

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

For the Nine Month Period Ended September 30, 2019



SCHILLING & COMPANY, INC.

Certified Public Accountants

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Accountant's Compilation Report

Board of Directors
Highway 119 Metropolitan District No. 1
Weld County, Colorado

Management is responsible for the accompanying financial statements for the General Fund and Capital Projects Fund of the Highway 119 Metropolitan District No. 1 (District), for the nine month period ended September 30, 2019 as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the government-wide financial statements, the statement of revenue, expenditures and changes in fund balances – governmental funds and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted financial statements and disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Required Supplementary Information

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

Supplementary Information

The supplementary information contained on page 4-6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Highway 119 Metropolitan District No. 1.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
October 31, 2019

FINANCIAL STATEMENTS

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2019

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Current assets			
Cash deposits and investments	\$ 252,339	\$ 1,835,482	\$ 2,087,821
Due from Highway 119 MD #2	157,860	60,446	218,306
TOTAL ASSETS	<u>\$ 410,199</u>	<u>\$ 1,895,928</u>	<u>\$ 2,306,127</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 1,179	\$ 1,669	\$ 2,848
	<u>1,179</u>	<u>1,669</u>	<u>2,848</u>
FUND BALANCE			
Restricted for emergency reserves	25,334	-	25,334
Restricted for contractual obligations	-	1,894,259	1,894,259
Unassigned	383,686	-	383,686
	<u>409,020</u>	<u>1,894,259</u>	<u>2,303,279</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 410,199</u>	<u>\$ 1,895,928</u>	<u>\$ 2,306,127</u>

These financial statements should be read only in connection
with the accompanying accountant's compilation report.

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND**

For the Nine Month Period Ended September 30, 2019

	EIGHT MONTH PERIOD ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE			
Intergovernmental revenue - District No. 2	\$ 852,798	\$ 843,468	\$ 9,330
Other Income	20	-	20
Interest income	6,960	1,000	5,960
TOTAL REVENUE	859,778	844,468	15,310
EXPENDITURES			
Management Fees	5,218	24,000	18,782
Legal	11,775	60,000	48,225
Accounting	7,428	10,000	2,572
Audit	7,800	7,400	(400)
Insurance/bonds	5,869	10,000	4,131
Office expense	900	5,000	4,100
Developer Reimbursement	810,356	-	(810,356)
Contingency and emergency reserves	-	2,000	2,000
TOTAL EXPENDITURES	849,346	118,400	(730,946)
NET CHANGE IN FUND BALANCE	10,432	726,068	(715,636)
FUND BALANCE - BEGINNING OF PERIOD	398,588	416,027	(17,439)
FUND BALANCE - END OF PERIOD	\$ 409,020	\$ 1,142,095	\$ (733,075)

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with the accompanying accountant's compilation report.

SUPPLEMENTAL INFORMATION

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
For the Nine Month Period Ended September 30, 2019

	EIGHT MONTH PERIOD ACTUAL	ADOPTED BUDGET	VARIANCE WITH ADOPTED BUDGET POSITIVE (NEGATIVE)
REVENUE			
Interest income	\$ 27,559	\$ 2,000	\$ 25,559
Contractual Obligation - District No. 2	338,441	349,235	(10,794)
TOTAL REVENUE	<u>366,000</u>	<u>351,235</u>	<u>14,765</u>
EXPENDITURES			
Capital Outlay - water tank:			
Legal	30,489	-	(30,489)
Engineering	3,464	1,888,761	1,885,297
Other	468	-	(468)
TOTAL EXPENDITURES	<u>34,421</u>	<u>1,888,761</u>	<u>1,854,340</u>
NET CHANGE IN FUND BALANCE	331,579	(1,537,526)	1,869,105
FUND BALANCE - BEGINNING OF PERIOD	<u>1,562,680</u>	<u>1,537,526</u>	<u>25,154</u>
FUND BALANCE - END OF PERIOD	<u><u>\$ 1,894,259</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,894,259</u></u>

This schedule should be read only in connection
with the accompanying accountant's compilation report.

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
SCHEDULE OF CASH POSITION
September 30, 2019

FINANCIAL INSTITUTION

Checking - 1st Bank	\$ 9,028
COLOTRUST	<u>2,078,793</u>
	<u>\$ 2,087,821</u>

General Fund	\$ 252,339
Capital Projects Fund	<u>1,835,482</u>
	<u>\$ 2,087,821</u>

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with the accompanying accountant's compilation report.

HIGHWAY 119 METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEVELOPER ADVANCES
For the Nine Month Period Ended September 30, 2019

	<u>Balance at January 1, 2019</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance at September 30, 2019</u>	<u>Due within One Year</u>
Voyage Ventures, LLC					
Principal	\$ 21,130	\$ -	\$ (21,130)	\$ -	\$ -
Accrued interest	12,718	875	(13,593)	-	-
Lifebridge Christian Church					
Principal	384,729	-	(384,729)	-	-
Accrued interest	274,138	15,937	(290,075)	-	-
Highway 119 Holdings, LLC					
Principal	63,507	-	(63,507)	-	-
Accrued interest	34,691	2,631	(37,322)	-	-
	<u>\$ 790,913</u>	<u>\$ 19,443</u>	<u>\$ (810,356)</u>	<u>\$ -</u>	<u>\$ -</u>

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