Todd Creek Village Metropolitan District
(Adams County, Colorado)

FINANCIAL STATEMENTS

with Independent Auditor's Report

December 31, 2014 and 2013

Todd Creek Village Metropolitan District

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December 31, 2014 and 2013

WAGNER BARNES & GRIGGS, PC

Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Todd Creek Village Metropolitan District
Adams County, Colorado

We have audited the accompanying financial statements of Todd Creek Village Metropolitan District (the District) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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 from material misstatement.

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

We believe 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 District as of December 31, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Wagner Barnes & Griggs, PC

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Emphasis of Matter

As disclosed in Note 11 of the financial statements, the District had a covenant violation subsequent to the year ended December 31, 2014. The District has until December 30, 2016 to resolve the violation.

Other Matters

Management has omitted 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 for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Wagner Barnes & Driggs, PC

Lakewood, Colorado
June 24, 2016

Todd Creek Village Metropolitan District

STATEMENTS OF NET POSITION

December 31, 2014 and 2013

	2014	Restated 2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,045,617	$ 140,184
Cash and cash equivalents - restricted	995,857	1,400,156
Accounts receivable	791,210	364,308
Prepaid expenses	1,807	6,309
Total current assets	3,834,491	1,910,957
Capital assets		
Water rights	4,683,684	5,909,934
Construction in progress	162,084	88,140
Operating system and storage	53,288,868	53,115,819
	58,134,636	59,113,893
Accumulated depreciation	(12,836,188)	(11,504,601)
Total capital assets	45,298,448	47,609,292
TOTAL ASSETS	49,132,939	49,520,249
DEFERRED OUTFLOW OF RESOURCES		
Certificates of Participation discount (net of accumulated amortization of $102,020 and $91,852, respectively)	49,530	59,698
TOTAL DEFERRED OUTFLOW OF RESOURCES	49,530	59,698
LIABILITIES		
Current liabilities		
Accounts payable	1,022,570	657,854
Accrued interest payable	2,472,825	1,951,137
Line of credit payable	-	949,400
Current portion of long-term debt	14,808,357	14,240,000
Total current liabilities	18,303,752	17,798,391
Long-term obligations, net of current portion	12,239,612	12,730,000
TOTAL LIABILITIES	30,543,364	30,528,391
NET POSITION		
Net investment in capital assets	18,250,479	20,639,292
Restricted	995,857	1,400,156
Unrestricted	(607,231)	(2,987,892)
TOTAL NET POSITION	$ 18,639,105	$ 19,051,556

The accompanying Notes to Financial Statements are an integral part of these statements.

Todd Creek Village Metropolitan District

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended December 31, 2014 and 2013

	2014	Restated 2013
Operating revenues		
Water revenue	$ 2,840,762	$ 2,020,885
(FTC) Failure to connect fees	553,204	584,561
Availability fees	76,937	98,840
Meter fees	126,725	83,725
Inspection fees	36,200	24,600
Penalties and other income	293,418	155,052
Total operating revenues	3,927,246	2,967,663
Operating expenses		
Accounting and audit	-	9,216
Depreciation	1,331,587	1,336,298
District management	1,020,000	995,000
Engineering	64,643	101,444
Insurance	19,061	14,590
Legal	298,042	307,756
Miscellaneous	10,000	2,620
MXU system	78,192	104,695
Office expense	128,380	125,832
Public relations	1,800	2,350
Raw water acquisition	555,659	593,847
Repairs and maintenance	285,664	393,192
Utilities and water leases	841,103	685,998
Water treatment	46,950	37,113
Total operating expenses	4,681,081	4,709,951
Operating (loss)	(753,835)	(1,742,288)
Nonoperating revenue and (expense)		
Interest income	202,814	231,509
Amortization expense	(10,168)	(10,855)
Interest	(1,071,013)	(1,020,413)
Interest expense - certificates of participation base rental	(521,688)	(521,688)
Loss on sale of asset	(226,250)	-
Loan fees	(401,556)	(50,512)
Total nonoperating revenue and (expense)	(2,027,861)	(1,371,959)
Income (Loss) before capital contributions	(2,781,696)	(3,114,247)
Capital contributions		
Tap fees	2,369,245	1,943,915
Total capital contributions	2,369,245	1,943,915
Change in net position	(412,451)	(1,170,332)
Net position - beginning	19,051,556	20,221,888
Net position - ending	$ 18,639,105	$ 19,051,556

The accompanying Notes to Financial Statements are an integral part of these statements.

