

**Skyland Metropolitan District**

**Financial Report**

**December 31, 2020**

**Skyland Metropolitan District  
Financial Report  
December 31, 2020**

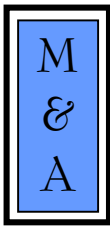
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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Skyland Metropolitan District  
Crested Butte, Colorado**

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Skyland Metropolitan District as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Member: American Institute of Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors  
Skyland Metropolitan District  
Crested Butte, Colorado**

***Other Matters***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the Management's Discussion and Analysis in Section B in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in Section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison 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 statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparison information found in Section F is presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund budgetary comparison information found in Section F are the responsibility of management and were derived from and relate 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as a whole. The statistical tables found in Section G are presented for purposes of additional analysis and are not a required part of the financial statements. The statistical tables have 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 them.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**

July 29, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Skyland Metropolitan District

Management's Discussion and Analysis  
December 31, 2020

As management of the Skyland Metropolitan District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information, supplementary information, and statistical tables in addition to the basic financial statements themselves.

**Government-wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets, liabilities, and deferred inflows of resources. The difference between the total of asset and the total of liabilities and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and highways and streets. The business-type activities of the District include the water system and sewer system.

The government-wide financial statements can be found on pages C1 and C2 of this report.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The District's governmental funds include the General Fund and Debt Service Fund.

## Overview of the Financial Statements (continued)

**Governmental Funds (continued):** Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures and Change in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages C3 through C6.

**Proprietary Funds:** The District maintains a proprietary fund commonly known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The District uses the enterprise fund to account for its water and sewer operations.

The proprietary fund financial statements provide separate information for each of the business-type services provided by the District, each of which is considered to be a major fund of the District.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

**Other Information:** The District adopts an annual appropriated budget for its General Fund, Debt Service Fund, and Water and Sewer Fund. Budgetary comparison schedules have been provided for all funds to demonstrate compliance with the budgets and are found on pages E1, F1, and F2.

## Government-wide Financial Analysis

### Skyland Metropolitan District's Net Position:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets:</b>						
Current and other assets	\$ 2,330,249	2,245,221	1,263,713	1,550,657	3,593,962	3,795,878
Capital assets	930,831	984,394	7,224,698	6,530,800	8,155,529	7,515,194
<b>Total Assets</b>	<u>3,261,080</u>	<u>3,229,615</u>	<u>8,488,411</u>	<u>8,081,457</u>	<u>11,749,491</u>	<u>11,311,072</u>
<b>Liabilities:</b>						
Current and other liabilities	213,152	265,232	1,535,130	996,553	1,748,282	1,261,785
Long-term liabilities	1,820,833	2,009,994	-	-	1,820,833	2,009,994
<b>Total Liabilities</b>	<u>2,033,985</u>	<u>2,275,226</u>	<u>1,535,130</u>	<u>996,553</u>	<u>3,569,115</u>	<u>3,271,779</u>
<b>Deferred Inflows of Resources</b>	<u>703,606</u>	<u>701,103</u>	<u>-</u>	<u>-</u>	<u>703,606</u>	<u>701,103</u>
<b>Net Position:</b>						
Net invested in capital assets	930,831	984,394	7,224,698	6,530,800	8,155,529	7,515,194
Restricted for emergencies	18,000	17,000	-	-	18,000	17,000
Unrestricted	(425,342)	(748,108)	(271,417)	554,104	(696,759)	(194,004)
<b>Total Net Position</b>	<u>\$ 523,489</u>	<u>253,286</u>	<u>6,953,281</u>	<u>7,084,904</u>	<u>7,476,770</u>	<u>7,338,190</u>



## Government-wide Financial Analysis (continued)

The largest portion of the District's assets is its capital assets. Roads and streets and the related infrastructure and the water and sewer system are necessary in order to deliver and/or provide services to the District's residents and visitors. The capital assets account for approximately 69% of its total assets. These assets are not an available source for payment of future spending. The remaining \$3,593,962 of assets consist of \$18,000, or 3%, of the annual revenues for governmental activities that is restricted for use in the event of an emergency; \$703,606 is property taxes receivable collectible in the subsequent year and is offset in the District's deferred inflows of resources and, therefore, is not available for future spending; and \$1,070,100 represents unearned water tank revenue which will not be available until a new water tank is built. The District has a deficit unrestricted net position of \$696,752 as of December 31, 2020.

Governmental activities of the District had a net position of \$523,496 and business-type activities had a net position of \$6,953,281 which resulted in total government-wide net position of \$7,476,777 as of December 31, 2020.

The District's net position increased \$138,587 during the current fiscal year.

### Skyland Metropolitan District's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 90,858	100,761	184,126	216,025	274,984	316,786
Grants and contributions	-	-	153,104	208,778	153,104	208,778
General revenues:						
Property taxes	701,087	672,464	-	-	701,087	672,464
Other taxes	46,024	50,438	-	-	46,024	50,438
Interest	1,384	1,364	20,759	60,372	22,143	61,736
Miscellaneous	1,627	2,918	-	-	1,627	2,918
<b>Total Revenues</b>	<b>840,980</b>	<b>827,945</b>	<b>357,989</b>	<b>485,175</b>	<b>1,198,969</b>	<b>1,313,120</b>
<b>Expenses:</b>						
General government	381,654	345,647	-	-	381,654	345,647
Highways and streets	147,006	158,304	-	-	147,006	158,304
Interest on long-term debt	92,117	99,113	-	-	92,117	99,113
Water and sewer	-	-	489,612	418,610	489,612	418,610
<b>Total Expenses</b>	<b>620,777</b>	<b>603,064</b>	<b>489,612</b>	<b>418,610</b>	<b>1,110,389</b>	<b>1,021,674</b>
<b>Change in Net Position</b>	<b>220,203</b>	<b>224,881</b>	<b>(131,623)</b>	<b>66,565</b>	<b>88,580</b>	<b>291,446</b>
<b>Net Position - Beginning</b>	<b>253,286</b>	<b>28,405</b>	<b>7,084,904</b>	<b>7,018,339</b>	<b>7,338,190</b>	<b>7,046,744</b>
<b>Net Position - Ending</b>	<b>\$ 473,489</b>	<b>253,286</b>	<b>6,953,281</b>	<b>7,084,904</b>	<b>7,426,770</b>	<b>7,338,190</b>

## **Government-wide Financial Analysis (continued)**

**Governmental Activities:** Governmental activities for 2020 increased the District's net position by \$270,210.

Governmental revenues increased by \$63,035 from 2019 levels. Charges for services decreased by \$9,903, which were offset by an increase in property tax of \$28,623, and an increase in miscellaneous revenue of \$48,709.

