

**PRONGHORN VALLEY METROPOLITAN DISTRICT
ANNUAL REPORT
TO
THE CITY OF AURORA**

FISCAL YEAR ENDING DECEMBER 31, 2020

Pursuant to the Pronghorn Valley Metropolitan District Service Plan, the District is required to provide an annual report to the City of Aurora no later than August 1st of each year following 2017, the year in which the District was organized. Such annual report shall include information concerning the following matters:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.
4. A summary of any litigation which involves any of the District's Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. The assessed valuation of the District for the current year.
8. Current year budget including a description of the Public Improvements to be constructed in such year.
9. Audit of the District financial statements for the year ending December 31 of the previous year prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
10. Notice of any uncured events of noncompliance by the District under any Debt instrument, which continue beyond a 90-day period.
11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90-day period.

For the year ending December 31, 2020, the District makes the following report:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.

None.

2. Intergovernmental Agreement either entered into or proposed as of December 31 of the prior year.

None.

3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.

None.

4. A summary of any litigation which involves any of the District's Public Improvements as of December 31 of the prior year.

None.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

The District did not construct any public improvements during 2020.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

None.

7. The assessed valuation of the District for the current year.

The assessed valuation of the District for the year 2020 was \$1,113,092.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The 2021 Budget is enclosed as Exhibit A. The District has not identified any public improvements for construction by the District in 2021.

9. Audit of the District financial statements for the year ending December 31 of the previous year prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

Enclosed with this report as Exhibit B is a copy of the District's 2020 Application for Exemption from Audit.

10. Notice of any uncured events of noncompliance by the District under any Debt instrument, which continue beyond a 90-day period.

None.

11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90-day period.

None.

EXHIBIT A
2021 Budget Attached

PRONGHORN VALLEY METROPOLITAN DISTRICT
2021
BUDGET MESSAGE

Attached please find a copy of the adopted 2021 budget for the Pronghorn Valley Metropolitan District.

The Pronghorn Valley Metropolitan District has adopted three funds, a General Fund to provide for general operating and maintenance expenditures; a Debt Service Fund to provide for payments on the proposed general obligation debt; and a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built by the District, proposed general obligation debt issuance costs, repayment of developer advances and transfers to the Debt Service Fund.

The District's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the District in 2021 will be property taxes, specific ownership taxes, bond proceeds and developer advances. In 2021, the District intends to impose a 61.000 mill levy on property within the District, of which 10.000 mills will be dedicated to the General Fund and the balance of 51.000 mills will be allocated to the Debt Service Fund. 1.000 mills of the 51.000 mills dedicated to the Debt Service Fund is restricted for regional improvements per an intergovernmental agreement with SARIA.

Pronghorn Valley Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2021

	Actual <u>2019</u>	Adopted Budget <u>2020</u>	Actual <u>6/30/2020</u>	Estimate <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ 7,388	\$ 29,099	\$ 13,868	\$ 13,868	\$ -
Revenues:					
Property Taxes	48,966	11,134	11,133	11,133	11,131
Specific Ownership Taxes	3,839	667	365	667	668
Developer advances	-	10,300	-	-	34,852
	<u>52,805</u>	<u>22,101</u>	<u>11,498</u>	<u>11,800</u>	<u>46,651</u>
Total revenues					
Total funds available	<u>60,193</u>	<u>51,200</u>	<u>25,366</u>	<u>25,668</u>	<u>46,651</u>
Expenditures:					
Legal	30,526	20,000	4,143	13,929	20,000
Accounting / auditing	5,276	15,000	2,781	9,124	15,000
Insurance	2,146	3,000	2,047	2,047	3,000
Election expenses	-	5,000	-	-	-
Miscellaneous	6,929	1,000	-	100	1,000
Dues and membership	284	500	301	301	500
Director fees	400	-	-	-	400
Payroll taxes	30	-	-	-	30
Operations and maintenance	-	5,047	-	-	5,200
Treasurer's Fees	734	167	167	167	167
Emergency Reserve	-	1,486	-	-	1,354
	<u>46,325</u>	<u>51,200</u>	<u>9,439</u>	<u>25,668</u>	<u>46,651</u>
Total expenditures					
Ending fund balance	<u>\$ 13,868</u>	<u>\$ -</u>	<u>\$ 15,927</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 1,113,341</u>			<u>\$ 1,113,092</u>
Mill Levy		<u>10.000</u>			<u>10.000</u>

**Pronghorn Valley Metropolitan District
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2021**

	Actual <u>2019</u>	Adopted Budget <u>2020</u>	Actual <u>6/30/2020</u>	Estimate <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond proceeds	-	10,484,000	-	10,484,000	10,484,000
Total revenues	-	10,484,000	-	10,484,000	10,484,000
Total funds available	-	10,484,000	-	10,484,000	10,484,000
Expenditures:					
Transfer to Debt Service	-	2,190,575	-	2,190,575	2,190,575
Cost of issuance	-	472,570	-	472,570	472,570
Capital outlay	-	7,820,855	-	7,820,855	7,820,855
Total expenditures	-	10,484,000	-	10,484,000	10,484,000
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

