

**ANNUAL REPORT FOR CALENDAR YEAR 2019
NEU TOWNE METROPOLITAN DISTRICT**

TO: Town Clerk
Town of Parker
State of Colorado

The following information and documents (attached as exhibits) are provided for calendar/report year 2019 pursuant to Section V.B.II.3 of the Service Plan of the Neu Towne Metropolitan District (“District”) approved by the Town Council of the Town of Parker (“Town”) and filed with the District Court and Town Clerk:

1. A narrative summary of the progress of the District in implementing its Service Plan for the report year.

The District was organized on November 18, 2004. No progress was made by the District during the 2019 fiscal year in connection with the implementation of the Service Plan, particularly the completion of any additional public improvements and facilities. The District has contracted with the current developer, Pacific North Enterprises, LLC (“PNE”) to construct and complete a swimming pool facility and related park and recreation improvements on District property in accordance with plans approved by the Town.

2. Audited financial statements of the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year.

Audited financial statements for 2019 will be filed with the Town Clerk upon completion.

3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.

There were no capital expenditures in 2019. The costs for the recreation improvements mentioned in paragraph 1 will be summarized upon completion of the project. Substantially all other infrastructure was completed in 2004.

4. **Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year and the current mill levy of the District pledged to debt retirement in the report year.**

Detailed information on the District indebtedness, included without limitation the District's Series 2019A General Obligation Refunding and Improvement Bonds in the principal amount of \$8,715,000 and Series 2019B Subordinate Limited Tax General Obligation Refunding Bonds in the principal amount of \$2,285,000 dated as of May 10, 2019, is included in the District's Audited financial statements for 2019, which will be filed with the Town Clerk upon completion. See **Exhibit A** for the District's assessed valuation for the report year, which was \$7,220,090, as determined by the Douglas County Assessor. For fiscal year 2020, the District certified a total mill levy of 41.364 mills, of which 3.265 mills was for general operating expenses and 38.099 mills was for debt service.

5. **The District's budget for the calendar year in which the annual report is submitted.**

Attached as **Exhibit B** is the adopted budget of the District for fiscal year 2020.

6. **A summary of residential and commercial development in the District for the report year.**

The developer failed to provide the residential and commercial development information for the report year.

7. **A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year.**

The District collected \$132,000 in facility fees in 2019.

8. **Certification of the Board that no action, event or condition enumerated in Section 10.11.060 has occurred in the report year.**

Attached as **Exhibit C** is a response to the Certification required under the Service Plan.

9. **The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.**

Attached as **Exhibit D** is a directory of the Board of Directors, chief administrative officer and general counsel for the District. The Board holds special meetings as needed.

Respectfully submitted this 1st day of September, 2020

COLLINS COCKREL & COLE,
a Professional Corporation

By



Matthew P. Ruhland
Attorney for the District

cc: Board of Directors, Neu Towne Metropolitan District
Colorado Division of Local Government
Colorado State Auditor

EXHIBIT A
CERTIFICATION OF VALUATION

[Attached]

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4460 - Neu Towne Metro District

IN DOUGLAS COUNTY ON 11/21/2019

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,220,090
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$9,579,310
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$9,579,310
5. NEW CONSTRUCTION: **	\$301,240
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$37,980
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$104,250,104
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$4,212,936
3. ANNEXATIONS/INCLUSIONS:	\$502,683
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2019

Data Date: 11/21/2019

EXHIBIT B

BUDGET

[Attached]

NEU TOWNE METROPOLITAN DISTRICT
2020
BUDGET MESSAGE

Attached please find a copy of the adopted 2020 budget for the Neu Towne Metropolitan District.

The Neu Towne Metropolitan District has adopted three funds, a General Fund to provide for general operating expenditures; a Debt Service Fund to provide for payments on the general obligation bonds; and a Capital Fund to provide for the receipt of the judgement mill levy to pay for outstanding capital costs and to provide for the estimated infrastructure costs that are to be built for the benefit of the District.

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 source of revenue for the District in 2020 will be property taxes, development fees, and specific ownership taxes. The District intends to impose a 41.364 mill levy on the property within the District in 2020, of which 3.265 mills will be dedicated to the General Fund and the balance of 38.099 mills will be allocated to the Debt Service Fund.

Neu Towne Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimated <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ (76,413)	\$ 28,397	\$ 22,596	\$ 22,596	\$ 32,108
Revenues:					
Property taxes	19,334	23,574	23,508	23,574	31,276
Specific ownership taxes	2,045	1,650	1,085	1,650	2,189
Special assessments	-	-	-	-	-
Judgement settlement	-	-	-	-	-
Misc income	100,617	100	-	-	100
Writeoff	-	-	-	-	-
Total revenues	121,996	25,324	24,593	25,224	33,565
Total funds available	45,583	53,721	47,189	47,820	65,673
Expenditures:					
Accounting / audit	9,140	4,000	2,409	4,500	4,000
Insurance	2,735	3,500	2,758	2,758	3,500
Legal	9,555	8,000	1,943	8,000	8,000
Election expense	-	-	-	-	-
Maintenance/utilities	-	-	-	-	-
Miscellaneous	1,267	500	-	100	500
Treasurer's fees	290	354	352	354	469
Emergency reserve (3%)	-	491	-	-	494
Contingency	-	36,876	-	-	48,710
Total expenditures	22,987	53,721	7,462	15,712	65,673
Ending fund balance	\$ 22,596	\$ -	\$ 39,727	\$ 32,108	\$ -
Assessed Valuation	\$ 5,921,410	\$ 7,220,090			\$ 9,579,310
HB 1006 Assessed Valuation	\$ -	\$ -			\$ -
Mill levy	3.265	3.265			3.265