In 2020, total expenses for governmental activities increased by \$17,706. Expenses for highways and streets decreased by \$11,298. This increase was partially offset by an increase in general government of \$36,000.

**Business-type Activities:** Business-type activities for 2020 decreased the District's net position by \$131,623. Key elements of the increase are as follows:

A decrease in business-type activities revenues of \$127,186 is mainly attributable to decreases in grants and contributions revenue of \$55,674, charges for services of \$31,899, and interest revenue of \$39,613.

An increase in business-type activities expenses of \$71,002 is attributable to an increase in water and sewer expenses of \$71,002.

## **Financial Analysis of the District's Funds**

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unrestricted fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,610,540, an increase of \$138,996 from the prior year ending fund balances.

**Proprietary Fund:** The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position for the proprietary fund at the end of the current fiscal year was (\$271,417). The unrestricted assets are available for spending at the District's discretion. In addition, \$7,224,698 of net position at December 31, 2020 represents the District's investment in capital assets, net of related debt. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

## Financial Analysis of the District's Funds (continued)

**Budget Variances in the General Fund:** The District amended the General Fund budget in 2020 to reflect additional revenues and a decrease in expenditures.

Significant budget variances for 2020 were as follows:

<u>Account</u>	<u>Original Budget Variance Positive (Negative)</u>	<u>Reason</u>
<i>Revenues:</i>		
Miscellaneous	\$ 50,677	Due to legal settlement insurance proceeds
<i>Expenditures:</i>		
Maintenance - General	29,255	Due to project coming in under budget
Legal settlement	50,000	Due to legal agreement

**Capital Assets:** The District's capital assets increased government-wide by \$640,335. Current year additions totaled \$963,653, while 2020 depreciation expense was \$269,755. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statement in Section D of this report.

**Long-term Debts:** The District refunded its debt and also issued improvement bonds in the fiscal year 2010. In 2020, the long-term debt of the District decreased \$185,000. The District's source of revenue to pay debt services is a mill levy on the property within the boundaries. Additional information as well as a detailed classification of the District's total long-term liabilities can be found in the Notes to the Financial Statements in Section D.

**Next Year's Budget and Rates:** The District's General Fund, fund balance at the end of fiscal year 2020 was \$1,678,371. The 2021 budget reflects a decrease in General Fund balance by \$45,187. The General Fund expenditures are budgeted to increase due to increase in budgeted amount for road maintenance; and the revenues are budgeted to decrease due to property taxes.

### Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, Skyland Metropolitan District, 350 Country Club Drive, Suite 112, Crested Butte, Colorado 81224-9626.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Skyland Metropolitan District  
Statement of Net Position  
December 31, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and investments	1,622,380	1,234,701	2,857,081
Receivables:			
Property tax	703,606	-	703,606
Accounts, net of allowance	-	29,012	29,012
Other	4,263	-	4,263
Capital assets not being depreciated	13,800	4,299,208	4,313,008
Capital assets, net of accumulated depreciation	917,031	2,925,490	3,842,521
<b>Total Assets</b>	<u>3,261,080</u>	<u>8,488,411</u>	<u>11,749,491</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	16,111	15,692	31,803
Construction payable	-	402,208	402,208
Utility credit	-	45,000	45,000
Accrued interest payable	7,041	-	7,041
Accrued compensated absences	-	2,130	2,130
Unearned water tank revenue	-	1,070,100	1,070,100
Bonds payable due within one year	190,000	-	190,000
Bonds payable due in more than one year	1,820,833	-	1,820,833
<b>Total Liabilities</b>	<u>2,033,985</u>	<u>1,535,130</u>	<u>3,569,115</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable property tax revenue	703,606	-	703,606
<b>Total Deferred Inflows of Resources</b>	<u>703,606</u>	<u>-</u>	<u>703,606</u>
<b>Net Position:</b>			
Net invested in capital assets	930,831	7,224,698	8,155,529
Restricted for emergencies	18,000	-	18,000
Unrestricted	(425,342)	(271,417)	(696,759)
<b>Total Net Position</b>	<u>523,489</u>	<u>6,953,281</u>	<u>7,476,770</u>

The accompanying notes are an integral part of these financial statements.

**Skyland Metropolitan District**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Functions/Programs:</b>						
<b>Governmental Activities:</b>						
General government	381,654	90,858	-	(290,796)	-	(290,796)
Highways and streets	147,006	-	-	(147,006)	-	(147,006)
Interest on long-term debt	92,117	-	-	(92,117)	-	(92,117)
<b>Total Governmental Activities</b>	<u>620,777</u>	<u>90,858</u>	<u>-</u>	<u>(529,919)</u>	<u>-</u>	<u>(529,919)</u>
<b>Business-type Activities:</b>						
Water and sewer	489,612	184,126	153,104	-	(152,382)	(152,382)
<b>Total Business-type Activities</b>	<u>489,612</u>	<u>184,126</u>	<u>153,104</u>	<u>-</u>	<u>(152,382)</u>	<u>(152,382)</u>
<b>Total</b>	<u><u>1,110,389</u></u>	<u><u>274,984</u></u>	<u><u>153,104</u></u>	<u><u>(529,919)</u></u>	<u><u>(152,382)</u></u>	<u><u>(682,301)</u></u>
<b>General Revenues:</b>						
Property tax				701,087	-	701,087
Specific ownership tax				46,024	-	46,024
Interest				1,384	20,759	22,143
Miscellaneous				1,627	-	1,627
Insurance proceeds				50,000	-	50,000
<b>Total general revenues</b>				<u>800,122</u>	<u>20,759</u>	<u>820,881</u>
<b>Change in Net Position</b>				270,203	(131,623)	138,580
<b>Net Position - Beginning</b>				253,286	7,084,904	7,338,190
<b>Net Position - Ending</b>				<u><u>523,489</u></u>	<u><u>6,953,281</u></u>	<u><u>7,476,770</u></u>

