PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
Adams County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2019

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2019

WIPFLI
14143 Denver W Parkway #450
Lakewood, CO 80401
303 988 1900
wipfli.com

Independent Auditor's Report

Board of Directors
Prairie Center Metropolitan District No. 3
Adams County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Prairie Center Metropolitan District No. 3 (the "District") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Prairie Center Metropolitan District No. 3 as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

July 29, 2020
Lakewood, Colorado

BASIC FINANCIAL STATEMENTS

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and Investments	$ 346,523
Cash and Investments - Restricted	5,325,815
Accounts Receivable - Add-On Public Improvement Fees from Retail Sales	218,452
Accounts Receivable - Credit Public Improvement Fees from Retail Sales	271,637
Accounts Receivable - Shared Sales Tax Increment	426,502
Prepaid Expenses	11,805
Due from Other Districts	11,246
Accounts Receivable - City Reimbursement (Stormwater IGA)	2,319,520
Capital Assets, Not Being Depreciated	10,197,213
Capital Assets, Net	11,324,534
Total Assets	30,453,247
LIABILITIES	
Accounts Payable	229,029
Project Management Fee Payable	634,534
Project Management Fee Interest Payable	234,620
Accrued Interest Payable - Bonds	27,948,248
Noncurrent Liabilities:	
Due Within One Year	4,475,000
Due in More than One Year	122,385,725
Total Liabilities	155,907,156
NET POSITION	
Net Investment in Capital Assets	(5,813,991)
Restricted For:	
Emergency Reserves	36,000
Unrestricted	(119,675,918)
Total Net Position	$ (125,453,909)

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ 1,863,871	$ -	$ 1,198,525	$ -	$ (665,346)
Interest and Related Costs on Long-Term Debt	9,193,784	-	1,019,874	2,155,957	(6,017,953)
Total Governmental Activities	$ 11,057,655	$ -	$ 2,218,399	$ 2,155,957	(6,683,299)
GENERAL REVENUES					
Credit Public Improvement Fees from Retail Sales					2,298,876
Add-On Public Improvement Fees from Retail Sales					1,910,397
Credit Public Improvement Fees from Building Permits					141,266
Add-On Public Improvement Fees from Building Permits					113,016
Shared Sales Tax Increment					426,502
Net Investment Income					150,294
Other Revenue					88,950
Total General Revenues					5,129,301
CHANGE IN NET POSITION					(1,553,998)
Net Position - Beginning					(123,899,911)
NET POSITION - END OF YEAR					$ (125,453,909)

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General	Debt Service PPI/DPI	Debt Service PRI	Capital Projects	Capital Projects Stormwater	Total Governmental Funds
ASSETS						
Cash and Investments	$ 346,523	$ -	$ -	$ -	$ -	$ 346,523
Cash and Investments - Restricted	36,000	4,475,536	423,415	390,864	-	5,325,815
Accounts Receivable - Add-On Public Improvement Fees from Retail Sales	-	218,452	-	-	-	218,452
Accounts Receivable - Credit Public Improvement Fees from Retail Sales	-	217,311	54,326	-	-	271,637
Accounts Receivable - Shared Sales Tax Increment	-	426,502	-	-	-	426,502
Prepaid Expenses	11,805	-	-	-	-	11,805
Due from Other Districts	6,722	4,524	-	-	-	11,246
Total Assets	$ 401,050	$ 5,342,325	$ 477,741	$ 390,864	$ -	$ 6,611,980
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	$ 123,560	$ 4,500	$ -	$ 100,969	$ -	$ 229,029
Project Management Fee Payable	-	-	-	634,534	-	634,534
Project Management Fee Interest Payable	-	-	-	234,620	-	234,620
Total Liabilities	123,560	4,500	-	970,123	-	1,098,183
FUND BALANCES						
Nonspendable:						
Prepaid Expenses	11,805	-	-	-	-	11,805
Restricted For:						
Emergency Reserves	36,000	-	-	-	-	36,000
Debt Service	-	5,337,825	477,741	-	-	5,815,566
Assigned:						
Subsequent Year's Expenditures	119,160	-	-	-	-	119,160
Unassigned:						
General Government	110,525	-	-	-	-	110,525
Capital Projects	-	-	-	(579,259)	-	(579,259)
Total Fund Balances	277,490	5,337,825	477,741	(579,259)	-	5,513,797
Total Liabilities and Fund Balances	$ 401,050	$ 5,342,325	$ 477,741	$ 390,864	$ -	$ 6,611,980

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Fund Balances - Total Governmental Funds	$ 5,513,797
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	10,197,213
Capital Assets, Net	11,324,534
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Accounts Receivable - City Reimbursement	2,319,520
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer Advance Payables	(23,324,511)
Accrued Interest Payable - Developer Advances	(16,345,136)
Bonds Payable	(86,305,000)
Accrued Interest Payable - Bonds	(27,948,248)
Bonds Discount	239,738
Funding Fees on Developer Advances	(1,125,816)
Net Position of Governmental Activities	$ (125,453,909)

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service PPI/DPI	Debt Service PRI	Capital Projects	Capital Projects Stormwater	Total Governmental Funds
REVENUES						
Credit Public Improvement Fees from Retail Sales	$ -	$ 1,838,693	$ 460,183	$ -	$ -	$ 2,298,876
Add-On Public Improvement Fees from Retail Sales	-	1,910,397	-	-	-	1,910,397
Credit Public Improvement Fees from Building Permits	-	113,016	28,250	-	-	141,266
Add-On Public Improvement Fees from Building Permits	-	113,016	-	-	-	113,016
Facilities Fees	-	87,382	-	-	-	87,382
Net Investment Income	-	138,697	11,597	-	-	150,294
City Reimbursement - Outfall Channel	-	-	-	-	868,805	868,805
Other Revenue	88,950	-	-	-	-	88,950
Shared Sales Tax Increment	-	426,502	-	-	-	426,502
Transfer from Other Districts	1,198,525	772,048	-	-	-	1,970,573
Total Revenues	1,287,475	5,399,751	500,030	-	868,805	8,056,061
EXPENDITURES						
General:						
Accounting	120,425	-	-	-	-	120,425
Audit	4,675	-	-	-	-	4,675
District Management	29,502	-	-	-	-	29,502
District Asset Management	36,000	-	-	-	-	36,000
Dues and Memberships	3,035	-	-	-	-	3,035
Detention Pond Maintenance	16,077	-	-	-	-	16,077
Eagle Monument Maintenance	40,939	-	-	-	-	40,939
Electric - Street Lights and Other	19,409	-	-	-	-	19,409
Insurance	39,762	-	-	-	-	39,762
Landscaping	141,978	-	-	-	-	141,978
Legal	33,377	-	-	-	-	33,377
Snow Removal	129,885	-	-	-	-	129,885
Street Repairs and Maintenance	413,956	-	-	-	-	413,956
Street Sweeping	6,936	-	-	-	-	6,936
Miscellaneous/Contingency	13,877	-	-	-	-	13,877
District No. 9 - Consultants	7,413	-	-	-	-	7,413
Water and Sewer	39,123	-	-	-	-	39,123