Todd Creek Village Metropolitan District

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2014 and 2013

	2014	Restated 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 5,869,589	$ 4,753,930
Payments to suppliers	(2,980,276)	(2,980,655)
Net cash provided by operating activities	2,889,313	1,773,275
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(167,179)	(157,081)
Proceeds from sale of capital assets	1,000,000	-
Principal paid on note payable	(949,400)	-
Principal paid on capital lease	(1,845)	-
Interest paid on revenue bonds	(1,020,413)	(1,020,413)
Interest paid on line of credit	(50,600)	-
Other debt-related expenditures	(401,556)	(50,512)
Net cash (used) by capital and related financing activities	(1,590,993)	(1,228,006)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received	202,814	231,509
Net cash provided by investing activities	202,814	231,509
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,501,134	776,778
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,540,340	763,562
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,041,474	$ 1,540,340

(continued)

The accompanying Notes to Financial Statements are an integral part of these statements.

Todd Creek Village Metropolitan District

STATEMENTS OF CASH FLOWS
(continued)
For the Years Ended December 31, 2014 and 2013

	2014	Restated 2013
Reconciliation of operating (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (753,835)	$ (1,742,288)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation expense	1,331,587	1,336,298
Tap fees received from customers	2,369,245	1,943,915
(Increase) decrease in accounts receivable	(426,902)	(157,417)
(Increase) decrease in prepaid expense	4,502	11,923
Increase (decrease) in accounts payable	364,716	381,075
Increase (decrease) in unearned revenue	-	(231)
Total adjustments	3,643,148	3,515,563
Net cash provided (used) by operating activities	$ 2,889,313	$ 1,773,275

The accompanying Notes to Financial Statements are an integral part of these statements.

Note 1 – Definition of reporting entity

The Todd Creek Village Metropolitan District (the District) is a quasi-municipal corporation organized on November 19, 1996 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams and Weld Counties, Colorado. The District was established to provide water and wastewater services to an area encompassing approximately 6,725 acres in Adams County and 6,000 acres in Weld County.

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

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

As of December 31, 2014, no component unit has been identified as reportable to the District, nor is the District a component unit of any other primary governmental entity.

Note 2 – Summary of significant accounting policies

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

The District has elected to follow Governmental Accounting Standards Board pronouncements. Therefore, statements issued by the Financial Accounting Standards Board after November 30, 1989 are not applied.

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

A. Basis of accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and certificates of participation is recorded as a reduction in liabilities. Tap fees are recorded as capital contributions when received.

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.

B. Operating revenue and expenses

The District distinguishes between operating revenues and expenses and nonoperating items in the Statement of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and wastewater services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses and depreciation of assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

C. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires District management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

D. Deposits and investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the District are reported at fair value.

E. Restricted cash

Certain proceeds of the District's revenue bonds and certificates of participation, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Restricted cash totaled $ 995,857 at December 31, 2014 and $1,400,156 at December 31, 2013.

F. Accounts receivable, allowance for doubtful accounts

Use fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

G. Capital assets

Capital assets, which include water rights, water wells, storage and treatment facilities and delivery systems, are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation or at the developer's cost. Capital assets are defined by the District as those assets with a cost or value of $1,000 or greater. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements for which the District retains title are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District are depreciated using the straight line method over the estimated useful lives (40 years for water system infrastructure). The cost of water rights includes acquisition cost, legal, and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. Depreciation expense for the years ended December 31, 2014 and 2013 totaled $ 1,331,587 and $1,336,298, respectively.

H. Amortization of bond discount

Bond discounts are being amortized over the respective terms of the bonds or loan using the straight-line method. Amortization expense for bond discounts amounted to $10,168 and $10,855 for the years ended December 31, 2014 and 2013, respectively.

I. Budgetary information

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

The District budgeted a negative fund balance for the year ended December 31, 2014, which may be a violation of State Budget Law.

J. Contributed capital

Tap fees and water resource fees are generally recorded as capital contributions when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at the developer's cost or at the estimated fair value at the date of contribution.

Note 3 – Cash and investments

Cash and investments as of December 31, 2014 and 2013 are classified in the accompanying financial statements as follows:

	2014	2013
Cash and cash equivalents	$ 2,045,617	$ 140,184
Cash and cash equivalents - restricted	995,857	1,400,156
Total cash and investments	$ 3,041,474	$ 1,540,340

Cash and investments in the amount of $ 995,857 and $1,400,156 was restricted at December 31, 2014 and 2013, respectively, for the payment of bond and certificate of participation interest and principal.

A. Deposits with financial institutions

Colorado statutes require that the District use eligible public depositories as defined by the Colorado Public Deposit Protection Act (the Act). Under the Act, amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2014 and 2013, the federal insurance limits were $250,000. The eligible collateral is determined by the Act and allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. The State Regulatory Commissions for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial credit risk – deposits
Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's cash deposit and investment policy adopts State statutes regarding custodial credit risk for deposits. As of December 31, 2014 and 2013, the District's bank balance was not exposed to custodial credit risk.

The District's deposits with financial institutions at December 31, 2014 are as follows:

	Carrying Balance	Bank Balance
Deposits with financial institutions	$ 2,045,617	$ 2,071,642

The District's deposits with financial institutions at December 31, 2013 are as follows:

	Carrying Balance	Bank Balance
Deposits with financial institutions	$ 140,184	$ 151,428

B. Investments

Credit risk
The District's cash deposit and investment policy adopts State statutes regarding credit risk for investments.