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS**

**Skyland Metropolitan District  
Balance Sheet  
Governmental Funds  
December 31, 2020**

	<b>General</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash	1,622,380	-	1,622,380
Receivables:			
Property taxes assessed but not collected	402,952	300,655	703,607
Other	4,263	-	4,263
Due from other fund	67,832	-	67,832
<b>Total Assets</b>	<b>2,097,427</b>	<b>300,655</b>	<b>2,398,082</b>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	16,104	-	16,104
Due to other fund	-	67,832	67,832
<b>Total Liabilities</b>	<b>16,104</b>	<b>67,832</b>	<b>83,936</b>
 <b>Deferred Inflows of Resources:</b>			
Unavailable property tax revenue	402,952	300,654	703,606
<b>Total Deferred Inflows of Resources</b>	<b>402,952</b>	<b>300,654</b>	<b>703,606</b>
 <b>Fund Balances:</b>			
Restricted:			
TABOR	18,000	-	18,000
Unassigned	1,660,371	(67,831)	1,592,540
<b>Total Fund Balances</b>	<b>1,678,371</b>	<b>(67,831)</b>	<b>1,610,540</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>2,097,427</b>	<b>300,655</b>	<b>2,398,082</b>

The accompanying notes are an integral part of these financial statements.



**Skyland Metropolitan District  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
For the Year Ended December 31, 2020**

**Governmental Funds Total Balance  
of Net Position are Different Because:**

Fund balance - total governmental funds (page C3)		1,610,540
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Details of these amounts are as follows:

Capital assets	4,600,239		
Accumulated depreciation	<u>(3,669,408)</u>		930,831

Deferred charges such as and premiums and discounts on bonded debt, are treated as current transactions on the fund financial statements, but are capitalized and are amortized on the Statement of Net Position:

Discounts and premiums on bonded debt	<u>9,159</u>		9,159
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Long-term liabilities, including capital leases and bonds payable , are not due and payable in the current period and, therefore, are not reported in the funds. Details of these amounts are as follows:

Bonds payable	(2,020,000)		
Accrued interest	<u>(7,041)</u>		<u>(2,027,041)</u>

**Net Position of Governmental Activities**

523,489

**Skyland Metropolitan District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes	522,833	224,278	747,111
Management fees	40,000	-	40,000
Availability of service fees	-	50,858	50,858
Interest	1,384	-	1,384
Miscellaneous	1,627	-	1,627
Insurance proceeds	50,000	-	50,000
<b>Total Revenues</b>	<u>615,844</u>	<u>275,136</u>	<u>890,980</u>
<b>Expenditures:</b>			
General government	350,775	-	350,775
Highways and streets	117,380	-	117,380
Debt Service:			
Principal	-	185,000	185,000
Interest	-	91,894	91,894
Trustee fees	-	200	200
Treasurer fees	-	6,742	6,742
<b>Total Expenditures</b>	<u>468,155</u>	<u>283,836</u>	<u>751,991</u>
<b>Net Change in Fund Balances</b>	147,689	(8,700)	138,989
<b>Fund Balances - Beginning</b>	<u>1,530,682</u>	<u>(59,131)</u>	<u>1,471,551</u>
<b>Fund Balances - Ending</b>	<u>1,678,371</u>	<u>(67,831)</u>	<u>1,610,540</u>

The accompanying notes are an integral part of these financial statements.

**Skyland Metropolitan District**  
**Reconciliation of Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2020**

**Amounts Reported for Governmental Activities in the  
Statement of Activities are Different Because:**

Net change in fund balance - total governmental funds (page C5) 138,989

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year.

Details of these differences are as follows:

Capital additions	24,096	
Depreciation expense	<u>(77,659)</u>	(53,563)

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.

Repayment of principal on bonds	185,000	
Amortization of bond premium	899	
Amortization of bond discount	(1,738)	
Change in accrued interest	<u>616</u>	184,777

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and asset impairment) is to decrease Net Position.

<b>Change in Net Position of Governmental Activities</b>	<u><u>270,203</u></u>
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**Skyland Metropolitan District  
Statement of Net Position  
Proprietary Fund Type  
Water and Sewer Fund  
For the Year Ended December 31, 2020**

**Assets:**

**Current Assets:**

Cash and investments	1,234,703
Accounts receivable, net of allowance of \$0	<u>29,012</u>
<b>Total Current Assets</b>	<b><u>1,263,715</u></b>

**Non-Current Assets:**

Property, plant, and equipment, net of accumulated depreciation	3,325,491
Water rights	3,310,732
Land easements	136,129
Construction in progress	<u>452,346</u>
<b>Total Non-Current Assets</b>	<b><u>7,224,698</u></b>

<b>Total Assets</b>	<b><u>8,488,413</u></b>
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**Liabilities:**

**Current Liabilities:**

Accounts payable and accrued liabilities	15,692
Construction payable	402,208
Utility credit	45,000
Accrued compensated absences	2,130
Unearned water tank revenue	<u>1,070,100</u>
<b>Total Current Liabilities</b>	<b><u>1,535,130</u></b>

<b>Total Liabilities</b>	<b><u>1,535,130</u></b>
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**Net Position:**

Net invested in capital assets	7,224,698
Unrestricted	<u>(271,415)</u>
<b>Total Net Position</b>	<b><u><u>6,953,283</u></u></b>

The accompanying notes are an integral part of these financial statements.

**Skyland Metropolitan District**  
**Statement of Revenues, Expenditures and Changes in Net Position**  
**Proprietary Fund Type**  
**Water and Sewer Fund**  
**For the Year Ended December 31, 2020**

<b>Operating Revenues:</b>	
Service fees	217,917
Other	11,209
<b>Total Operating Revenues</b>	229,126
 <b>Operating Expenses:</b>	
Repair and maintenance - Water and sewer	33,729
Dam and lake maintenance	1,983
Operational engineering	100,047
Legal fees	1,739
Utilities	25,861
Depreciation	269,755
Utility credit	45,000
Miscellaneous	633
Supplies and chemicals	1,951
Waste and water tests	3,036
Travel and education	335
Wages and benefits	50,541
<b>Total Operating Expenses</b>	534,610
<b>Operating (Loss)</b>	(305,484)
 <b>Non-Operating Revenues:</b>	
Interest income	20,759
<b>Net Non-Operating Revenues</b>	20,759
<b>(Loss) Before Contributions and Transfers</b>	(284,725)
Tap fees	153,104
<b>Change in Net Position</b>	(131,621)
<b>Total Net Position - Beginning</b>	7,084,904
<b>Total Net Position - Ending</b>	6,953,283

The accompanying notes are an integral part of these financial statements.