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Debt Service PPI/DPI	Debt Service PRI	Capital Projects	Capital Projects Stormwater	Total Governmental Funds
EXPENDITURES (CONTINUED)						
Debt Service:						
Bond Interest - Series 2007	$ -	$ 2,129,307	$ -	$ -	$ -	$ 2,129,307
Bond Interest - Series 2017	-	2,373,219	-	-	-	2,373,219
Bond Principal - Series 2017	-	720,000	-	-	-	720,000
Bond Interest - Series 2018	-	-	218,709	-	-	218,709
Bond Principal - Series 2018	-	-	285,000	-	-	285,000
Paying Agent Fees	-	6,000	3,500	-	-	9,500
Capital Outlay:						
Primary Public Improvements	-	-	-	604,382	-	604,382
District Public Improvements	-	-	-	68,101	-	68,101
Parks and Recreation Improvements	-	-	-	80	-	80
Total Expenditures	1,096,369	5,228,526	507,209	672,563	-	7,504,667
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	191,106	171,225	(7,179)	(672,563)	868,805	551,394
OTHER FINANCING SOURCES (USES)						
Transfers (to) Other Funds	-	-	-	-	(868,805)	(868,805)
Transfers from Other Funds	-	-	-	868,805	-	868,805
Developer Advances	-	-	-	406,228	-	406,228
Repayment of Developer Advances	(406,228)	-	-	-	-	(406,228)
Total Other Financing Sources (Uses)	(406,228)	-	-	1,275,033	(868,805)	-
NET CHANGE IN FUND BALANCES	(215,122)	171,225	(7,179)	602,470	-	551,394
Fund Balances (Deficits) - Beginning of Year	492,612	5,166,600	484,920	(1,181,729)	-	4,962,403
FUND BALANCES (DEFICITS) - END OF YEAR	$ 277,490	$ 5,337,825	$ 477,741	$ (579,259)	$ -	$ 5,513,797

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balances - Total Governmental Funds		$ 551,394
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.		
Capital Outlay		574,534
Depreciation		(669,473)
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
City Reimbursement - Outfall Channel		(997,045)
The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.		
Bond Discount Amortization		(19,240)
Bond Principal - Series 2017		720,000
Bond Principal - Series 2018		285,000
Developer Advances		(406,228)
Forgiveness of Developer Advances and Accrued Interest		2,444,641
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Repayment of Developer Advances	406,228	
Funding Fees on Developer Advances	(125,434)	
Accrued Interest on Developer Advances - Change in Liability	(3,228,852)	
Accrued Interest on Bonds - Change in Liability	(1,089,523)	(4,037,581)
Change in Net Position of Governmental Activities		$ (1,553,998)

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Budget Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Other Revenue	$ -	$ 90,000	$ 88,950	$ (1,050)
Transfer from Other Districts	1,183,616	1,198,525	1,198,525	-
Total Revenues	1,183,616	1,288,525	1,287,475	(1,050)
EXPENDITURES				
Accounting	91,800	120,281	120,425	(144)
Audit	5,400	4,675	4,675	-
City Consultants - Legal	10,000	-	-	-
District Management	38,700	30,000	29,502	498
District Asset Management	36,000	36,000	36,000	-
Dues and Memberships	3,000	3,035	3,035	-
Detention Pond Maintenance	40,000	40,000	16,077	23,923
Eagle Monument Maintenance	55,000	47,000	40,939	6,061
Electric - Street Lights and Other	15,000	18,000	19,409	(1,409)
Insurance	33,000	39,762	39,762	-
Landscaping	170,000	150,000	141,978	8,022
Legal	63,000	40,000	33,377	6,623
Snow Removal	50,000	120,000	129,885	(9,885)
Street Repairs and Maintenance	130,000	400,000	413,956	(13,956)
Street Sweeping	10,000	7,000	6,936	64
Miscellaneous/Contingency	9,100	19,247	13,877	5,370
District No. 9 - Consultants	15,000	10,000	7,413	2,587
Water and Sewer	40,000	35,000	39,123	(4,123)
Total Expenditures	815,000	1,120,000	1,096,369	23,631
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	368,616	168,525	191,106	22,581
OTHER FINANCING SOURCES (USES)				
Repayment of Developer Advances	(667,000)	(406,228)	(406,228)	-
Total Other Financing Sources (Uses)	(667,000)	(406,228)	(406,228)	-
NET CHANGE IN FUND BALANCE	(298,384)	(237,703)	(215,122)	22,581
Fund Balance - Beginning of Year	433,761	492,612	492,612	-
FUND BALANCE - END OF YEAR	$ 135,377	$ 254,909	$ 277,490	$ 22,581

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Prairie Center Metropolitan District No. 3 (District) is a quasi-municipal corporation located in the City of Brighton, Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on June 6, 2006, to serve as the Operating District, concurrently with Prairie Center Metropolitan District Nos. 4-10 (the Taxing Districts), pursuant to an order and decree of the Adams County District Court. The Service Plan for the District was approved by the City of Brighton on February 21, 2006, modified on November 13, 2006, and amended and restated on November 4, 2008, and modified on April 14, 2013. Prior to the organization of the District, Prairie Center Metropolitan Districts Nos. 1 and 2 (respectively, District No. 1 and District No. 2) were organized and commenced development and construction of initial phases of public improvements. In order to increase development flexibility and to avoid unfairly burdening existing development with the costs of public infrastructure required in future phases, District Nos. 3-10 were formed and several inclusions and exclusions of property were completed to generally locate commercial/retail property in District No. 4 and multi-family property in District No. 5. Subsequent to the formation of the District, the obligations of District No. 1 and District No. 2 were assumed by the District as were the assets constructed by those Districts, with the exception of improvements related to the London Mine Water Tunnel and Extension Tunnel Facility and the rights and obligations related to the operation of such Facility. Such rights and obligations were assumed by District No. 9 on January 1, 2008, and were conveyed by District No. 9 to a private entity in 2016. District No. 9 was dissolved, effective as of September 26, 2019.

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are public improvement fees and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 – PPI/DPI accounts for the resources accumulated and payments made for principal and interest on the Series 2007 and Series 2017 long-term debt of the governmental funds.

The Debt Service Fund – PRI accounts for the resources accumulated and payments made for principal and interest on the Series 2018 long-term debt of the government funds.

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

The Capital Projects Fund – Stormwater is used to account for financial resources to be used for the acquisition and construction of stormwater improvements which are reimbursed by the City through certain stormwater impact fees.

Budgets

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

The District has amended its annual budget for the year ended December 31, 2019.

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.

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.

Capital Assets

Capital assets, which include property and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Streets	20 Years
Detention Pond Improvements	25 Years
Monumentation/Signage	15 – 20 Years

Facilities Fees

The District assesses and charges a facilities fee for use of the District's improvements and service system. The facilities fee for nonresidential structures is seventy-five cents ($0.75) per square foot of gross building space. The facilities fee for dwelling units follows: a) three thousand dollars ($3,000) per single-family, detached dwelling unit, b) one thousand five hundred dollars ($1,500) per townhome or condominium, and c) five hundred dollars ($500) per apartment. The facilities fee is due on or before the date of issuance of a building permit by the City of Brighton or County of Adams.

Equity

Net Position

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

Deficits

The Capital Projects Fund reported a deficit in the fund financial statements as of December 31, 2019. This deficit will be eliminated with Developer advances in 2020.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:		
Cash and Investments	$	346,523
Cash and Investments - Restricted		5,325,815
Total Cash and Investments	$	5,672,338

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

Deposits with Financial Institutions	$	773,387
Investments		4,898,951
Total Cash and Investments	$	5,672,338

Deposits with Financial Institutions

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

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

At December 31, 2019, the District's cash deposits had a bank balance of $919,687 and a carrying balance of $773,387.