Neu Towne Metropolitan District
Adopted Budget
Capital Fund
For the Year ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimated <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ (77,684)	\$ 479,816	\$ 941,544	\$ 941,543	\$ 630,543
Revenues:					
Judgement settlement	-	77,684	-	-	-
Transfer from debt	1,500,000	-	-	-	-
Interest income	17,200	2,500	11,838	17,500	2,500
Total revenues	1,517,200	80,184	11,838	17,500	2,500
Total funds available	1,439,516	560,000	953,382	959,043	633,043
Expenditures:					
Interest - Judgement	-	-	-	-	-
Treasurer fee - Judgements	-	-	-	-	-
Legal / accounting	22,812	10,000	-	10,000	10,000
Capital Expenditures	475,161	550,000	-	318,500	623,043
Total expenditures	497,973	560,000	-	328,500	633,043
Ending fund balance	\$ 941,543	\$ -	\$ 953,382	\$ 630,543	\$ -

Neu Towne Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2020

	Actual <u>2018</u>	Adopted Budget <u>2019</u>	Actual <u>6/30/2019</u>	Estimated <u>2019</u>	Adopted Budget <u>2020</u>
Beginning fund balance	\$ (14,043)	\$ 633,219	\$ 686,173	\$ 686,368	\$ 635,893
Revenues:					
Property taxes	225,600	275,078	274,313	275,078	364,962
Specific ownership taxes	23,857	19,255	12,662	19,255	25,547
Development fees	68,000	144,000	64,000	120,000	144,000
Proceeds-Series 2018A	8,715,000	-	-	-	-
Proceeds-Series 2018B	2,285,000	-	-	-	-
Reoffering Premium	43,165	-	-	-	-
Interest income	8,538	5,000	7,324	15,000	5,000
Debt Service Shortage	-	-	-	-	-
Total revenues	11,369,160	443,333	358,299	429,333	539,509
Total funds available	11,355,117	1,076,552	1,044,472	1,115,701	1,175,402
Expenditures:					
Bond principal-Series 2004	5,275,000	-	-	-	-
Bond interest-Series 2004	3,194,302	-	-	-	-
Bond interest-Series 2018A	259,447	464,681	232,341	464,682	464,681
Bond issuance costs	435,616	-	-	-	-
Transfer to capital fund	1,500,000	-	-	-	-
Legal & Audit	-	5,000	-	5,000	5,000
Paying agent fees	1,000	5,000	6,000	6,000	5,000
Treasurer fees	3,384	4,126	4,115	4,126	5,474
Total expenditures	10,668,749	478,807	242,456	479,808	480,155
Ending fund balance	\$ 686,368	\$ 597,745	\$ 802,016	\$ 635,893	\$ 695,247
Assessed Valuation	\$ 5,921,410	\$ 7,220,090			\$ 9,579,310
Mill Levy	38.099	38.099			38.099
Total Mill levy	41.364	41.364			41.364

EXHIBIT C

CERTIFICATION

The Board of Directors of the Neu Towne Metropolitan District hereby certifies that no action, event or condition enumerated in Section 10.11.060 of the Parker Municipal Code as set forth below occurred in the 2019 report year, except as specifically noted below:

1. The failure of the District to develop, cause to be developed or consent to the development by others of any capital facility proposed in its Service Plan when necessary to service approved development within the District.

2. The development of any capital facility in excess of one hundred thousand dollars (\$100,000.00) in cost, which is not either identified in the Service Plan or authorized by the Town in the course of a separate development approval, excluding bona fide cost projection miscalculations, and state or federally mandated improvements, particularly water or sanitation facilities.

3. The occurrence of any event or condition which is defined under the Service Plan or in an intergovernmental agreement as necessitating a Service Plan amendment.

4. A material default by the District under any intergovernmental agreement with the Town.

5. Any of the events or conditions enumerated in Section 32-1-207(2), C.R.S., as amended; except, however, that such Section includes as a condition “a decrease in the financial ability of the district to discharge the existing or proposed indebtedness,” and due to Neumann’s bankruptcy and the modest resumption of development activity, the growth of assessed valuation within the District in the Report year was insufficient to pay all debt service due on the District’s Series 2004 Bonds. The District is evaluating the feasibility of refinancing the Series 2004 Bonds.

6. As of December 31, 2012, the District has failed to make required debt service payments due and owing on the Series 2004 Bonds in the report year in the approximate amount of \$261,000. Because the District imposed a maximum tax levy of 35 mills as required under the Bond Indenture and authorized in the Service Plan, the Series 2004 bondholders have no right to take any action under the Bond Indenture, and the Series 2004 Bonds are not in default.

7. The District failed to realize at least seventy-five percent (75%) of the development revenues (including developer contributions, loans or advances) projected in the financial portion of the Service Plan during the three-year period ending with the

2007 report year and contained in all reports thereafter. The bankruptcy of the original developer Neumann Homes of Colorado, in 2007 impaired the District's ability to collect this revenue. The Neumann property has been foreclosed and sold to PNE. The collection of facility fees resumed in 2015. The District collected \$38,000 in facility fees in 2019.

IN WITNESS WHEREOF, I, Janet Van Dorn, Chair of the Neu Towne Metropolitan District in Douglas County, Colorado, certify the above information as of the 30th day of August, 2020.

Neu Towne Metropolitan District


By: 
Ron Horner, Board Member

EXHIBIT D

DISTRICT DIRECTORY

Board of Directors

Michael Heimerle, Director
11364 S. Trailmaster Circle
Parker, Colorado 80134
(303) 513-6879

Ronald Horner, Director
17168 S. Trailmaster Circle
Parker, Colorado 80134
(720) 556-0563

Chief Administrative Officer

Ronald Horner, Director
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General Counsel

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