**Skyland Metropolitan District  
Statement of Cash Flows  
Proprietary Fund Type  
Water and Sewer  
For the Year Ended December 31, 2020**

<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	319,801
Cash payments for goods and services	(162,729)
Cash payments to employees and benefits	(52,176)
<b>Net Cash Provided (Used) by Operating Activities</b>	104,896
 <b>Cash Flows from Capital and Related Financing Activities:</b>	
Tap and water tank fees received	153,104
Cash paid for capital improvements	(561,445)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	(408,341)
 <b>Cash Flows from Investing Activities:</b>	
Interest income	20,759
<b>Net Cash Provided (Used) by Investing Activities</b>	20,759
 <b>Net Change in Cash</b>	 (282,686)
<b>Cash and Investments - Beginning</b>	<b>1,517,389</b>
<b>Cash and Investments - Ending</b>	<b>1,234,703</b>
 <b>Reconciliation of Operating (Loss) to</b>	
<b>Net Cash Provided by Operating Activities:</b>	
Operating (loss)	(305,484)
<b>Adjustments to reconcile operating (loss) to net cash provided by operating activities:</b>	
Depreciation	269,755
(Increase) decrease in accounts receivable	4,256
Increase (decrease) in accounts payable and accrued liabilities	49,950
Increase (decrease) in unearned water tank revenue	86,419
<b>Total Adjustments</b>	<b>410,380</b>
 <b>Net Cash Provided (Used) by Operating Activities</b>	 <b>104,896</b>

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**Skyland Metropolitan District  
Notes to the Financial Statements  
December 31, 2020**

**I. Summary of Significant Accounting Policies**

The Skyland Metropolitan District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act.

The District, located in Gunnison County, Colorado, was formed on October 26, 1981, for the purpose of providing water and sewage, fire protection, street, curb and gutter improvements, and safety protection functions to the residents of the District. Currently, sewer and fire protection services are not provided by the District.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements, (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

**A. Reporting Entity**

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the District is not financially accountable for any other entity nor is the District a component unit of any other government.

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's administration and highways and streets are classified as governmental activities. The District's water and sewer are classified as a business-type activity.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (utilities). The functions are also supported by general government revenues (property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital contributions. Program revenues must be directly associated with the function (general government and highways and streets) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific contributions.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.



**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The District reports the following governmental funds:

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

The *Debt Service Fund* accounts for the accumulation of financial resources to be used for the payment of long-term debt principal, interest, and related costs.

The District reports the following proprietary or business-type fund:

The *Water and Sewer Fund* accounts for the operations of the water and sewer systems.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Both governmental and business-type activities in the government-wide financial statements and the proprietary financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**3. Financial Statement Presentation**

Amounts reported as program revenues include 1) charges to customers and others for goods, services or privileges provided, 2) capital contributions, including special assessments, and 3) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**E. Financial Statement Accounts**

**1. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

The District's follows Colorado statutes specifying specific investments instruments meeting defined rating criteria in which local governments may invest, which include:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 60 months)
- Corporate Bonds (maximum maturity of 60 months)
- Prime Commercial Paper (maximum maturity of 60 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance for uncollectible accounts has been established, as the District considers all accounts to be collectible.

**Skyland Metropolitan District  
Notes to the Financial Statements  
December 31, 2020  
(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**3. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as unearned revenue.

**4. Prepaid Expenses**

Prepaid expenses are amounts paid in the current year for expenses related to subsequent years.

**5. Interfund Receivables and Payables**

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

**6. Capital Assets**

Capital assets, which include roads, signs, bridges and paths, water systems, sewer systems and improvements are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair 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 asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment, signs, and water meters	5 - 15
Roads and streets	20
Pedestrian bridge and paths	20
Water tank, water and sewer systems, and buildings and improvements	10 - 40

**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**7. Compensated Absences**

Earned but unused vacation benefits are accrued when incurred in the financial statements.

**8. Unearned Water Tank Revenue**

Unearned water tank revenue represents water tank tap fees and 20% of user fees to be used for funding of a future water storage facility.

**9. Long-term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the governmental activities column of the government-wide financial statements. Long-term obligations for proprietary funds are recognized when the related liability is incurred, regardless of the timing of the related cash flows.

**10. Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Unavailable property tax revenue is reported in both the government-wide statement of net position and the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**11. Categories and Classification of Fund Balance**

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**11. Categories and Classification of Fund Balance (continued)**

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is Board of Directors. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Directors platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to Board of Directors via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board of Directors approval, must be presented via a public process and again approval by Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Directors or its management designee.

Unassigned – includes residual positive fund balance within a general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy.

In addition to the above note disclosure, GASB 54 requires disclosure of the following fund definitions:

General Fund – The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

Debt Service Funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**12. Tap Fees**

*Accounting and Financial Reporting for Nonexchange Transactions*, GASB No. 33, requires that government entities that receives tap fees record the tap fees as revenue for accounting periods beginning after June 15, 2000. The District has reported tap fees for the year ended December 31, 2020 as revenue in the accompanying financial statements.

**F. Significant Accounting Policies**

**1. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**2. Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Budgets are adopted on a basis consistent with GAAP, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2020.

1. For the 2020 budget year, prior to August 25, 2019, the County Assessor sent to the District an assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10 only once by a single notification to the District.
2. The District Manager submitted to the Board, on or before October 15, 2019, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. Prior to December 15, 2019, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

**Skyland Metropolitan District  
Notes to the Financial Statements  
December 31, 2020  
(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

4. After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2019 were collected in 2020 and taxes certified in 2020 will be collected in 2021. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year, a supplemental appropriation ordinance was necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

The proprietary fund was adopted on a non-GAAP budgetary basis and has been reconciled below:

	<b>Water and Sewer Fund</b>
Excess of revenues over expenditures and other financing (uses) - budget basis	\$ (739,100)
Reconciliation to GAAP Basis:	
Water tank fees	(86,419)
Depreciation	(269,755)
Capital additions	963,653
<b>Change in Net Position/Fund Balance - GAAP Basis</b>	<b>\$ (131,621)</b>

**B. TABOR Amendment - Revenue and Spending Limitation Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

**Skyland Metropolitan District  
Notes to the Financial Statements  
December 31, 2020  
(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)**

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has provided for an emergency reserve of \$18,000, in the General Fund, in compliance with TABOR at December 31, 2020.