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

- Local government investment pools

The District's money market accounts with US Bank and Summit Bank and Trust are not rated.

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

As of December 31, 2014 and 2013, the District had the following investments:

	Maturity	2014	2013
Colorado Surplus Asset Fund Trust	Weighted average under 60 days	$ 89,262	$ 89,162
Non-rated Money Market and Certificates of Deposit	Less than 1 year	906,595	1,310,994
		$ 995,857	$ 1,400,156

Colorado Surplus Asset Fund Trust (CSAFE)
During 2014 and 2013, the District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust is similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAm by Standard & Poor's.

Concentration of credit risk
The District's cash deposit and investment policy adopts state statutes regarding concentration of credit risk for investments. The District invests primarily in money markets and/or U.S. securities, U.S. agency securities, or U.S. sponsored corporate securities, which are not subject to concentration of credit risk.

Custodial credit risk – investments
For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's cash deposit and investment policy adopts state statutes regarding custodial credit risk for investments As of December 31, 2014 and 2013, the District had $995,857 and $1,400,156, respectively, of investments held by outside parties.

Note 4 – Capital assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	$ 88,140	$ 73,944	$ -	$ 162,084
Water rights	5,909,934	-	1,226,250	4,683,684
Total capital assets, not being depreciated:	5,998,074	73,944	1,226,250	4,845,768
Capital assets, being depreciated:				
Water distribution and storage	48,070,382	93,234	-	48,163,616
Sewer system	5,045,437	-	-	5,045,437
Vehicles	-	79,815	-	79,815
Accumulated depreciation	(11,504,601)	(1,331,587)	-	(12,836,188)
Total capital assets, being depreciated, net	41,611,218	(1,158,538)	-	40,452,680
Capital assets, net	$ 47,609,292	$ (1,084,594)	$ 1,226,250	$ 45,298,448

Note 5 – Long-term debt and related subsequent events

A. Changes in long-term debt

The following is an analysis of changes in bonds and loans payable for the year ended December 31, 2014:

	Balance 12/31/2013	Additions	Payments	Balance 12/31/2014	Due within one year
Series 2004 Bonds	$ 18,310,000	$ -	$ -	$18,310,000	$ 11,910,000
Series 2006 Certificates of Participation	8,660,000	-	-	8,660,000	2,880,000
Capital Lease Obligations	-	79,815	1,846	77,969	18,357
Total	$ 26,970,000	$ 79,815	$ 1,846	$27,047,969	$ 14,808,357

B. Bonds payable

$25,575,000 Water Revenue Refunding and Improvement Bonds, Series 2004, dated December 27, 2004

The bonds are term bonds in the amount of $25,575,000 maturing through December 2019. The bonds were issued to finance the construction, installation and completion of improvements to the water supply, purification, transmission and distributions system, wastewater lift station, force main and interceptor trunk line, and to refund and discharge the outstanding District revenue bonds as well as other District obligations. The bonds bear interest from 4.75% to 6.125% per annum payable semi-annually on June 1 and December 1.

The bonds are subject to redemption prior to maturity, at the option of the District, as allowed under a *"Special Mandatory Redemption"* provision whereby the District, from sources other than borrowed funds or funds derived from refunding or refinancing of the Series 2004 Bonds, may redeem certain bonds at a price equal to the principal amount plus accrued interest. Accordingly, bonds with an original maturity date of December 1, 2009 may be redeemed no earlier than December 1, 2005, bonds maturing on December 1, 2014 may be redeemed no earlier than June 1, 2008, and bonds maturing on December 1, 2019 may be redeemed no earlier than June 1, 2010.

Alternatively, the bonds are subject to redemption prior to maturity, at the option of the District, redeemed with borrowed funds beginning on December 1, 2012, and on any date thereafter, upon payment of par and accrued interest, with a redemption premium through November 30, 2014, and without a redemption premium thereafter.

The bonds are payable solely from and secured by an irrevocable pledge of and first lien upon the "pledged revenue" as defined in the bond indenture. Additional security for the bonds is provided by a "debt service reserve fund" and by the Standby Tap Purchase Agreement dated as of December 27, 2004; between the District and Osborne Holding Corporation, owner of The Equinox Group LLC (the Developer), a Colorado limited liability company, whose affiliates owned or controlled, at the date of the agreement, approximately 58% of the property to be served with water services and facilities by the District (the Developer owned approximately 1% of the property served by the District at December 31, 2013), and the individual principal of the Developer.