Investments

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

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

Investment	Maturity	Amount
Colorado Surplus Asset Trust Fund (CSAFE)	Weighted Average Under 60 Days	$ 4,898,951

CSAFE

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

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2019:

	Balance - December 31, 2018	Increases	Decreases	Balance - December 31, 2019
Capital Assets, Not Being Depreciated:				
Construction in Progress/ Not Yet Conveyed	$ 9,622,679	$ 574,534	$ -	$ 10,197,213
Total Capital Assets, Not Being Depreciated	9,622,679	574,534	-	10,197,213
Capital Assets, Being Depreciated:				
Streets	8,115,626	-	-	8,115,626
Detention Pond Improvements	3,523,907	-	-	3,523,907
Monumentation/Signage	3,032,366	-	-	3,032,366
Total Capital Assets, Being Depreciated	14,671,899	-	-	14,671,899
Less Accumulated Depreciation For:				
Streets	(1,623,128)	(405,782)	-	(2,028,910)
Detention Pond Improvements	(563,824)	(140,956)	-	(704,780)
Monumentation/Signage	(490,940)	(122,735)	-	(613,675)
Total Accumulated Depreciation	(2,677,892)	(669,473)	-	(3,347,365)
Total Capital Assets, Being Depreciated, Net	11,994,007	(669,473)	-	11,324,534
Governmental Activities Capital Assets, Net	$ 21,616,686	$ (94,939)	$ -	$ 21,521,747

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	$ 669,473

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2018	Additions	Retirements	Balance - December 31, 2019	Current Portion
Bonds Payable - Series 2007	$ 33,905,000	$ -	$ -	$ 33,905,000	$ 3,435,000
Bonds Payable - Series 2017	49,070,000	-	720,000	48,350,000	840,000
Bond Discount - Series 2017	(211,758)	-	(13,190)	(198,568)	-
Bonds Payable - Series 2018	4,335,000	-	285,000	4,050,000	200,000
Bond Discount - Series 2018	(47,220)	-	(6,050)	(41,170)	-
Developer Advance - Operating	2,379,708	-	1,305,825	1,073,883	-
Accrued Interest on Developer Advance - Operating	32,886	133,237	120,277	45,846	-
Developer Advance - Debt Service	2,066,963	-	-	2,066,963	-
Accrued Interest on Developer Advance - Debt Service	1,534,954	308,168	-	1,843,122	-
Developer Advance - Capital	21,144,120	406,228	1,366,683	20,183,665	-
Accrued Interest on Developer Advance - Capital	11,726,805	2,787,447	58,084	14,456,168	-
Funding Fee Payable	1,000,382	125,434	-	1,125,816	-
Total	$ 126,936,840	$ 3,760,514	$ 3,836,629	$ 126,860,725	$ 4,475,000

$40,610,000 Subordinate Limited Property Tax Supported Primary Improvements Revenue Bonds, Series 2007A, and $2,905,000 Subordinate Limited Property Tax Supported District Improvements Revenue Bonds, Series 2007B

On June 7, 2007, the District issued its Series 2007A and 2007B Bonds (collectively, Series 2007 Subordinate Bonds) in the total amount of $43,515,000. The proceeds from the Series 2007 Subordinate Bonds were used for the purposes of funding public infrastructure costs, funding reserve and capitalized interest accounts, and paying bond issuance costs. The Series 2007 Subordinate Bonds are special limited obligations of the District secured by and payable from the pledged revenues, subject in all respects to the prior lien in favor of the senior bonds, which consist of the 2017 Refunding Bonds as well as any additional senior bonds that may be issued in the future. Pledged revenues consist primarily of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the Development, revenues generated from the commercial and residential Facilities Fee imposed by District No. 4, District No. 5 and District No. 10, and from the imposition of ad valorem property taxes by District No. 4 and District No. 5 not in excess of 50 mills so long as the statutory mill levy limitation set forth in Section 32.1.1101(6)(b) of the Colorado Revised Statutes is applicable and, if not, subject to adjustment caused by changes in the method of determining assessed valuation by the state of Colorado, and the related specific ownership taxes.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$40,610,000 Subordinate Limited Property Tax Supported Primary Improvements Revenue Bonds, Series 2007A, and $2,905,000 Subordinate Limited Property Tax Supported District Improvements Revenue Bonds, Series 2007B (Continued)

The Series 2007A Bonds are term bonds maturing as follows: $40,610,000 due December 15, 2031, at an interest rate of 8.75% through December 14, 2007, and 9.50% thereafter. The Series 2007B Bonds of $2,905,000 are term bonds due December 15, 2031, at an interest rate of 8.75% through December 14, 2007, and 9.50% thereafter. The Series 2007A Bonds are subject to mandatory sinking fund redemption beginning December 15, 2013. The Series 2007B Bonds are subject to mandatory sinking fund redemption beginning December 15, 2014. The Series 2007 Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part on any date on or after June 15, 2008, at a redemption price equal to 100% of the principal, plus accrued interest with no redemption premium.

During 2019, the District did not pay the principal and the full amount of accrued interest due on the Series 2007 Subordinate Bonds. Pursuant to the indenture for the bonds, due to the limited nature of the revenues pledged, the failure to pay interest and principal when due does not, in itself, create an event of default if the District is otherwise in compliance with the bond documents. The unpaid amount is not subject to compounding interest. A portion of the Series 2007 Subordinate Bonds were refunded by the issuance of the District's Series 2017 Refunding Bonds.

The Subordinate Bonds Series 2007A principal and interest will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 3,205,000	$ 25,766,843	$ 28,971,843
2021	1,260,000	2,702,275	3,962,275
2022	1,465,000	2,582,575	4,047,575
2023	1,745,000	2,443,400	4,188,400
2024	2,000,000	2,277,625	4,277,625
2025-2029	14,400,000	7,944,850	22,344,850
2030-2031	7,575,000	1,092,975	8,667,975
Total	$ 31,650,000	$ 44,810,543	$ 76,460,543

The Subordinate Bonds Series 2007B principal and interest will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 230,000	$ 2,069,589	$ 2,299,589
2021	85,000	192,375	277,375
2022	105,000	184,300	289,300
2023	120,000	174,325	294,325
2024	145,000	162,925	307,925
2025-2029	1,025,000	568,575	1,593,575
2030-2031	545,000	78,850	623,850
Total	$ 2,255,000	$ 3,430,939	$ 5,685,939

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$47,095,000 Limited Property Tax Supported Primary Improvements Revenue Refunding Bonds, Series 2017A, and $2,180,000 Limited Property Tax Supported District Improvements Revenue Refunding Bonds, Series 2017B

On October 26, 2017, the District issued its Series 2017A and Series 2017B Bonds (the Series 2017 Refunding Bonds) in the total amount of $49,275,000. The proceeds from the Series 2017 Refunding Bonds were used to refund all of the Series 2006 Bonds and a portion of the Series 2007 Subordinate Bonds. The Series 2017 Refunding Bonds are special limited obligations of the District secured by and payable from pledged revenues, consisting of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the development, revenues generated from the commercial and residential facilities fees imposed by Prairie Center Metropolitan Districts No. 4 (District No. 4), No. 5 (District No. 5) and No. 10 (District No. 10), from the imposition by District No. 4 and District No. 5 of ad valorem property taxes not in excess of 50 mills subject to adjustment caused by changes in the method of determining assessed valuation by the state of Colorado, and the related specific ownership taxes, and a portion of City sales tax revenues (such sales tax revenue sharing in accordance with the Cooperation Agreement and General Fund Sales Tax Sharing Agreement, each of which are described in Note 8). The Series 2017 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds in the required amounts of $3,409,143 for Series 2017A Bonds and $163,500 for the Series 2017B Bonds.