The District's electors have passed ballot questions that permit:

- 1) An increase of up to \$1,500,000 in the final year of a phased-in tax increase by the certification of additional mill levies for general fund operating expenses in addition to debt service, which increase may be levied and spent regardless of any limitations imposed by C.R.S. § 29-1-301, *et seq.* and Article X, Section 20 of the Colorado Constitution.
- 2) An increase in Skyland's revenues and spending up to \$1,500,000 in any one fiscal year to the extent that revenues and spending in each such fiscal year are in excess of applicable revenue and spending limits.

The District's management believes that it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

At year end, the District had the following deposits and maturities:

Type	Rating	Carrying Amount	Maturities	
			Less Than One Year	Less Than Five Years
<i>Deposits:</i>				
Checking	Not Rated	\$ 4,553	-	-
Money market	Not Rated	184,944	-	-
COLOTRUST investment pool	AAAm	2,667,584	2,667,584	-
		<u>\$2,857,081</u>	<u>2,667,584</u>	<u>-</u>

The Investment Pool represents an investment in Colorado Liquid Asset Trust ("COLOTRUST"). The investment is measured at the net asset value, and the fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.



**Skyland Metropolitan District  
Notes to the Financial Statements  
December 31, 2020  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits (continued)**

**1. Interest Rate Risk**

As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

**2. Credit Risk**

State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**3. Concentration of Credit Risk**

The District diversifies its investments by security type and institution.

Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed.

Financial institutions holding District funds must provide the District with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. Colorado's PDPA requirement noted above mitigates concentration of credit risk.

**B. Receivables**

Receivables as of year-end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Water and Sewer</u>	<u>Total</u>
Receivables:				
Property tax	\$ 402,952	300,654	-	703,606
Accounts	-	-	29,012	29,012
Other	4,263	-	-	4,263
Gross receivables	<u>407,215</u>	<u>300,654</u>	<u>29,012</u>	<u>736,881</u>
Less: allowance for uncollectible	-	-	-	-
<b>Net Receivables</b>	<u><u>\$ 407,215</u></u>	<u><u>300,654</u></u>	<u><u>29,012</u></u>	<u><u>736,881</u></u>

**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**B. Receivables (continued)**

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$703,606 of unavailable revenue is property taxes levied in 2020 but not available until 2021.

**C. Interfund Receivables and Payables**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

The General Fund had interfund receivables from the Debt Service Fund of \$67,832, as of December 31, 2020.

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2020 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 13,800	-	-	13,800
Total Capital Assets, Not Being Depreciated	<u>13,800</u>	<u>-</u>	<u>-</u>	<u>13,800</u>
Capital Assets, Being Depreciated:				
Equipment	122,790	3,363	(16,254)	109,899
Roads	3,915,429	20,734	-	3,936,163
Signs	38,096	-	-	38,096
Pedestrian bridge and paths	279,009	-	-	279,009
Buildings and Improvements	223,273	-	-	223,273
Total Capital Assets Being Depreciated	<u>4,578,597</u>	<u>24,097</u>	<u>(16,254)</u>	<u>4,586,440</u>
Less Accumulated Depreciation for:				
Equipment	(79,272)	(18,357)	16,254	(81,375)
Roads	(3,274,111)	(39,383)	-	(3,313,494)
Signs	(36,157)	(387)	-	(36,544)
Pedestrian bridge and paths	(158,432)	(13,951)	-	(172,383)
Building and Improvements	(60,031)	(5,582)	-	(65,613)
Total Accumulated Depreciation	<u>(3,608,003)</u>	<u>(77,660)</u>	<u>16,254</u>	<u>(3,669,409)</u>
Total Capital Assets, Being Depreciated, Net	<u>970,594</u>	<u>(53,563)</u>	<u>-</u>	<u>917,031</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 984,394</u>	<u>(53,563)</u>	<u>-</u>	<u>930,831</u>

**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Capital Assets (continued)**

Depreciation expense and were charged to functions of the District as follows:

	<b>Depreciation Expense</b>
Governmental activities:	
General government	\$ 23,938
Public works	53,721
<b>Total depreciation expense - governmental activities</b>	<b>\$ 77,659</b>

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Water rights	\$ 3,310,732	-	-	3,310,732
Land	-	400,000	-	400,000
Land easements	136,129	-	-	136,129
Construction in progress	70,273	415,773	(33,700)	452,346
Total Capital Assets, Not Being Depreciated	3,517,134	815,773	(33,700)	4,299,207
Capital Assets, Being Depreciated:				
Water meters	70,437	-	-	70,437
Dam projects	1,774,276	-	-	1,774,276
Equipment	2,127	-	-	2,127
Water system	4,487,105	181,580	-	4,668,685
Water tank	706,914	-	-	706,914
Wells	491,909	-	-	491,909
Sewer collection system	1,102,131	-	-	1,102,131
Total Capital Assets Being Depreciated	8,634,899	181,580	-	8,816,479
Less Accumulated Depreciation for:				
Water meters	(68,088)	(2,349)	-	(70,437)
Dam projects	(1,259,559)	(53,766)	-	(1,313,325)
Equipment	(2,127)	-	-	(2,127)
Water system	(2,794,621)	(141,862)	-	(2,936,483)
Water tank	(384,693)	(21,422)	-	(406,115)
Wells	(103,067)	(14,906)	-	(117,973)
Sewer collection system	(1,009,078)	(35,449)	-	(1,044,527)
Total Accumulated Depreciation	(5,621,233)	(269,754)	-	(5,890,987)
Total Capital Assets, Being Depreciated, Net	3,013,666	(88,174)	-	2,925,492
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 6,530,800</b>	<b>727,599</b>	<b>(33,700)</b>	<b>7,224,698</b>

**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Capital Assets (continued)**

The District operates and receives user and availability of service fees for the water systems. The District owns, but does not operate the sewer collection system and does not receive any related sewer revenues. The District maintains the sewer collection system and incurred depreciation expenses of \$35,449 for the year ended December 31, 2020. The sewer plant and collection system is operated by East River Regional Sanitation District. The District does not charge East River Regional Sanitation District any fee for the use of its sewer collection system.

**E. Long-term Liabilities – Governmental Activities**

The District has the following long-term debt outstanding for governmental activities:

**1. General Obligation Refunding and Improvement Bonds, Series 2010**

On June 10, 2010, the District issued General Obligation Refunding and Improvement Bonds, Series 2010 in the amount of \$3,765,000. \$1,490,000 of bond proceeds was used to refund the outstanding balance of the General Obligation (Limited Tax) Refunding Bonds, Series 2003; the proceeds were applied immediately to redeem the old debt. \$2,275,000 of bond proceeds was used to finance extensions and improvements to the water system purchase water rights, and the construction of associated structures of the District. The present value savings on the bond refunding was \$265,212.

