000</u> | <u>\$ 200,000</u> | <u>\$ 200,000</u> | <u>\$ 1,123,535</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION (CONTINUED)
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND**

| | Years Ended December 31, | | | | |
|---|--------------------------|-------------------|---------------------|---------------------|---------------------|
| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Actual |
| REVENUE | | | | | |
| Property Taxes | \$ 772,987 | \$ 804,373 | \$ 1,201,993 | \$ 1,299,172 | \$ 1,692,714 |
| Specific Ownership Taxes | 63,712 | 77,412 | 103,526 | 105,050 | 124,305 |
| System Development Fees | 153,760 | 173,460 | 364,304 | 287,763 | 283,360 |
| ERU Sales | - | - | 540,225 | 375,000 | 705,000 |
| Net Investment Income | 712 | 989 | 1,229 | 36,669 | 18,403 |
| Total Revenue | <u>991,171</u> | <u>1,056,234</u> | <u>2,211,277</u> | <u>2,103,654</u> | <u>2,823,782</u> |
| EXPENDITURES | | | | | |
| Bond/Loan Interest Expense | 792,388 | 895,187 | 609,910 | 1,213,081 | 3,664,692 |
| Bond/Loan Principal | 357,400 | 250,000 | - | - | - |
| Bond/Loan Issues Costs | - | - | 488,196 | - | - |
| Miscellaneous Expenses | 92 | 204 | 70 | - | - |
| Paying Agent Fees | 500 | 300 | - | 6,000 | 6,000 |
| Treasurer's Fees | 11,602 | 12,070 | 18,037 | 19,516 | 25,435 |
| Total Expenditures | <u>1,161,982</u> | <u>1,157,761</u> | <u>1,116,213</u> | <u>1,238,597</u> | <u>3,696,127</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (170,811) | (101,527) | 1,095,064 | 865,057 | (872,345) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Debt Issuance | - | - | 23,616,066 | - | - |
| Payment to Refunding Agent | - | - | (24,713,145) | - | - |
| Transfers In (Out) | 262,882 | 43,639 | 1,004,211 | (430,492) | - |
| Total Other Financing Sources (Uses) | <u>262,882</u> | <u>43,639</u> | <u>(92,868)</u> | <u>(430,492)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 92,071 | (57,888) | 1,002,196 | 434,565 | (872,345) |
| Fund Balance - Beginning of Year | <u>712,891</u> | <u>804,962</u> | <u>747,074</u> | <u>1,749,270</u> | <u>2,183,835</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 804,962</u> | <u>\$ 747,074</u> | <u>\$ 1,749,270</u> | <u>\$ 2,183,835</u> | <u>\$ 1,311,490</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION (CONTINUED)
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND**

| | Years Ended December 31, | | | | |
|---|--------------------------|-------------------|----------------------|----------------------|----------------------|
| | 2016 Actual | 2017 Actual | 2018 Actual | 2019 Actual | 2020 Actual |
| REVENUE | | | | | |
| Conservation Trust Fund | \$ 13,614 | \$ 12,838 | \$ 13,224 | \$ - | \$ - |
| Miscellaneous Income | - | - | 5,811 | 57,213 | - |
| ERU Sales | - | 315,000 | 845,550 | - | - |
| Net Investment Income | 4,765 | 10,320 | 239,550 | 297,068 | 72,654 |
| Total Revenue | <u>18,379</u> | <u>338,158</u> | <u>1,104,135</u> | <u>354,281</u> | <u>72,654</u> |
| EXPENDITURES | | | | | |
| Capital Improvements | 905,132 | 5,560,886 | 3,283,818 | 7,038,919 | 1,125,890 |
| Accounting | 7,007 | 17,743 | 19,127 | 21,421 | 14,819 |
| Construction Management | 102,564 | 127,377 | 121,932 | 113,305 | 105,788 |
| Management Fees | 12,580 | 31,122 | 29,572 | 20,335 | 23,417 |
| Legal | 15,571 | 8,372 | 14,610 | 25,035 | 8,035 |
| Miscellaneous | 76 | 35 | 1,544 | 814 | - |
| Letter of Credit Fees | 9,659 | 12,508 | - | - | - |
| Bond/Loan Issuance Costs | 154,322 | 5,860 | 582,964 | - | - |
| Total Expenditures | <u>1,206,911</u> | <u>5,763,903</u> | <u>4,053,567</u> | <u>7,219,829</u> | <u>1,277,949</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (1,188,532) | (5,425,745) | (2,949,432) | (6,865,548) | (1,205,295) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Debt Issuance | - | - | 20,303,821 | - | - |
| Loan Proceeds | 5,300,000 | - | - | - | - |
| Transfers In (Out) | 196,540 | 230,396 | (452,651) | 985,143 | - |
| Total Other Financing Sources (Uses) | <u>5,496,540</u> | <u>230,396</u> | <u>19,851,170</u> | <u>985,143</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 4,308,008 | (5,195,349) | 16,901,738 | (5,880,405) | (1,205,295) |
| Fund Balance - Beginning of Year | <u>1,696,844</u> | <u>6,004,852</u> | <u>809,503</u> | <u>17,711,241</u> | <u>11,830,836</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 6,004,852</u> | <u>\$ 809,503</u> | <u>\$ 17,711,241</u> | <u>\$ 11,830,836</u> | <u>\$ 10,625,541</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION (CONTINUED)
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