With respect to "pledged revenue" that may be derived by the District's water system, the Developer and its principal have entered into a Standby Tap Purchase Agreement whereby the Developer and its principal have guaranteed the payment of principal and interest on the bonds in the event that "pledged revenues" are insufficient in any year. The Developer and its principal agree, jointly and severally, to purchase water and wastewater taps from time to time in the amount necessary to pay when due the scheduled amounts of principal and interest with respect to the Series 2004 bonds. The Trustee issued a demand letter on November 9, 2009 calling on the Developer and its principal to fulfill its obligation under the Standby Tap Purchase Agreement to assist the District in making bond interest and principal payments. Due to economic conditions, neither the Developer nor its principal was able to purchase taps to provide funds for payment of bond interest and principal on December 1, 2009. Consequently, the District withdrew funds from the Bond Reserve Fund in 2011, 2010, and 2009 to satisfy the required interest payments.

Forbearance Agreement / Event of Default

Due to insufficient pledged tap fee revenue, $5,350,000 of bond principal payments for maturities that were originally due on December 1, 2009 were not paid on that date, and $11,910,000 remains unpaid as of the date of the auditors' report (event of default). The District entered into a Forbearance Agreement (the Forbearance) with the Bond Trustee on December 1, 2009, whereby 100% of the bondholders of the 2009 maturities agreed to defer redemption of the bond principal to June 1, 2011. Under the terms of the Forbearance, the District, among other requirements, must:

1. continue to pay interest in a timely manner to all holders of the Series 2004 Bonds;
2. maintain the Bond Reserve Fund at a minimum of $1,000,000 on and after December 1, 2009;
3. maintain the COPS Reserve Fund after December 1, 2009 at or below $351,000;
4. not cause a condition of default under the COPS Indenture;
5. impose an Availability of Service Fee and deposit the proceeds with the Trustee;
6. impose a Failure to Connect Fee and deposit with the Trustee amounts in excess of those necessary for operations;
7. not make capital expenditures in excess of $250,000;
8. not expend more than $2,483,901, $2,733,433, and $2,958,724 for the years ending December 31, 2009, 2010, and 2011, respectively;
9. not incur any additional indebtedness;
10. not dispose of any assets other than in the ordinary course of business, and certain water rights.

The District did not make certain required minimum rental payments on the COPS in 2010, 2011 and 2012, which is an event of default under the COPS agreement, thereby violating requirement number 4 above. Further, in 2010, the District withdrew $546,997 from the Bond Reserve Fund to make bond interest payments, which is an event of default under the Forbearance Agreement (number 2 above). And in 2011, the District withdrew an additional $491,350 from the Bond Reserve to pay 2011 bond interest payments leaving a balance of $252,114. The balance of the Reserve Fund as of December 31, 2014 was $18,729. During 2010, 2011, 2012, 2013, and 2014 the District made deposits of $160,000, $570,200, $1,144,500, $1,593,440 and $988,715 respectively, from tap fee revenue to the pledged tap fee fund.

The forbearance agreement expired June 1, 2011, but the District operated under the terms of the agreement through December 31, 2014. The District restructured the District's debt, including the COPS, through a refunding of all outstanding debt on November 18, 2015.

C. Certificates of participation (COPS)

The District entered into a lease purchase agreement for a principal amount of $8,660,000, dated May 18, 2006, with Todd Creek Farms Metropolitan District No.1 Water Activity Enterprise Leasing Trust 2006 (the Trust). The Trust acts as lessor, and the District acts as lessee. The Trust was created by the Trustee (Zions First National Bank, Denver, Colorado) pursuant to a trust indenture and laws of the State of Colorado. The proceeds of the issuance of the COPS are used to fund the acquisition of water rights and the acquisition, construction and installation of various water and non-potable water facilities. The Trust leases such water rights and facilities to the District pursuant to a 16.5-year lease agreement. Base rentals under the lease agreement are sufficient to cover the payments of principal and interest on the certificates, and all trustee costs. The District may elect at any time to purchase the property from the Trust in an amount sufficient to redeem, pay, and defease all outstanding COPS. At the termination of the lease, ownership of all assets reverts to the District. The obligations of the District under the lease are not secured by a pledge or lien on any revenues or funds of the District, and are payable on a parity basis with other general unsecured capital obligations of the District. The obligations of the District under the lease are subject to a pledge of certain District property constructed with the proceeds of the COPS.

The COPS bear interest at rates ranging from 5.75% to 6.125%. They are subject to optional redemption on December 1, 2012 and thereafter at prices ranging from par to par plus a 2% premium. Certain certificates are subject to a mandatory sinking fund beginning on December 1, 2010.

The District accounts for proceeds of the issuance of the COPS as debt proceeds, and reports all assets of the trust and all outstanding COPS on its financial statements. Rental payments to the Trust are reported as interest expense and principal reductions by the District.

The District did not make required minimum rental payments of $675,845 in 2010, $937,825 in 2011, $937,525 in 2012, $935,788 in 2013 or $937,713 in 2014 nor any catch-up payments during those periods. This constitutes an event of default under the COPS agreement. The District restructured the District’s debt, including the bonds, through a refunding of all outstanding debt on November 18, 2015.