**2. Schedule of Future Payments**

The District's debt service requirements to maturity at December 31, 2020, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 190,000	84,494	274,494
2022	200,000	76,894	276,894
2023	205,000	68,894	273,894
2024	215,000	60,694	275,694
2025	225,000	52,094	277,094
2026 - 2030	985,000	110,249	1,095,249
Total	2,020,000	453,319	2,473,319
	(9,167)	Less: Unamortized bond discount and premium - net	
	<u>\$ 2,010,833</u>	<b>Total Debt</b>	

**Skyland Metropolitan District  
Notes to the Financial Statements  
December 31, 2020  
(Continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-term Liabilities – Governmental Activities (continued)**

**3. Changes in Long-term Debt**

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Refunding and Improvement Bonds Series 2010	\$ 2,205,000	-	(185,000)	2,020,000	190,000
<b>Total Governmental Activities</b>	<u>\$ 2,205,000</u>	<u>-</u>	<u>(185,000)</u>	<u>2,020,000</u>	<u>190,000</u>

**4. Debt Requirements**

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

**IV. Other Information**

**A. District Management**

The management of the District is primarily accomplished through an elected Board of Directors which oversees administration, operations, and maintenance functions.

**B. Risk Management**

The District is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The District carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

**C. Contingencies - Claims**

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2020.

**D. Section 401(a) Retirement Plan**

The District offers its employees a retirement savings plan created in accordance with Internal Revenue Code Section 401(a) (the "Plan"). The Plan is administered and invested by Colorado Retirement Association ("CRA"). The benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

**Skyland Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2020**  
**(Continued)**

**IV. Other Information (continued)**

**D. Section 401(a) Retirement Plan (continued)**

The District Manager has authorized and has the ability to amend the following benefit terms. Employees of the District, who work at least 12 months per year and 24 hour per week, with 12 months of continuous service, are eligible to participate in the Plan. All participants make required contributions equal to 5% of compensation, as defined in the Plan, and the District makes a matching contribution of 5%. Employee contributions are vested upon contribution. The District's contributions vest 25% after two years, and the vesting percentage increase 25% each year after that, and become fully vested after five years.

The District's 2020 covered payroll was \$136,205 and, during 2020, the District's required and actual contributions amounted to \$6,551. No forfeited contributions were used to reduce the District's contributions. Participants' required and actual contributions for 2020 amounted to \$6,810.

As of December 31, 2020, there were no outstanding contribution liabilities.

**E. Section 457 Deferred Compensation Plan**

The District has adopted an IRC Section 457 deferred compensation plan administered by CRA. Participants may defer up to the lesser of \$19,500 or 100% of the participant's includable compensation. The District has elected not to make employer contributions under the plan. Participants over age 50 are eligible to contribute more than the \$19,500 limit due to a catch up provision in the plan. The District is neither the trustee nor the administrator and has no liability under the plan.

**F. Litigation**

During 2020, the District finalized a settlement agreement requiring the District to purchase Lots 17, 18, and 19 of real property from the owner for a total of \$400,000. The District and Landowner agreed to an additional compensation settlement of \$50,000 and a credit from the District to the Landowner of \$45,000 to be used against future Availability of Service or User Fees.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Skyland Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**With Reconciliation to GAAP Basis**  
**General Fund**  
**For the Year Ended December 31, 2020**  
**(With Comparative Actual Amounts for 2019)**

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Property taxes	476,825	476,825	476,809	(16)	476,239
Specific ownership taxes	45,500	46,024	46,024	-	50,438
<b>Total Taxes</b>	<u>522,325</u>	<u>522,849</u>	<u>522,833</u>	<u>(16)</u>	<u>526,677</u>
<b>Other:</b>					
Management fees	40,000	40,000	40,000	-	40,000
Interest	1,000	1,384	1,384	-	1,364
Miscellaneous	950	51,627	51,627	-	2,918
<b>Total Other</b>	<u>41,950</u>	<u>93,011</u>	<u>93,011</u>	<u>-</u>	<u>44,282</u>
<b>Total Revenues</b>	<u>564,275</u>	<u>615,860</u>	<u>615,844</u>	<u>(16)</u>	<u>570,959</u>
<b>Expenditures:</b>					
<b>General Government:</b>					
Administrative wages and benefits	151,000	153,000	148,307	4,693	147,058
Accounting and auditing	11,500	11,525	11,445	80	11,170
Directors' fees	7,000	6,500	5,900	600	5,800
Legal fees	40,000	60,000	53,484	6,516	53,321
Insurance	16,000	33,422	33,962	(540)	15,411
Telephone	2,500	2,500	2,182	318	2,223
Office supplies	9,000	9,000	7,170	1,830	6,349
Training and education	2,000	100	-	100	769
Other	3,800	21,645	21,783	(138)	5,649
Legal settlement	-	-	50,000	(50,000)	-
Truck expense	4,000	3,000	2,209	791	2,254
Treasurer's fees	14,405	14,405	14,333	72	14,409
<b>Total General Government</b>	<u>261,205</u>	<u>315,097</u>	<u>350,775</u>	<u>(35,678)</u>	<u>264,413</u>
<b>Highways and Streets:</b>					
Snowplowing	60,000	30,000	24,509	5,491	56,467
Maintenance - General	100,000	80,000	70,745	9,255	42,804
Maintenance - Landscaping	12,000	18,500	18,314	186	14,777
Capital outlay:					
Signs	1,000	1,000	847	153	3,810
Open space	5,000	4,000	2,965	1,035	2,650
Equipment	10,000	50,000	-	50,000	-
Roads	-	-	-	-	82
<b>Total Highways and Streets</b>	<u>188,000</u>	<u>183,500</u>	<u>117,380</u>	<u>66,120</u>	<u>120,590</u>
<b>Net Change in Fund Balance</b>	115,070	117,263	147,689	30,426	185,956
<b>Fund Balance - Beginning</b>	<u>1,513,398</u>	<u>1,513,398</u>	<u>1,530,682</u>	<u>17,284</u>	<u>1,344,726</u>
<b>Fund Balance - Ending</b>	<u>1,628,468</u>	<u>1,630,661</u>	<u>1,678,371</u>	<u>47,710</u>	<u>1,530,682</u>

The accompanying notes are an integral part of these financial statements.