**BUDGET SUMMARY AND COMPARISON
GENERAL FUND**

| | 2020 | | | 2021 |
|---|-------------------|---------------------|-------------------|-------------------|
| | Final Budget | Actual | Variance | Annual Budget |
| REVENUE | | | | |
| Property Taxes | \$ 223,893 | \$ 223,749 | \$ (144) | \$ 256,490 |
| Specific Ownership Taxes | 17,911 | 16,431 | (1,480) | 17,954 |
| Net Investment Income | 14,000 | 7,142 | (6,858) | 3,500 |
| Miscellaneous | - | 8 | 8 | - |
| Building Permit Fee Rebate | 80,000 | 163,311 | 83,311 | 120,000 |
| Road Impact Fees | 100,000 | 198,541 | 98,541 | 140,000 |
| Drainage Fees | 55,000 | 93,886 | 38,886 | 70,000 |
| City Sales/Use Tax Rebate | 200,000 | 378,176 | 178,176 | 300,000 |
| Total Revenue | <u>690,804</u> | <u>1,081,244</u> | <u>390,440</u> | <u>907,944</u> |
| EXPENDITURES | | | | |
| Accounting | 47,500 | 53,074 | (5,574) | 47,500 |
| Audit | 5,600 | 4,700 | 900 | 4,900 |
| Election | 3,000 | 5,498 | (2,498) | - |
| Insurance/Dues | 7,000 | 6,896 | 104 | 7,250 |
| Legal | 26,000 | 31,874 | (5,874) | 35,000 |
| Management Fees | 40,000 | 50,401 | (10,401) | 45,000 |
| Miscellaneous Expenses | 4,000 | 1,183 | 2,817 | 3,000 |
| Water Irrigation | 2,000 | 721 | 1,279 | 2,000 |
| Treasurer's Fees | 3,358 | 3,362 | (4) | 3,847 |
| Contingency | 50,000 | - | 50,000 | 50,000 |
| Total Expenditures | <u>188,458</u> | <u>157,709</u> | <u>30,749</u> | <u>198,497</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 502,346 | 923,535 | 421,189 | 709,447 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | (502,346) | - | 502,346 | (709,447) |
| Total Other Financing Sources (Uses) | <u>(502,346)</u> | <u>-</u> | <u>502,346</u> | <u>(709,447)</u> |
| NET CHANGE IN FUND BALANCE | - | 923,535 | 923,535 | - |
| Fund Balance - Beginning of Year | <u>200,000</u> | <u>200,000</u> | <u>-</u> | <u>200,000</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 200,000</u> | <u>\$ 1,123,535</u> | <u>\$ 923,535</u> | <u>\$ 200,000</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION (CONTINUED)
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