The Series 2017A Bonds are term bonds maturing as follows: $9,370,000 due December 15, 2027, at an interest rate of 4.125% and $37,725,000 due December 15, 2041, at an interest rate of 5.00%. The Series 2017B Bonds of $2,180,000 are term bonds due December 15, 2041, at an interest rate of 5.00%. The Series 2017 Refunding Bonds are subject to mandatory sinking fund redemption beginning December 15, 2018. The 2017 Refunding Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part on any date, on or after December 15, 2026, at a redemption price equal to 100% of the principal amount thereof, plus interest with no redemption premium. The Series 2017 Refunding Bonds are subject to special mandatory redemption in whole on any interest payment date when fund on deposit is sufficient to pay 100% of the principal amount then outstanding interest.

The Series 2017A Bonds principal and interest will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 800,000	$ 2,236,256	$ 3,036,256
2021	885,000	2,203,256	3,088,256
2022	955,000	2,166,750	3,121,750
2023	1,015,000	2,127,356	3,142,356
2024	1,090,000	2,085,488	3,175,488
2025-2029	6,670,000	9,675,650	16,345,650
2030-2034	9,310,000	7,828,750	17,138,750
2035-2039	14,625,000	5,085,750	19,710,750
2040-2041	10,860,000	890,500	11,750,500
Total	$ 46,210,000	$ 34,299,756	$ 80,509,756

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$47,095,000 Limited Property Tax Supported Primary Improvements Revenue Refunding Bonds, Series 2017A, and $2,180,000 Limited Property Tax Supported District Improvements Revenue Refunding Bonds, Series 2017B (Continued)

The Series 2017B Bonds principal and interest will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 40,000	$ 107,000	$ 147,000
2021	40,000	105,000	145,000
2022	45,000	103,000	148,000
2023	50,000	100,750	150,750
2024	55,000	98,250	153,250
2025-2029	325,000	447,500	772,500
2030-2034	460,000	353,500	813,500
2035-2039	725,000	217,500	942,500
2040-2041	400,000	30,500	430,500
Total	$ 2,140,000	$ 1,563,000	$ 3,703,000

$4,510,000 Special Revenue Bonds (Park and Recreation Improvements) Series 2018

On March 8, 2018, the District issued its $4,510,000 Special Revenue Bonds (Park and Recreation Improvements), Series 2018 (2018 PRI Bonds). The proceeds of the 2018 PRI Bonds were used to reimburse the Developer for a portion of advances made to the District under the Facilities Funding and Acquisition Agreement for construction of Park and Recreation Improvements. The 2018 PRI Bonds are special limited revenue obligations of the District secured by and payable from pledged revenues, consisting of revenues attributable to privately imposed public improvements fees payable with respect to certain retail sales transactions and construction activities occurring within the development. The 2018 PRI Bonds are also secured by funds to be held by the Trustee in the Reserve Fund in the required amount of $346,706.

The 2018 PRI Bonds are term bonds due December 15, 2042, at an interest rate of 5.125%. The 2018 PRI Bonds are subject to mandatory redemption on any interest payment date on which there are sufficient funds to redeem at least one bond in the denomination of $5,000. The 2018 PRI Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part, on any date on or after December 15, 2023, at a redemption price equal to 100% of the principal amount thereof plus interest and a redemption premium until December 15, 2026, after which there is no redemption premium. The 2018 PRI Bonds are also subject to special redemption in whole on any interest payment date when fund on deposit are sufficient to pay 100% of the principal amount then outstanding with interest.

The principal and interest payments for the 2018 PRI Bonds are based on the amount of funds available on 45 calendar days preceding each interest payment date.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

$4,510,000 Special Revenue Bonds (Park and Recreation Improvements) Series 2018 (Continued)

The Series 2018 Bonds principal and interest will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 200,000	$ 207,563	$ 407,563
2021	215,000	197,313	412,313
2022	230,000	186,294	416,294
2023	250,000	174,506	424,506
2024	265,000	161,694	426,694
2025-2029	1,615,000	585,788	2,200,788
2030-2032	1,275,000	134,788	1,409,788
Total	$ 4,050,000	$ 1,647,944	$ 5,697,944

Authorized Debt

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

At December 31, 2019, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 2, 2006	Authorization Used					Authorized But Unissued
		Series 2006 Bonds	Series 2007 Bonds	Note 2010	Series 2017 Refunding	Series 2018 Bonds	
Streets	$ 750,000,000	$ 18,180,000	$ 40,403,506	$ 450,000	$ -	$ -	$ 690,966,494
Water	750,000,000	13,089,600	559,022	-	-	-	736,351,378
Sewer	750,000,000	5,090,400	1,269,163	-	-	-	743,640,437
Parks and Recreation	750,000,000	-	750,071	-	-	4,510,000	744,739,929
Transportation	750,000,000	-	-	-	-	-	750,000,000
Traffic and Safety Controls	750,000,000	-	533,238	-	-	-	749,466,762
Mosquito Control	20,000,000	-	-	-	-	-	20,000,000
Tele Relay and Translation	20,000,000	-	-	-	-	-	20,000,000
Operations and Maintenance	750,000,000	-	-	50,000	-	-	749,950,000
Intergovernmental Agreements	750,000,000	-	-	-	-	-	750,000,000
Debt Refunding	750,000,000	-	-	-	49,275,000	-	700,725,000
Total	$ 6,790,000,000	$ 36,360,000	$ 43,515,000	$ 500,000	$ 49,275,000	$ 4,510,000	$ 6,655,840,000

Pursuant to the Service Plans of District Nos. 2–10, the maximum aggregate principal of debt that may be incurred by all of such Districts, together with District No. 1, collectively is $750,000,000. In 2010, the District issued a Subordinate Nonrevolving Line of Credit Note, Series 2010 in the principal sum of $670,125,000, of which $500,000 has been applied to the District's authorized indebtedness and was laterally terminated and transferred in 2017 to Developer Advances.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

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

Developer Advances

The District has entered into the Facilities Funding and Acquisition Agreement and Novation of Funding and Reimbursement Agreement (Agreement) with the Developer wherein the District agrees to reimburse the Developer for advances made on behalf of the District. During 2019, total Developer advances recorded was $406,228.

As of December 31, 2019, outstanding advances under the Agreement totaled $1,073,883 for operations and maintenance costs, $2,066,963 for debt service costs, and $20,183,665 for capital costs. Accrued interest on Developer advances as of December 31, 2019, totaled $45,846 for operations and maintenance costs, $1,843,122 for debt service costs, and $14,456,168 for capital costs.

Funding Fee

Under the Facilities Funding and Acquisition Agreement and Novation of Funding and Reimbursement Agreement (Agreement), at the Developer's discretion, the District shall pay an additional funding fee on outstanding Developer advances, subject to annual appropriation. As of December 31, 2019, the outstanding Funding Fee is $1,125,816.