D. Capital lease obligation

On December 18, 2014, the District entered into a capital lease obligation to purchase two vehicles. The lease is on a monthly basis for 48 consecutive monthly periods with interest and principal payments of $1,846 with interest of 5.45%. The lease qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2014, were as follows:

Year ended December 31,		
2015	$	22,152
2016		22,152
2017		22,152
2018		20,308
Total minimum lease payments		86,764
Less amount representing interest		(8,795)
Present value of minimum lease payments	$	77,969

E. Debt maturities

Debt maturities for the next five years and to maturity, based on the above agreements with Trustees, are as follows:

Year ended December 31,	Principal	Interest	Total
2015	$ 14,808,357	$ 2,356,415	$ 17,164,772
2016	604,382	748,794	1,353,176
2017	640,465	711,880	1,352,345
2018	674,765	672,764	1,347,529
2019	7,095,000	632,100	7,727,100
2020-2022	3,225,000	453,858	3,678,858
Total	$ 27,047,969	$ 5,575,811	$ 32,623,780

See Note 11 for subsequent debt restructure.

Note 6 – Line of credit

During 2014 and 2013, the District had a $1,000,000 line of credit agreement with Valley Bank & Trust which matured November 3, 2010 and was extended to August 3, 2011. No further extension was signed. The credit agreement provided for monthly interest payments at 8.5%. Borrowings under this note agreement are secured by a deed of trust on the District's water rights and storage facilities. Additional security for this agreement is provided by a guarantee from the individual principal of the Developer. At December 31, 2013 and 2014, the outstanding balance was $949,400 and $0 respectively.

On August 29, 2011, the District filed a complaint against Valley Bank and Trust Company ("the Bank") seeking a declaratory judgment from the Adams County District Court that the line of credit and collateral pledge were void as a matter of law under Article XI, Section 6 of the Constitution of the State of Colorado. Following a trial on the merits on January 13, 2012, and submission by the parties of proposed conclusions of law on February 6, 2012, the Court, on March 19, 2012 entered its Findings of Fact, Conclusions of Law and Order and Judgment in the District's favor, declaring, as a matter of law, that the line of credit and security pledges were void and unenforceable. The Bank filed an appeal of the Court's ruling on June 19, 2012, resulting in the Court of Appeals overturning the District Court's Findings of Fact, Conclusions of Law and Order and Judgment. The District filed a Writ of Certiorari with the Colorado Supreme Court to review the Court of Appeals' ruling. Before the Supreme Court ruled, the parties settled the litigation by Settlement Agreement and Mutual Release effective May 19, 2014, settling the debt for $1,000,000.

Note 7 – Net position

The District has net position consisting of three components – net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, loans, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those net assets. As of

December 31, 2014 and 2013, the District has net investment in capital assets of $18,250,479 and $20,639,292, respectively. The District had $995,857 and $1,400,156 restricted by contractual obligation for payment of debt service as of December 31, 2014 and 2013, respectively.

The District's unrestricted net position as of December 31, 2014 and 2013 is $(607,231) and $(2,987,892), respectively. The deficit amounts are a result of the District being responsible for the repayment of bonds issued for construction, installation and completion of water system improvements.

Note 8 – Related parties

The majority of the District's Board of Directors are either stockholders or employees of The Equinox Land Group, Inc. (the Parent Company). The Parent Company owns Village Water Management, LLC (the Company), with which the District entered into an agreement to perform administrative duties, maintain and administer operations, and handle the financial affairs of the District. The contract expires in 2014, but is subject to the District's annual budget and appropriation. During the years ended December 31, 2014 and 2013, the District paid $1,020,000 and $995,000, respectively, to the Company under this agreement. Subsequent to year end, the District paid $1,020,000 to the Company for the year ended December 31, 2015 and anticipates $1,040,400 to be expended in 2016.

The individual principal of the Developer owned 50% of the Parent Company through December 31, 2009. Effective January 1, 2010, the individual principal of the Developer sold his interest in the Parent Company to the remaining stockholder, who is on the Board of Directors of the District.

The District is assessed a 10% construction management fee by a construction company, owned by the Parent Company, on all construction costs. The District did not pay the construction company any construction management fees for the years ended December 31, 2014 and 2013.

Principals of H30, LLC (see Note 9) also serve on the District's Board of Director's. At December 31, 2014 the District owed H30 LLC $493,873 and H30 LLC owed the District $412,874 related to water agreements disclosed in Note 9.

Note 9 – Water agreements

Water Lease Agreements
On January 1, 2004, the District entered into two Water Lease Agreements with Coors Brewing Company (Coors), both renewable annually until December 31, 2006. Under the terms of the agreements, the District received the right for a minimum of 250 acre feet of Leased Water at a rate of $175 per acre foot in 2005 and $200 per acre foot in 2006, with minimum annual payments of $45,500 and $52,000, respectively, payable on January 1 each year.