**BUDGET SUMMARY AND COMPARISON
DEBT SERVICE FUND**

| | 2020 | | | 2021 |
|---|---------------------|---------------------|---------------------|---------------------|
| | Final Budget | Actual | Variance | Annual Budget |
| REVENUE | | | | |
| System Development Fees | \$ 370,000 | \$ 283,360 | \$ (86,640) | \$ 350,000 |
| Property Taxes | 1,693,802 | 1,692,714 | (1,088) | 1,940,467 |
| Specific Ownership Taxes | 135,504 | 124,305 | (11,199) | 135,833 |
| ERU Sales | 705,000 | 705,000 | - | 562,500 |
| Net Investment Income | 38,000 | 18,403 | (19,597) | 5,237 |
| Total Revenue | <u>2,942,306</u> | <u>2,823,782</u> | <u>(118,524)</u> | <u>2,994,037</u> |
| EXPENDITURES | | | | |
| Bond/Loan Interest Expense | 3,648,610 | 3,664,692 | (16,082) | 3,137,620 |
| Bond/Loan Principal | - | - | - | 911,000 |
| Paying Agent Fees | 6,000 | 6,000 | - | 6,000 |
| Treasurer's Fees | 25,407 | 25,435 | (28) | 29,107 |
| Contingency | 20,000 | - | 20,000 | 20,000 |
| Total Expenditures | <u>3,700,017</u> | <u>3,696,127</u> | <u>3,890</u> | <u>4,103,727</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (757,711) | (872,345) | (114,634) | (1,109,690) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | 502,346 | - | (502,346) | 709,447 |
| Total Other Financing Sources (Uses) | <u>502,346</u> | <u>-</u> | <u>(502,346)</u> | <u>709,447</u> |
| NET CHANGE IN FUND BALANCE | (255,365) | (872,345) | (616,980) | (400,243) |
| Fund Balance - Beginning of Year | <u>2,183,835</u> | <u>2,183,835</u> | <u>-</u> | <u>1,700,000</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 1,928,470</u> | <u>\$ 1,311,490</u> | <u>\$ (616,980)</u> | <u>\$ 1,299,757</u> |

**BUFFALO RIDGE METROPOLITAN DISTRICT
CONTINUING DISCLOSURE OF ANNUAL FINANCIAL INFORMATION (CONTINUED)
(UNAUDITED)
YEAR ENDED DECEMBER 31, 2020**

**BUDGET SUMMARY AND COMPARISON
CAPITAL PROJECT FUND**

| | 2020 | | | 2021 |
|-----------------------------------|---------------------|----------------------|---------------------|-------------------|
| | Final Budget | Actual | Variance | Annual Budget |
| REVENUE | | | | |
| Reimbursed Expenditures | \$ - | \$ - | \$ - | \$ 2,800,000 |
| Net Investment Income | 128,719 | 72,654 | (56,065) | 30,000 |
| Total Revenue | <u>128,719</u> | <u>72,654</u> | <u>(56,065)</u> | <u>2,830,000</u> |
| EXPENDITURES | | | | |
| Capital Outlay | 4,220,000 | 1,125,890 | 3,094,110 | 8,240,000 |
| Accounting | 30,000 | 14,819 | 15,181 | 30,000 |
| Construction Management | 121,000 | 105,788 | 15,212 | 120,000 |
| Management Fees | 32,000 | 23,417 | 8,583 | 32,000 |
| Legal | 15,000 | 8,035 | 6,965 | 15,000 |
| Miscellaneous | 2,000 | - | 2,000 | 2,000 |
| CTF Refund (COCC) | - | - | - | 146,393 |
| Contingency | 81,000 | - | 81,000 | 4,524,243 |
| Total Expenditures | <u>4,501,000</u> | <u>1,277,949</u> | <u>3,223,051</u> | <u>13,109,636</u> |
| NET CHANGE IN FUND BALANCE | (4,372,281) | (1,205,295) | 3,166,986 | (10,279,636) |
| Fund Balance - Beginning of Year | <u>11,631,670</u> | <u>11,830,836</u> | <u>199,166</u> | <u>10,279,636</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 7,259,389</u> | <u>\$ 10,625,541</u> | <u>\$ 3,366,152</u> | <u>\$ -</u> |