NOTE 6 NET POSITION

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. As of December 31, 2019, the District had the following net investment in capital assets, calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	$ 11,324,534
Less Capital Related Debt:	
Current Portion of Long-Term Obligations	(746,389)
Noncurrent Portion of Long-Term Obligations	(16,392,137)
Net Investment in Capital Assets	$ (5,813,991)

NOTE 6 NET POSITION (CONTINUED)

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

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	$ 36,000
Total Restricted Net Position	$ 36,000

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which have been conveyed and/or will be conveyed to other governmental entities.

NOTE 7 INTERFUND TRANSFERS

The transfer from the Capital Projects Fund - Stormwater to the Capital Projects Fund was due to the reimbursement of funding provided from the Capital Projects Fund to the Capital Projects Fund - Stormwater as permitted by the Stormwater IGA.

NOTE 8 AGREEMENTS

Facilities Funding, Construction and Operations Agreement (FFCO)

On November 8, 2006, the District entered into the Facilities Funding, Construction and Operations Agreement (as amended on May 11, 2017, the FFCO) with District Nos. 2 and 4-10 establishing certain expectations as to the financing, construction, operation and maintenance of improvements as contemplated in the Service Plans for the purpose of providing, in a timely and coordinated fashion, essential services within the Districts. By Notice dated December 19, 2017, District No. 7 terminated its participation as a party to the FFCO and was released from any obligations thereunder by the other Districts. Effective September 4, 2019, District No. 9 gave notice of its termination as a party to the FFCO, and District No. 9 was subsequently dissolved, September 26, 2019.

Pursuant to the FFCO, the District is designated as the Operating District and agrees to provide the following: 1) project administration services (generally comprised of contracting for and supervising the acquisition, construction, operation and maintenance of public improvements), and 2) district administration services (including, but not limited to, serving as the depository for district records, coordinating board meetings, filing and notices, preparing financial reports and budgets and coordinating legal, accounting, management, engineering and other professional services) for the other Districts which remain parties to the FFCO (Taxing Districts). The FFCO anticipates that the District will enter into intergovernmental agreements with the respective Taxing Districts whereby the Taxing Districts will agree to share in the Districts' administration costs Operations IGAs and/or pledge certain revenues to pay capital projects costs incurred and/or to repay bonds issued by the District (Capital Pledge Agreements).

NOTE 8 AGREEMENTS (CONTINUED)

Comprehensive Agreement

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

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

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

NOTE 8 AGREEMENTS (CONTINUED)

Comprehensive Agreement (Continued)

In February 2012, the Second Amendment to the Comprehensive Agreement was executed to modify certain terms of the Agreement. The Second Amendment, among other matters, redefined Shared Revenues to include Credit PIF Revenues, Shared City Fees, Shared Sales Tax Incremental Revenues (see Cooperation Agreement below), Shared General Fund Sales Taxes (see General Fund Sales Tax Sharing Agreement below), and other City or Brighton Urban Renewal Authority (BURA) revenues that the parties agree are to be shared by the City or BURA with the District to pay or reimburse Eligible Costs. The terms as to when and how the new Revenues (such as General Fund Sales Taxes) will be shared were also explained in the Second Amendment. Further, the Second Amendment restated and clarified the definitions of Eligible Costs, which is comprised of Hard Costs, Soft Costs, Interest Costs, and Financing Costs, that can be paid from Shared Revenues. With regard to the Interest Costs incurred by the District in connection with a Developer Advance and payable from Shared Revenues, the Second Amendment allows a simple rate of 5% per annum accruing from the date of such Developer Advance.

The Third Amendment to the Comprehensive Agreement was entered into as of June 16, 2015. The Third Amendment reduced the principal amount of the 1.25% Credit PIF to be applied to PRI Improvements from $14 million to $9 million and requires that $2.5 million of such revenues be paid to the City for design and/or construction of the second phase of an adult recreation center and relieved the District of its obligations under the original Cooperation Agreement related to the initial phase of the adult recreation center. The Third Amendment also provides for the City to rebate portions of certain City bridge/crossing and traffic impact fees paid with respect to development of the phase of residential single-family dwelling units known as Prairie Center Residential Village One in the total amount of $2.5 million, which rebated fees shall be applied to specified street improvements and shall count against the Cap Amount. The rebated use tax and rebated building permit fees (or any other rebated fees approved by Council) do not need to be applied to eligible costs related to primary public improvements and do not count against the Cap Amount.

NOTE 8 AGREEMENTS (CONTINUED)

Cooperation Agreement

On July 18, 2012, the District entered into the Cooperation Agreement with the City and the Brighton Urban Renewal Authority (Authority). Pursuant to the Cooperation Agreement, to the extent that the District designs, finances and constructs Primary Public Improvements to serve the Southeast Brighton Regional Urban Renewal Plan Area, the Authority will reimburse the District for Eligible Costs, according to the terms and provisions of the Comprehensive Agreement and this Cooperation Agreement, by a pledge of certain General Fund Sales Tax Incremental Revenues, subject to the Cap Amount initially commencing when taxable retail sales within the Plan Area are at least $150 million or at least one Qualifying Retailer opens for business. The City shall be obligated to transfer to the Authority only the Allocated Increment Amount, which initially shall be equal to 30% (and increase to 49% as additional development triggers are met) of the City's General Fund Sales Tax of two percent (2.0%) after deduction of (i) the General Fund Sales Tax Base Amount ($2,273,417) and (ii) the proportionate share of costs and expenses related to the collection of the General Fund Sales Tax in the Plan Area. The Authority's obligation to remit the Allocated Increment Amount to the District terminates upon the earlier of (i) the District's repayment of bonds and Developer Advances for Primary Public Improvement Costs, (ii) receipt of Credit PIF, General Fund Sales Tax Incremental Revenues and other Shared Revenues (defined in the Comprehensive Agreement) up to the Cap Amount, or (iii) April 3, 2037.

On September 14, 2017, the District entered into a Memorandum of Understanding (MOU) with the City of Brighton and Brighton Urban Renewal Authority setting forth the terms for administration of the collection and sharing of sales tax incremental revenues to further the intent of the Southeast Brighton Regional Urban Renewal Plan, the Second Amendment to the Comprehensive Agreement, and the Cooperation Agreement. The MOU describes the method for determination of such revenues and when transfers of such revenues are to be made.

General Fund Sales Tax Sharing Agreement

The District entered into the General Fund Sales Tax Sharing Agreement (Sharing Agreement) with the City on July 18, 2012. Pursuant to the Sharing Agreement, the term of this Agreement commences upon the termination or expiration of the Cooperation Agreement to the extent that the District has not repaid in full bonds and Developer Advances for Primary Public Improvement Costs and the Cap Amount has not been fully utilized. Under the Sharing Agreement, the City agrees on an annual appropriation basis to remit to the District Shared General Fund Sales Taxes after retail sales of taxable goods and services equal (i) at least $150 million in any calendar year, one-half of one percent (0.50%) as a portion of the City's 2.0% General Fund Sales Tax collected from the project, and (ii) at least $300 million in any calendar year, three-quarters of one percent (0.75%) as a portion of the City's 2.0% General Fund Sales Tax collected from the project.