Effective January 1, 2008, the District renewed its two Water Lease Agreements with Coors, both now terminating on December 31, 2011 (initial term). Both Agreements were renewed for an additional five year term ending December 31, 2016.

Under the terms of the first Agreement, the District will receive the right to 100 acre feet of Leased Water at the following per acre foot rates: 2013, $325, and 2014, $325. The minimal annual payments are $32,500 for 2013 and 2014, payable on January 1 each year.

Under the terms of the second Agreement, the District will receive the right to 100 acre feet of Leased Water at the following per acre foot rates: 2013, $325 and 2014, $325. The minimal annual payments are $32,500 for 2013 and 2014, payable on January 1 each year.

Option to Purchase Agreement
On December 20, 2011, the District entered into an Option to Purchase Agreement with Aqua Capital Management, LP for the option to purchase water rights and related interests of four shares of the new Brantner Extension Ditch Company. The term of the agreement shall be for one year and commences on the date that Aqua Capital Management obtains title to the water rights and related interests. The District has the right to extend the agreement for a maximum of four additional one year terms upon the payment of the One Year Option Payment, and provided it is not in default under the Option Agreement.

During 2011, the District paid $65,370 for the One Year Option Payment under the agreement. The District exercised its right to extend the option in 2012, and paid $58,834 for an additional one year Option Term. In 2013, the District decided not to extend the option as of December 20, 2013 and thereby forfeited their prior year option payments which totaled $124,204.

Water Share Purchase and Lease-Back Agreement
On June 17, 2014, the District entered into a Water Share Purchase and Lease-Back Agreement with H30 LLC (H30). Principals of H30 also serve on the District's Board of Directors. Under this agreement, H30 funded the $1,000,000 settlement with Valley Bank and Trust on the District's behalf. As a result, the District conveyed its original Brantner Share certificates to H30, and the District will lease consumable water from H30 at a rate of $350 per acre foot per year. The term of the lease will continue for as long as H30 owns the Brantner Shares and will terminate when and to the extent H30 sells all or a portion of the shares.

Water Lease Agreement
The District entered into a Water Lease Agreement with H30 LLC on January 1, 2013, to lease consumable water at $650 per acre foot. The lease expired on December 31, 2013; however, the District and H30 LLC have been operating under the terms of the initial lease subsequent to the termination date.

Water Storage and Facilities Usage and Public Improvements Agreement
On August 21, 2013, the District entered into a Water Storage and Facilities Usage and Public Improvements Agreement with H30 LLC. H30 is granted the use of the following: (1) the District's water storage reservoirs including but not limited to Signal Reservoir No. 1 and Signal Reservoir No. 2 or other District water storage reservoirs designated by the District; (2) water transmission lines, wells, pumps, facilities and appurtenances for the purpose of storing up to 200 acre feet of water and transmitting up to 2,000 acre feet of water per year, provided such storage and transmission does not interfere with the District's use of the Facilities; and (3) the Signal Reservoirs and the District's adjoining land necessary for the purposes of installing temporary and permanent water pumps, pipelines and associated facilities to withdraw water from the Signal Reservoirs and to construct access roads to accept delivery of water into water trucks. H30's Right of Usage is subject to the District's use of the Facilities for the benefit of the District's present or future customers and H30 is not entitled to use any Facilities needed for public use by the District's present or future customers.

As partial consideration for the Right of Usage, H30 shall pay the District $50 per acre foot of water pumped through the District's water lines as measured at the District's alluvial wells or the Guthrie turnout on the Brantner Ditch, but not to exceed $100,000 per year. As additional consideration, H30 agrees to construct improvements to the Reservoir estimated to be $750,000, and improvements to the Water Lines and to the District's delivery systems from the reservoirs, estimated to be $250,000. The Public Improvements will be dedicated to the District on or before the end of the term of this agreement, December 31, 2018, at no cost to the District.

<u>Water Lease Agreement</u>
The District entered into a Water Lease Agreement with H30 LLC on July 1, 2012, to lease water for the purpose of providing potable and non-potable water to service its customers. The District shall pay a monthly fee equal to $650 per acre foot. The lease terminates on December 31, 2013. The District and H30 LLC have been operating under the initial terms of the lease subsequent to the lease termination date.

<u>Water Lease Agreement</u>
The District entered into a Water Lease Agreement with South Adams County Water and Sanitation District on April 3, 2013, to lease 500 acre feet of water at $340 per acre foot. On or before March 31 of each subsequent year of the lease term, South Adams shall provide the District with a written Delivery Projection for that year of the lease term. The lease terminates on March 31, 2018.

<u>Water Lease Agreement</u>
On January 1, 2014, the District entered into a Water Lease Agreement with HTC Golf Acquisitions, LLC (HTC) to lease non-potable water to the golf course. The lease commenced on January 1, 2014 and terminates December 31, 2015. The lease fee of $1.55 per thousand gallons shall be paid on a monthly basis.