**SUPPLEMENTARY INFORMATION**

**Skyland Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**With Reconciliation to GAAP Basis**  
**Debt Service Fund**  
**For the Year Ended December 31, 2020**  
**(With Comparative Actual Amounts for 2019)**

	<u>2020</u>			<u>Final Budget</u>	<u>2019</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
<b>Taxes:</b>					
Property taxes	224,278	224,278	224,278	-	196,225
<b>Total Taxes</b>	<u>224,278</u>	<u>224,278</u>	<u>224,278</u>	<u>-</u>	<u>196,225</u>
<b>Other:</b>					
Availability of service fees	55,804	51,412	50,858	(554)	56,233
Legal agreement	-	-	-	-	4,528
<b>Total Other</b>	<u>55,804</u>	<u>51,412</u>	<u>50,858</u>	<u>(554)</u>	<u>60,761</u>
<b>Total Revenues</b>	<u>280,082</u>	<u>275,690</u>	<u>275,136</u>	<u>(554)</u>	<u>256,986</u>
<b>Expenditures:</b>					
<b>Debt Service:</b>					
Principal	-	-	185,000	(185,000)	175,000
Interest	276,894	276,894	91,894	185,000	98,894
Trustee fees	200	200	200	-	200
Treasurer's fees	6,728	6,742	6,742	-	5,937
Refund of availability of service fees	-	-	-	-	52,058
<b>Total Expenditures</b>	<u>283,822</u>	<u>283,836</u>	<u>283,836</u>	<u>-</u>	<u>332,089</u>
<b>Net Change in Fund Balance - GAAP Basis</b>			<u>(8,700)</u>		<u>(75,103)</u>
<b>Fund Balance - Beginning</b>	<u>3,740</u>	<u>3,740</u>	<u>(59,132)</u>	<u>(62,872)</u>	<u>15,971</u>
<b>Fund Balance - Ending</b>	<u>-</u>	<u>(4,406)</u>	<u>(67,832)</u>	<u>(63,426)</u>	<u>(59,132)</u>

The accompanying notes are an integral part of these financial statements.

**Skyland Metropolitan District**  
**Schedule of Revenues and Expenditures**  
**Budget (Non-GAAP Basis) and Actual**  
**With Reconciliation to GAAP Basis**  
**Proprietary Fund Type - Water and Sewer Fund**  
**For the Year Ended December 31, 2020**  
**(With Comparative Actual Amounts for 2019)**

	<u>2020</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2019</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
User fees	193,010	201,167	172,917	(28,250)	212,643
Interest - Customers	500	500	317	(183)	276
Tap fees	55,674	154,000	153,104	(896)	208,778
Water tank tap fee	-	-	86,419	86,419	99,713
Other	500	7,100	7,049	(51)	800
Water meter revenue	2,000	2,306	3,843	1,537	2,306
Interest income	35,000	23,000	20,759	(2,241)	60,372
<b>Total Revenues</b>	<u>286,684</u>	<u>388,073</u>	<u>444,408</u>	<u>56,335</u>	<u>584,888</u>
<b>Expenditures:</b>					
Repair and maintenance - Water and sewer	75,000	50,000	33,659	16,341	18,587
Repair and maintenance - Equipment	500	500	70	430	90
Dam and lake maintenance	20,000	4,000	1,983	2,017	3,448
Capital engineering	200,000	75,000	72,475	2,525	79,200
Operational engineering	20,000	15,000	14,679	321	14,430
Legal fees	40,000	3,000	1,739	1,261	9,903
Utilities	29,000	29,000	25,861	3,139	26,499
Miscellaneous	600	600	633	(33)	522
Supplies and chemicals	2,500	2,500	1,951	549	823
Waste and water tests	2,500	3,500	3,036	464	1,191
Travel and education	5,000	500	335	165	1,456
Wages and benefits	51,000	51,000	50,541	459	50,404
Water meter expense	4,000	-	-	-	5,906
Capital outlay	500,000	980,000	976,546	3,454	7,073
<b>Total Expenditures</b>	<u>950,100</u>	<u>1,214,600</u>	<u>1,183,508</u>	<u>31,092</u>	<u>219,532</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(663,416)</u>	<u>(826,527)</u>	<u>(739,100)</u>	<u>87,427</u>	<u>365,356</u>
<b>Net Change in Net Position</b>	<u>(663,416)</u>	<u>(826,527)</u>	<u>(739,100)</u>	<u>87,427</u>	<u>365,356</u>
<b>Reconciliation to GAAP Basis:</b>					
Water tank fees			(86,419)		(99,713)
Depreciation			(269,755)		(269,351)
Capital additions			963,653		70,273
<b>Change in Net Position - GAAP Basis</b>			<u>(131,621)</u>		<u>66,565</u>

The accompanying notes are an integral part of these financial statements.

## STATISTICAL TABLES

**Table II**  
**History of District's Assessed Valuation**

<b>Levy/Collection</b>	<b>Assessed Valuation</b>	<b>Percent Change</b>
<b>Year</b>		
2010/2011	\$37,062,530	0.60%
2011/2012	\$24,935,930	-32.72%
2012/2013	\$24,606,170	-1.32%
2013/2014	\$19,192,540	-22.00%
2014/2015	\$19,247,630	0.29%
2015/2016	\$23,579,320	22.51%
2016/2017	\$23,539,870	-0.17%
2017/2018	\$23,293,390	-1.05%
2018/2019	\$23,435,700	0.61%
2019/2020	\$28,786,870	22.83%
2020/2021	\$28,889,610	0.36%

**Table III**  
**History of District's Mill Levy**

<b>Levy/Collection</b>	<b>General</b>	<b>Bond</b>	
<b>Year</b>	<b>Revenue</b>	<b>Redemption</b>	<b>Total</b>
2010/2011	16.317	5.763	22.08
2011/2012	19.945	7.135	27.08
2012/2013	19.42	7.66	27.08
2013/2014	24.952	11.092	36.044
2014/2015	23.749	12.295	36.044
2015/2016	19.673	9.021	28.694
2016/2017	19.483	9.211	28.694
2017/2018	19.068	9.626	28.694
2018/2019	20.322	8.372	28.694
2019/2020	16.564	7.791	24.355
2020/2021	13.948	10.407	24.355