The City's obligation to remit Shared General Fund Sales Taxes is subject to annual appropriation and terminates upon the earlier of (i) the District's repayment of bonds and Developer advances for Primary Public Improvements, or (ii) receipt of Shared General Sales Taxes and other Shared Revenues up to Cap Amount.

NOTE 8 AGREEMENTS (CONTINUED)

Intergovernmental Agreement Regarding Design, Financing, and Construction of Regional Drainage Improvements

In May 2011, the District entered into the Intergovernmental Agreement Regarding Design, Financing, and Construction of Regional Drainage Improvements (Stormwater IGA) with the City. Pursuant to the Stormwater IGA, the District will design, finance, and construct drainage improvements subject to reimbursement from the City to the District from certain stormwater impact fees for certain of the District's costs to design, finance, and construct such drainage improvements. With respect to the Over-Detention Ponds, the eligible costs which the City may reimburse the District totaled $1.2 million. With respect to the Outfall Channel/Fulton Ditch Improvements, the eligible costs which the City may reimburse the District will not exceed $3,000,000. The Stormwater IGA also provides the procedures for certifying costs, requesting reimbursement and calculation of applicable interest.

In January 2012, the First Amendment to the Intergovernmental Agreement Regarding Design, Financing, and Construction of Regional Drainage Improvements was executed to, among other matters, amend the District's commencement of construction of the Fulton Ditch Improvements, and increase the maximum costs of the Outfall Channel/Fulton Ditch Improvements to an amount not to exceed $3,600,000.

Capital Pledge Agreement with District Nos. 4 and 5 and 10

On October 1, 2017, the District entered into an Amended and Restated Capital Pledge Agreement with UMB Bank, District No. 4 and District No. 5 (each a Taxing District; and collectively the Taxing Districts) (Pledge Agreement), which superseded in its entirety a prior Capital Pledge Agreement among the parties dated December 1, 2006 as amended in 2009 and 2010. Pursuant to the Pledge Agreement, the District shall issue Bonds as necessary to finance and construct Improvements for the benefit of the Taxing Districts. The Pledge Agreement obligates the Taxing Districts to impose annually in each years through 2040 a mill levy at a rate of 25.000 mills for District No. 4 and 40.000 mills for District No. 5, subject to certain adjustments, and remit to the District's Trustee tax revenues derived from such mill levies, together with facilities fees and a portion of specific ownership taxes collected by the Taxing Districts, to repay the Bonds. The Taxing Districts' obligation to pay such revenues to the District constitute an irrevocable lien on such revenues, and each Taxing District has agreed not to issue or incur Bonds, notes or other obligations payable in whole or in part from, or constituting a lien upon, the revenues pledged to the District without the District's prior consent. The rate of maximum mill levy permitted to be levied by each Taxing District is 50.000 mills, subject to certain adjustments.

On October 1, 2017, the District entered into an Amended and Restated Capital Pledge Agreement with District No. 10 (Second Pledge Agreement), which superseded in its entirety a prior Capital Pledge Agreement between the parties dated March 1, 2009. Pursuant to the Second Pledge Agreement, the District agrees to finance a portion of the costs of public improvements within District No. 10 through the issuance of bonds; and District No. 10 agrees to pledge to the District, for purposes of paying debt service on the bonds, if needed, and otherwise for funding certain improvements, revenues resulting from the imposition of facilities fees. Prior to March 1, 2009, facilities fees collected by District No. 10 were not pledged to the District for debt service.

NOTE 8 AGREEMENTS (CONTINUED)

Operations Financing Intergovernmental Agreements

On May 11, 2017, the District entered into Amended and Restated Operations Financing IGAs (IGAs), separately, with each of District No. 4 and District No. 5. The IGAs, which superseded in their entirety prior Operations Financing IGAs dated December 19, 2006, require that District No. 4 and District No. 5 impose, collect, and remit to the District an operations mill levy in order to pay for certain administrative and management costs incurred by the District. The operational mill levy imposed individually by District No. 4 and District No. 5, cannot exceed the maximum mill levy for operations and maintenance authorized by the Districts' Service Plans less the number of mills the applicable Taxing District has pledged to levy for payment of debt service under any Capital Pledge Agreement.

On December 4, 2008, the District and District No. 10 entered into an Operations Financing IGA, which requires District No. 10 to impose, collect, and remit an operations mill levy to the District for administrative and management costs. Total mills to be levied by District No. 10 may not exceed 60.000 mills for operations and maintenance and debt service.

Facilities Funding and Acquisition Agreement and Novation of Funding and Reimbursement Agreement

On December 26, 2006, the District entered into the Facilities Funding and Acquisition Agreement and Novation of Funding and Reimbursement Agreements (Funding Agreement) with THF Prairie Center Development L.L.C. and THF Prairie Center Retail One L.L.C. (collectively the Developer). Pursuant to the Funding Agreement, the Developer agrees to advance funds to the District to pay for capital and operational expenses when the District's revenues are not sufficient to pay for such expenses. The District will pay the Developer interest compounding semi-annually, from the date of each Developer advance, at the rate of three percent (3%) per annum above the rate announced by Bank of America, N.A., St. Louis, Missouri. In addition, at the Developer's discretion, the District shall pay an additional funding fee of one percent (1%) on amounts outstanding twenty-four (24) months from the funding date, said fee being charged once every twenty-four (24) months while the amounts remain outstanding. The District's payment of Developer advances under this Agreement is subject to annual appropriation.

Upon execution of the Funding Agreement, the District assumed the obligation to acquire certain public infrastructure constructed and financed by the Developer. Additionally, the District assumed the repayment obligations of District No. 1 and District No. 2 under a prior funding agreement with the Developer.

NOTE 8 AGREEMENTS (CONTINUED)

Construction Management Agreement

On June 28, 2018, the District entered into the Construction Management Agreement, with an effective date of July 1, 2018, with R.G. Brinkman Company for Prairie Center Village I Subdivision, Filing No. 1, to supervise the construction of public improvements. This agreement supersedes the previous Construction Management Agreement dated January 18, 2007, as amended September 8, 2015. Under this agreement, the Construction Manager's duties include, but are not limited to, conducting the competitive bid process for public improvements; provide oversight and construction management services and monitoring the progress of the project and budget. In consideration of the Construction Manager's services, the District shall pay, on a monthly basis, a fee of five percent (5%) of the aggregate payments the District makes to approved contractors. Commencing July 2018, the District shall additionally pay the Construction Manager $11,929 per month for certain administrative, equipment, and materials expenses incurred in course of performing the work.

Facilities Management Agreement

The District entered into the Facilities Management Agreement, effective as of July 1, 2006, with Prairie Management, L.L.C. (Facilities Manager), an entity affiliated with the Developer, pursuant to which the Facilities Manager shall manage the operation, maintenance and repair of public improvements owned by the District or for which the District has operation and maintenance responsibilities. The compensation paid to the Facilities Manager is $3,000 per month.

Project Management Agreement

On August 2, 2006, the District entered into the Project Management Agreement (Project Agreement) with Prairie Management L.L.C (Project Manager), an entity affiliated with the Developer. Pursuant to the Project Agreement, the Project Manager shall provide all management services relating to the planning, design, construction, and installation of and obtaining municipal approval of the public improvements. The Project Manager's duties also include supervision, on behalf of the District, of the Construction Manager. As compensation for services provided by the Project Manager, the District shall pay, on a monthly basis, a fee of four percent (4%) of the actual cost of public improvements. Any unpaid fees will accrue interest at the rate of two percent (2%) per annum above the prime rate announced by Bank of America, N.A., St. Louis, Missouri. The Agreement is for one year and shall renew annually thereafter for a period of twenty (20) years. As of December 31, 2019, the outstanding balances of the project management fees and related interest are $634,534 and $234,620, respectively.