Note 10 – <u>Commitments and contingencies</u>

<u>Commitments</u>

Effective March 1, 2009, the District entered into an operating lease ending February 28, 2014 for its administrative offices. The District renewed the lease during 2014 with an expiration date of April 30, 2019. The lessor is an entity related to the Developer. The rental rate is $3,080 per month, on a triple-net basis whereby the District pays taxes, maintenance and repairs, and insurance.

Minimum base rental payments, including expected property taxes, due for the next five years and in total are as follows:

Year ended December 31,		
2015	$	44,688
2016		44,688
2017		44,688
2018		44,688
2019		44,688
Total	$	223,440

On December 10, 2015, the District entered into an agreement with Lazy H, Inc. for construction of public improvements in the Bartley Subdivision in the amount of $2,131,770.

Contingencies

During 2010, the District was named as defendant in a lawsuit seeking injunctive relief placing the responsibility on the District for any repairs to a reservoir within the District's boundaries. On May 25, 2012, the District Court entered an order awarding interim costs in the case. The interim costs awarded to the plaintiff were in the amount of $59,638. The District filed a motion for reconsideration in the matter and the District Court agreed to reconsider the cost award on July 2, 2012. The District filed a motion seeking a Colorado Supreme Court ruling, which was denied and the matter is now closed. As a result, the District is responsible for the cost of future repairs to the reservoir, which the District is currently analyzing. These costs are anticipated to be at least $250,000 and could be substantially more. Repairs will be made as funds become available.

On August 22, 2013, ALF Todd Creek Village North, L.P. (ALF) filed a complaint against the District regarding the Water and Sewer Agreement with ALF Equinox Todd Creek Village North, LLC (the Joint Venture) seeking a declaration regarding the Joint Venture's obligation to obtain water and sewer service from the District and seeking, in the alternative, breach of contract or anticipatory repudiation claims against the District alleging unspecified damages. On September 11, 2013, the District filed a motion to dismiss all of the claims. On January 6, 2014, the District's motion was denied. The District filed an Answer, Affirmative Defenses and Counterclaims on May 9, 2014, seeking a declaration that the Water and Sewer Agreement is enforceable and provides the District with an exclusive right to provide water and sewer services pursuant to its terms. On March 23, 2015, the matter went to trial and the Court ruled on May 19, 2015, in favor of the District, which ALF has appealed. As of the date of the report, the District is awaiting the Court's ruling on the appeal which is expected during the calendar year 2016.

Note 11 – Subsequent events

On December 8, 2015, the District, Adams County (County) and South Adams County Water and Sanitation District (SACWSD) entered into an intergovernmental agreement regarding the Mann Lakes Reservoir. The County agrees to lease to the District and SACWSD certain storage and inlet/outlet capacity as well as grants a license to use, access, manage, operate, repair and maintain Mann Lakes and the area around Mann Lakes controlled by the County. The term of the lease expires on December 31, 2015 and shall automatically renew for twelve consecutive one-year periods unless terminated prior and is subject to annual appropriation of the District and SACWSD. The District made an earnest payment to the County of $30,000, which shall be credited to the first year's rent payment. Rent payments are $120,000 annually and are due April 1 of each year.

On November 18, 2015, the District issued Water Activity Enterprise Revenue Refunding and Improvement Bonds, Taxable, Series 2015, in the aggregate principal amount of $23,000,000. These bonds are a limited obligation and payable solely from the gross revenue of the system, subject to payment of operation and maintenance expenses. The bondholders of the 2004 bonds and 2006 COPS independently entered into settlement agreements with the District dated June 11, 2015 in which each of the parties agreed to an amount to settle the unpaid debt obligations. As a result, the prior outstanding debt obligations were satisfied in full.

On January 29, 2016, the District entered into an agreement with ERN Limited Partnership, Highland Realty Corporation, the Mary V. Peterson Trust, and CHAS-MAR Partners LLLP to purchase vacant real property located in Adams County, Colorado for $125,000. As of the date of the auditor's report, the closing on the property has not occurred.

During 2016, the District used proceeds from the Series 2015 Bonds for capital improvements that may not be eligible to be funded by such proceeds. This may be a violation of State Statute and a violation of the District's bond covenants. The Bondholder Representative and the District have agreed that the District will replenish the Capital Improvement Fund for said improvements by December 30, 2016.

Note 12 – Risk management

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded the commercial insurance coverage limits in any of the past three years.

Note 13 – Tax, spending and debt limitations

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

The District's management believes it qualifies under the Water Activity Enterprise definition of TABOR and therefore is not subject to the requirements of TABOR. However, TABOR is complex and subject to interpretation.

Note 14 – New accounting standards

The District implemented the following GASB Statements at December 31, 2013:

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* – GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* – GASBS No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflow of resources or inflows of resources, certain items that were previously recorded as assets and liabilities. As a result, the District's remaining unamortized Bond and Certificates of Participation issuance costs in the amount of $597,197 were reclassified.