**Table IV**  
**Property Tax Collections for the District**

<b>Levy/Collection</b>	<b>Taxes</b>	<b>Total Collections as a Percentage of Taxes Levied</b>	
<b>Year</b>	<b>Levied</b>	<b>Collected</b>	
2010/2011	\$818,340	\$801,376	97.93
2011/2012	\$675,264	\$690,831	102.31
2012/2013	\$666,334	\$669,400	100.46
2013/2014	\$691,775	\$691,776	100.00
2014/2015	\$693,761	\$693,761	100.00
2015/2016	\$676,584	\$676,586	100.00
2016/2017	\$675,452	\$675,034	99.94
2017/2018	\$668,380	\$668,381	100.00
2018/2019	\$672,463	\$672,464	100.00
2019/2020	\$701,087	\$701,087	100.00

**TABLE VII**  
**General Fund Comparative Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Years Ended December 31**

	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>								
Property taxes	\$ 480,026	\$ 478,916	\$ 457,119	\$ 463,867	\$ 457,346	\$ 444,139	\$ 476,239	\$ 476,809
Specific ownership taxes	35,262	41,530	41,123	39,076	45,487	45,683	50,438	46,024
Management fees	37,083	37,500	37,500	39,792	40,000	40,000	40,000	40,000
Capital Improvement fees	-	-	-	-	-	7,500	-	-
Other	5,727	4,879	2,688	1,892	2,428	2,064	4,282	53,011
<b>Total Revenues</b>	<u>558,098</u>	<u>562,825</u>	<u>538,430</u>	<u>544,627</u>	<u>545,261</u>	<u>539,386</u>	<u>570,959</u>	<u>615,844</u>
<b>Expenditures</b>								
General government	225,553	224,989	228,323	220,104	247,430	216,819	264,413	350,775
Highways and streets	191,690	100,923	308,919	237,306	242,583	422,011	120,590	117,380
<b>Total Expenditures</b>	<u>417,243</u>	<u>325,912</u>	<u>537,242</u>	<u>457,410</u>	<u>490,013</u>	<u>638,830</u>	<u>385,003</u>	<u>468,155</u>
<b>Net Change in Fund Balance</b>	140,855	236,913	1,188	87,217	55,248	(99,444)	185,956	147,689
Fund Balance-Beginning	922,749	1,063,604	1,300,517	1,301,705	1,388,922	1,444,170	1,344,726	1,530,682
<b>Fund Balance-Ending</b>	<u>\$ 1,063,604</u>	<u>\$ 1,300,517</u>	<u>\$ 1,301,705</u>	<u>\$ 1,388,922</u>	<u>\$ 1,444,170</u>	<u>\$ 1,344,726</u>	<u>\$ 1,530,682</u>	<u>\$ 1,678,371</u>

Sources: District Audited Financial Reports 2013 - 2019

**TABLE VIII**  
**Enterprise Fund Comparative Statement of Revenue, Expenses, and Changes in Net Position**  
**Years Ended December 31**

	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenues								
Service fees	\$ 188,291	\$ 193,673	\$ 189,657	\$ 194,149	\$ 200,816	\$ 212,023	\$ 212,643	\$ 217,917
Other	2,711	3,282	5,104	1,333	1,970	4,137	3,382	11,209
Total Operating Revenues	<u>191,002</u>	<u>196,955</u>	<u>194,761</u>	<u>195,482</u>	<u>202,786</u>	<u>216,160</u>	<u>216,025</u>	<u>229,126</u>
Operating Expenses								
Repair and maintenance	28,548	51,210	43,330	31,408	21,966	25,946	18,677	33,729
Dam and lake maintenance	2,337	10,889	8,766	3,637	5,687	907	3,448	1,983
Operational engineering	15,545	4,049	55	11,493	20,322	11,305	30,430	100,047
Legal	-	62,375	53,094	37,649	22,445	9,129	9,903	1,739
Utilities	24,246	25,289	21,585	28,915	24,511	24,629	26,499	25,861
Depreciation	250,248	251,759	258,850	263,814	265,768	268,126	269,351	269,755
Utility credit	-	-	-	-	-	-	-	45,000
Miscellaneous	483	514	517	282	576	535	522	633
Supplies and chemicals	1,309	1,251	1,380	464	1,879	833	823	1,951
Waste and water tests	2,445	1,960	1,146	1,048	3,833	2,877	1,191	3,036
Travel and education	1,532	331	1,568	170	194	2,069	1,456	335
Bad debts (recovery)	5,058	(10,070)	(5,428)	-	-	-	-	-
Wages and benefits	42,267	42,407	44,257	45,531	47,657	49,477	50,404	50,541
Water meter expense	102	673	840	2,922	-	4,169	5,906	-
Total Operating Expenses	<u>374,120</u>	<u>442,637</u>	<u>429,960</u>	<u>427,333</u>	<u>414,838</u>	<u>400,002</u>	<u>418,610</u>	<u>534,610</u>
Operating Loss	(183,118)	(245,682)	(235,199)	(231,851)	(212,052)	(183,842)	(202,585)	(305,484)
Non-Operating Revenues								
Interest income	2,005	1,956	3,103	9,564	14,608	37,184	60,372	20,759
Net Non-Operating Revenues	<u>2,005</u>	<u>1,956</u>	<u>3,103</u>	<u>9,564</u>	<u>14,608</u>	<u>37,184</u>	<u>60,372</u>	<u>20,759</u>
Loss Before Contributions and Transfers	(181,113)	(243,726)	(232,096)	(222,287)	(197,444)	(146,658)	(142,213)	(284,725)
Tap fees	78,872	37,466	40,828	102,069	141,041	167,022	208,778	153,104
Change in Net Position	(102,241)	(206,260)	(191,268)	(120,218)	(56,403)	20,364	66,565	(131,621)
Total Net Position-Beginning	<u>7,674,365</u>	<u>7,572,124</u>	<u>7,365,864</u>	<u>7,174,596</u>	<u>7,054,378</u>	<u>6,997,975</u>	<u>7,018,339</u>	<u>7,084,904</u>
Total Net Position-Ending	<u>\$ 7,572,124</u>	<u>\$ 7,365,864</u>	<u>\$ 7,174,596</u>	<u>\$ 7,054,378</u>	<u>\$ 6,997,975</u>	<u>\$ 7,018,339</u>	<u>\$ 7,084,904</u>	<u>\$ 6,953,283</u>

Sources: District Audited Financial Reports 2013 - 2019