NOTE 8 AGREEMENTS (CONTINUED)

Intergovernmental Agreement Regarding Facilities Fee Collection

On November 13, 2007, the District entered into the Intergovernmental Agreement Regarding Facilities Fee Collection with District Nos. 2 and 4-10; agreeing to have the District administer and collect facilities fees imposed by District Nos. 2 and 4-10; provided, however, that the revenue derived from facilities fees of a specific District shall remain the property and subject to the control of such District's Board of Directors. To the extent required by any Capital Pledge Agreement, the District will deposit facilities fees collected on behalf of said Districts with the applicable bond trustee. The agreement was amended on September 4, 2019 to remove District No. 9 as a party, due to that District's dissolution. Pursuant to the Intergovernmental Agreement Regarding Assignment of Revenues between the District and District No.7 (describe below), the District will remit to District No. 7 certain assigned revenues, including facilities fees, collected by Prairie Center Village I Subdivision No. 1 (Village I).

Prairie Center Major Retail 4 Subdivision Development Agreement

On May 15, 2018, the District entered into the Prairie Center Major Retail 4 Subdivision Development Agreement, with an effective date of May 15, 2018, with the City and THF Prairie Center Development, L.L.C., a Colorado limited liability company (the Developer). Under this Agreement, the Developer shall pay all fees related to: development of the Property; engineering services; maintenance of all improvements for one-year from the date of acceptance by the City; inspection or testing; securing any necessary land, right-of ways, or easements; the coordination and installation of all utilities; and those fees related to street improvements. The Developer is compensated based upon the verified costs submitted and approved by the City.

Infrastructure Reimbursement Agreement

On November 6, 2018, the District entered into the Infrastructure Reimbursement Agreement, effective November 6, 2018, with the Developer, Bromley & Buckley, L.L.C. and Case 238, L.L.C. (collectively, the Developers), and the City. Under this Agreement, the Parties agreed that in the event the District advanced more than its pro rata share for financing the design and construction of public improvements that benefitted other property or were over-sized to serve the projected growth of the City, the District would be eligible for reimbursement. The City will collect this reimbursement amount from those benefitted landowners on a pro rata basis, to be paid to the District or Developers as needed. The Developers, and the District agree that Developer's pro rata share of cost of the public improvements is $231,628 as of November 6, 2018.

Intergovernmental Agreement Regarding Assignment of Revenues (IGA)

On May 23, 2019, the District and District No. 7 entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA) with an effective date of December 19, 2017. Per the IGA, the District agrees to transfer to District No. 7 its rights to receive revenues as set forth in the IGA that are directly attributable to Village I. The District is relieved from providing any public improvements or management services related to Village I as it is being developed by District No. 7, separately from the remaining development.

NOTE 9 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay capital expenditures. Until an independent revenue base is established, funding of District capital improvements will be dependent upon the Developer.

NOTE 10 RELATED PARTY

The developer of the property which constitutes the District is collectively THF Prairie Center Development, L.L.C., a Colorado limited liability company, and THF Prairie Center Retail One, L.L.C., a Missouri limited liability company (Developer). All members of the Board of Directors are officers or employees of an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District (see Note 8).

In September 2010, THF Prairie Center Development, L.L.C. purchased and became the owner of the District's Series 2007 Subordinate Bonds. Such bonds were partially refunded by the issuance of the District's Series 2017A and Series 2017B Bonds.

NOTE 11 RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 12 TAX, SPENDING AND DEBT LIMITATIONS

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

NOTE 12 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

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

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

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

NOTE 13 SUBSEQUENT EVENT

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the District, the impact of COVID-19 could be a potential decline or reduction in PIF or sales taxes revenues in 2020. PIF revenues are pledged to pay debt service on the Series 2017 Refunding Bonds and the Series 2018 PRI Bonds. This financial impact is not reflected in the financial statements as of and for the year ended December 31, 2019 as these events occurred subsequent to year end. Management believes the District is taking appropriate actions to mitigate this negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

SUPPLEMENTARY INFORMATION

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND – PPI/DPI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Credit Public Improvement Fees from Retail Sales	$ 1,674,200	$ 1,850,000	$ 1,838,693	$ (11,307)
Add-On Public Improvement Fees from Retail Sales	1,681,500	1,900,000	1,910,397	10,397
Credit Public Improvement Fees from Building Permits	100,000	130,000	113,016	(16,984)
Add-On Public Improvement Fees from Building Permits	100,000	130,000	113,016	(16,984)
Facilities Fees	78,000	92,000	87,382	(4,618)
Net Investment Income	70,000	120,000	138,697	18,697
Transfer from Other Districts	758,774	770,340	772,048	1,708
Shared Sales Tax Increment	320,000	452,000	426,502	(25,498)
Total Revenues	4,782,474	5,444,340	5,399,751	(44,589)
EXPENDITURES				
Bond Principal - Series 2017	720,000	720,000	720,000	-
Bond Interest - Series 2007	1,700,000	2,200,000	2,129,307	70,693
Bond Interest - Series 2017	2,373,219	2,373,219	2,373,219	-
Contingency	6,781	-	-	-
Paying Agent Fees	10,000	6,000	6,000	-
Total Expenditures	4,810,000	5,299,219	5,228,526	70,693
NET CHANGE IN FUND BALANCE	(27,526)	145,121	171,225	26,104
Fund Balance - Beginning of Year	4,631,785	5,166,600	5,166,600	-
FUND BALANCE - END OF YEAR	$ 4,604,259	$ 5,311,721	$ 5,337,825	$ 26,104

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND – PRI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Credit Public Improvement Fees from Retail Sales	$ 419,000	$ 462,500	$ 460,183	$ (2,317)
Credit Public Improvement Fees from Building Permits	25,000	32,500	28,250	28,250
Net Investment Income	6,000	12,000	11,597	(403)
Total Revenues	450,000	507,000	500,030	25,530
EXPENDITURES				
Bond Principal - Series 2018	185,000	285,000	285,000	-
Bond Interest - Series 2018	226,525	220,000	218,709	1,291
Contingency	14,975	6,500	-	6,500
Paying Agent Fees	3,500	3,500	3,500	-
Total Expenditures	430,000	515,000	507,209	7,791
NET CHANGE IN FUND BALANCE	20,000	(8,000)	(7,179)	33,321
Fund Balance - Beginning of Year	529,153	484,920	484,920	-
FUND BALANCE - END OF YEAR	$ 549,153	$ 476,920	$ 477,741	$ 33,321

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	$ 1,500	$ -	$ (1,500)
Total Revenues	1,500	-	(1,500)
EXPENDITURES			
Primary Public Improvements	1,200,000	584,015	615,985
PPI Overhead	22,100	20,367	1,733
DPI Overhead	92,800	68,101	24,699
PRI Overhead	100	80	20
Miscellaneous/Contingency	11,050	-	11,050
Total Expenditures	1,326,050	672,563	653,487
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,324,550)	(672,563)	651,987
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	646,304	868,805	222,501
Developer Advances	678,246	406,228	(272,018)
Total Other Financing Sources (Uses)	1,324,550	1,275,033	(49,517)
NET CHANGE IN FUND BALANCE	-	602,470	602,470
Fund Balance (Deficit) - Beginning of Year	-	(1,181,729)	(1,181,729)
FUND BALANCE (DEFICIT) - END OF YEAR	$ -	$ (579,259)	$ (579,259)