Pronghorn Valley Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2021

	Actual <u>2019</u>	Adopted Budget <u>2020</u>	Actual <u>6/30/2020</u>	Estimate <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 2,248,747
Revenues:					
Property taxes	-	55,667	55,667	55,667	55,655
Property taxes - SARIA	-	1,113	1,113	1,113	1,113
Specific ownership taxes	-	3,340	1,825	3,340	3,339
Specific ownership taxes - SARI	-	67	37	67	67
Interest income	-	1,000	-	-	1,000
Transfer from Capital Projects	-	2,190,575	-	2,190,575	2,190,575
Total revenues	<u>-</u>	<u>2,251,762</u>	<u>58,642</u>	<u>2,250,762</u>	<u>2,251,749</u>
Total funds available	<u>-</u>	<u>2,251,762</u>	<u>58,642</u>	<u>2,250,762</u>	<u>4,500,496</u>
Expenditures:					
Bond interest expense	-	505,533	-	-	505,533
Regional Mill levy	-	1,163	1,113	1,163	1,163
Trustee fees	-	10,000	-	-	10,000
Treasurer's Fees	-	835	835	835	835
Treasurer's Fees - SARIA	-	17	17	17	17
Total expenditures	<u>-</u>	<u>517,548</u>	<u>1,965</u>	<u>2,015</u>	<u>517,548</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 1,734,214</u>	<u>\$ 56,677</u>	<u>\$ 2,248,747</u>	<u>\$ 3,982,948</u>
Surplus requirement (minimum)		<u>\$ 919,500</u>			<u>\$ 919,500</u>
Assessed valuation		<u>\$ 1,113,341</u>			<u>\$ 1,113,092</u>
Mill Levy		<u>50.000</u>			<u>50.000</u>
Regional Mill levy		<u>1.000</u>			<u>1.000</u>
Total Mill Levy		<u>61.000</u>			<u>61.000</u>

EXHIBIT B
2020 Application for Exemption from Audit

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Pronghorn Valley Metropolitan District
c/o Seter Vander Wall, P.C.
7400 E. Orchard Road, Suite 3300
Greenwood, Village, CO 80111
Colin Mielke
303-770-2700
cmeilke@swwpc.com
303-770-2701

For the Year Ended
12/31/20
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Diane Wheeler
District Accountant
Simmons & Wheeler, P.C.
304 Inverness Way South, Suite 490, Englewood CO 80112
303-689-0833
3/18/2021

PREPARER (SIGNATURE REQUIRED)

Diane Wheeler

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)

PROPRIETARY
(CASH OR BUDGETARY BASIS)

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 67,913	
2-2	Specific ownership	\$ 4,813	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 72,726	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 3,214	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 2,348	
3-7	Accounting and legal fees	\$ 16,542	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24	Transfeer Aurora Regional Mill levy	\$ 1,113	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 23,217	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - STOP. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No		
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">To be repaid when funds become available.</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; margin-top: 5px;"></div>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year*	Issued during year	Retired during year		
	Outstanding at year-end				
	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/Loans	\$ -	\$ -	\$ -	\$ -
	Leases	\$ -	\$ -	\$ -	\$ -
	Developer Advances	\$ 46,533	\$ -	\$ -	\$ 46,533
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 46,533	\$ -	\$ -	\$ 46,533

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.		Yes	No
4-5	Does the entity have any authorized, but unissued, debt? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Date the debt was authorized:		
	\$ 2,096,000,000.00		
	11/7/2017		
4-6	Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	\$ 10,484,000.00		
4-7	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	\$ -		
4-8	Does the entity have any lease agreements? If yes: What is being leased?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	What is the original date of the lease?		
	Number of years of lease?		
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	What are the annual lease payments?		
	\$ -		

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ 70,183	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ 70,183
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
		\$ -	
		\$ -	
		\$ -	
5-3	Total Investments		\$ -
	Total Cash and Investments		\$ 70,183

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes

No

6-1 Does the entity have capital assets? Yes No

6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain: Yes No

No capital assets.

6-3 Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

7-1 Does the entity have an "old hire" firemen's pension plan? Yes No

7-2 Does the entity have a volunteer firemen's pension plan? Yes No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan	\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$ 51,200
Debt Service	\$ 517,548
Capital Projects	\$ 10,484,000

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

- 9-1** Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? Yes No
- Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

- 10-1** Is this application for a newly formed governmental entity? Yes No
- If yes: Date of formation:
- 10-2** Has the entity changed its name in the past or current year? Yes No

If yes: Please list the NEW name & PRIOR name:

- 10-3** Is the entity a metropolitan district? Yes No

Please indicate what services the entity provides:

Street, Park and Recreation, Water, and Sanitary Sewer

- 10-4** Does the entity have an agreement with another government to provide services? Yes No

If yes: List the name of the other governmental entity and the services provided:

- 10-5** Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during Yes No

If yes: Date Filed:

- 10-6** Does the entity have a certified Mill Levy? Yes No

If yes:

Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	50.000
General/Other mills	11.000
Total mills	61.000

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or EchoSign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.

A MAJORITY of the members of the governing body must complete and sign in the column below.

Board Member 1	Print Board Member's Name Lawrence P. Jacobson	I <u>Lawrence P. Jacobson</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Lawrence P. Jacobson</u> Date: <u>Mar 24, 2021</u> My term Expires: <u>5/2023</u>
Board Member 2	Print Board Member's Name Glen W. Barnard	I <u>Glen W. Barnard</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Glen W. Barnard</u> Date: <u>Mar 23, 2021</u> My term Expires: <u>5/2022</u>
Board Member 3	Print Board Member's Name Ari Stutz	I <u>Ari Stutz</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Ari Stutz</u> Date: <u>Mar 24, 2021</u> My term Expires: <u>5/2022</u>
Board Member 4	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____