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND – STORMWATER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
City Reimbursement - Outfall Channel	$ 646,304	$ 870,000	$ 868,805	$ (1,195)
Total Revenues	646,304	870,000	868,805	(1,195)
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	646,304	870,000	868,805	(1,195)
OTHER FINANCING SOURCES (USES)				
Transfers (to) Other Funds	(646,304)	(870,000)	(868,805)	1,195
Total Other Financing Sources (Uses)	(646,304)	(870,000)	(868,805)	1,195
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2019

Bonds and Interest Maturing in the Year Ending December 31,	$40,610,000 Subordinate Limited Property Tax Supported Primary Improvements Revenue Bonds, Series 2007A Dated June 7, 2007 Interest Rate at 8.75% - 9.50% Interest Payable June 15 and December 15 Principal Due December 15			$2,905,000 Subordinate Limited Property Tax Supported District Improvements Revenue Bonds, Series 2007B Dated June 7, 2007 Interest Rate at 8.75% - 9.50% Interest Payable June 15 and December 15 Principal Due December 15		
	Principal	Interest	Total	Principal	Interest	Total
2020	$ 3,205,000	$ 25,766,843	$ 28,971,843	$ 230,000	$ 2,069,589	$ 2,299,589
2021	1,260,000	2,702,275	3,962,275	85,000	192,375	277,375
2022	1,465,000	2,582,575	4,047,575	105,000	184,300	289,300
2023	1,745,000	2,443,400	4,188,400	120,000	174,325	294,325
2024	2,000,000	2,277,625	4,277,625	145,000	162,925	307,925
2025	2,335,000	2,087,625	4,422,625	165,000	149,150	314,150
2026	2,655,000	1,865,800	4,520,800	190,000	133,475	323,475
2027	2,905,000	1,613,575	4,518,575	205,000	115,425	320,425
2028	3,130,000	1,337,600	4,467,600	225,000	95,950	320,950
2029	3,375,000	1,040,250	4,415,250	240,000	74,575	314,575
2030	3,645,000	719,625	4,364,625	260,000	51,775	311,775
2031	3,930,000	373,350	4,303,350	285,000	27,075	312,075
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
Total	$ 31,650,000	$ 44,810,543	$ 76,460,543	$ 2,255,000	$ 3,430,939	$ 5,685,939

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2019

Bonds and Interest Maturing in the Year Ending December 31,	$47,095,000 Limited Property Tax Supported Revenue Bonds, Series 2017A Dated October 26, 2017 Interest Rate at 4.125% - 5.000% Interest Payable June 15 and December 15 Principal Due December 15			$2,180,000 Limited Property Tax Supported Revenue Bonds, Series 2017B Dated October 26, 2017 Interest Rate at 5.000% Interest Payable June 15 and December 15 Principal Due December 15		
	Principal	Interest	Total	Principal	Interest	Total
2020	$ 800,000	$ 2,236,256	$ 3,036,256	$ 40,000	$ 107,000	$ 147,000
2021	885,000	2,203,256	3,088,256	40,000	105,000	145,000
2022	955,000	2,166,750	3,121,750	45,000	103,000	148,000
2023	1,015,000	2,127,356	3,142,356	50,000	100,750	150,750
2024	1,090,000	2,085,488	3,175,488	55,000	98,250	153,250
2025	1,165,000	2,040,525	3,205,525	55,000	95,500	150,500
2026	1,250,000	1,992,469	3,242,469	60,000	92,750	152,750
2027	1,325,000	1,940,906	3,265,906	65,000	89,750	154,750
2028	1,415,000	1,886,250	3,301,250	70,000	86,500	156,500
2029	1,515,000	1,815,500	3,330,500	75,000	83,000	158,000
2030	1,625,000	1,739,750	3,364,750	80,000	79,250	159,250
2031	1,735,000	1,658,500	3,393,500	85,000	75,250	160,250
2032	1,860,000	1,571,750	3,431,750	90,000	71,000	161,000
2033	1,975,000	1,478,750	3,453,750	100,000	66,500	166,500
2034	2,115,000	1,380,000	3,495,000	105,000	61,500	166,500
2035	2,250,000	1,274,250	3,524,250	110,000	56,250	166,250
2036	2,615,000	1,161,750	3,776,750	130,000	50,750	180,750
2037	2,780,000	1,031,000	3,811,000	140,000	44,250	184,250
2038	3,305,000	892,000	4,197,000	165,000	37,250	202,250
2039	3,675,000	726,750	4,401,750	180,000	29,000	209,000
2040	3,910,000	543,000	4,453,000	190,000	20,000	210,000
2041	6,950,000	347,500	7,297,500	210,000	10,500	220,500
Total	$ 46,210,000	$ 34,299,756	$ 80,509,756	$ 2,140,000	$ 1,563,000	$ 3,703,000

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2019

Bonds and Interest Maturing in the Year Ending December 31,	$4,510,000 Special Revenue Bonds Series 2018 Dated March 8, 2018 Interest Rate at 5.125% Interest Payable June 15 and December 15 Principal Due December 15			Totals		
	Principal	Interest	Total	Principal	Interest	Total
2020	$ 200,000	$ 207,563	$ 407,563	$ 4,475,000	$ 30,387,251	$ 34,862,251
2021	215,000	197,313	412,313	2,485,000	5,400,219	7,885,219
2022	230,000	186,294	416,294	2,800,000	5,222,919	8,022,919
2023	250,000	174,506	424,506	3,180,000	5,020,338	8,200,338
2024	265,000	161,694	426,694	3,555,000	4,785,981	8,340,981
2025	280,000	148,113	428,113	4,000,000	4,520,913	8,520,913
2026	305,000	133,763	438,763	4,460,000	4,218,256	8,678,256
2027	320,000	118,131	438,131	4,820,000	3,877,788	8,697,788
2028	345,000	101,731	446,731	5,185,000	3,508,031	8,693,031
2029	365,000	84,050	449,050	5,570,000	3,097,375	8,667,375
2030	390,000	65,344	455,344	6,000,000	2,655,744	8,655,744
2031	415,000	45,356	460,356	6,450,000	2,179,531	8,629,531
2032	470,000	24,088	494,088	2,420,000	1,666,838	4,086,838
2033	-	-	-	2,075,000	1,545,250	3,620,250
2034	-	-	-	2,220,000	1,441,500	3,661,500
2035	-	-	-	2,360,000	1,330,500	3,690,500
2036	-	-	-	2,745,000	1,212,500	3,957,500
2037	-	-	-	2,920,000	1,075,250	3,995,250
2038	-	-	-	3,470,000	929,250	4,399,250
2039	-	-	-	3,855,000	755,750	4,610,750
2040	-	-	-	4,100,000	563,000	4,663,000
2041	-	-	-	7,160,000	358,000	7,518,000
Total	$ 4,050,000	$ 1,647,944	$ 5,697,944	$ 86,305,000	$ 85,752,182	$ 172,057,182