Note 15 – Noncompliance with Colorado Revised Statute

Colorado Revised Statutes require that local governments submit audited financial statements for calendar year-end by July 31, or September 30 if granted an extension, of the following year. The District was not in compliance with the statutory requirement.

Also, see Note 11 regarding the use of certain Series 2015 bond proceeds.

Note 16 – Financial statement restatement

The District has restated the net position for 2013 due to an adjustment to water lease activity. The net change is as follows:

Net position - December 31, 2013	$ 19,238,883
Adjustment for water lease activity	(187,327)
Net position - restated December 31, 2013	$ 19,051,556

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SUPPLEMENTAL INFORMATION

Todd Creek Village Metropolitan District

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS
AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)

For the Year Ended December 31, 2014

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Favorable (Unfavorable)
ENTERPRISE:			
Revenues			
Water revenue	$ 2,509,500	$ 2,840,762	$ 331,262
(FTC) Failure to connect	560,000	553,204	(6,796)
Meters	102,000	126,725	24,725
Inspection fees	30,000	36,200	6,200
Lease of water	195,000	-	(195,000)
Tap fees	230,000	232,000	2,000
Investment earnings	200	-	(200)
Penalties and other income	104,000	293,418	189,418
Total revenues	3,730,700	4,082,309	351,609
Expenditures			
Accounting and audit	13,000	-	13,000
Administration	122,000	128,380	(6,380)
Bond issuance costs	132,079	-	132,079
District management	1,020,000	1,020,000	-
Engineering	100,000	64,643	35,357
Insurance	12,000	19,061	(7,061)
Interest	-	-	-
Lease payment	521,688	521,688	-
Legal	215,050	298,042	(82,992)
Loan fees	-	401,556	(401,556)
Miscellaneous	2,000	10,000	(8,000)
MXU system	90,000	78,192	11,808
Community relations	2,800	1,800	1,000
Raw water acquisition	803,000	555,659	247,341
Repairs and maintenance	180,850	285,664	(104,814)
Utilities	215,000	841,103	(626,103)
Water treatment	127,100	46,950	80,150
Total expenditures	3,556,567	4,272,738	(716,171)
Excess of enterprise revenues over (under) enterprise expenditures	174,133	(190,429)	(364,562)

(continued)

Todd Creek Village Metropolitan District

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
(continued)
For the Year Ended December 31, 2014

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Favorable (Unfavorable)
GENERAL GOVERNMENT:			
Revenues			
Tap fees and availability of service fees	$ 247,170	$ 2,214,182	$ 1,967,012
System development fees	1,860,000	-	(1,860,000)
Investment earnings	165,000	202,814	37,814
Total revenues	2,272,170	2,416,996	144,826
Expenditures			
Debt service:			
Interest	1,020,412	1,071,013	(50,601)
Principal	2,322,208	-	2,322,208
Capital Outlay:			
Other	300,000	-	300,000
Operating system and storage	-	167,179	(167,179)
Total expenditures	3,642,620	1,238,192	2,404,428
Excess of general government revenues over (under) general government expenditures	(1,370,450)	1,178,804	2,549,254
Total district revenues	$ 6,002,870	$ 6,499,305	$ 496,435
Total district expenditures	7,199,187	5,510,930	1,688,257
Total excess of revenue over (under) expenditures	(1,196,317)	988,375	2,184,692
Funds available - beginning	33,818	919,460	885,642
Funds available - ending	$ (1,162,499)	$ 1,907,835	$ 3,070,334

Todd Creek Village Metropolitan District

RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended December 31, 2014

REVENUE (BUDGETARY BASIS)	$ 6,499,305
Total revenue (GAAP basis)	6,499,305
EXPENDITURES (BUDGETARY BASIS)	5,510,930
Add:	
Depreciation	1,331,587
Amortization	10,168
Loss on sale of capital assets	226,250
Less:	
Capital outlay	(167,179)
Total expenses (GAAP basis)	6,911,756
CHANGE IN NET POSITION PER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	$ (412,451)

Todd Creek Village Metropolitan District

DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2014

Bonds and Certificates and Interest Maturing in the Year Ending December 31,	$25,575,000 Revenue Refunding and Improvement Bonds Dated December 27, 2004 Interest Payable June 1 and December 1 Principal Payable December 1			$8,660,000 Certificates of Participation Dated May 25, 2006 Base rentals are due May 15 and November 15 Principal Payable on June 1 and December 1			$79,815 Capital Lease dated December 2014 with Principal and Interest of 5.45% Payable Monthly			Total		
	Principal	Interest	Total	Principal (1)	Interest (1)	Total	Principal	Interest	Total	Principal	Interest	Total
2015	$ 11,910,000	$ 392,000	$ 12,302,000	$ 2,880,000	$ 1,960,620	$ 4,840,620	$ 18,357	$ 3,795	$ 22,152	$ 14,808,357	$ 2,356,415	$ 17,164,772
2016	-	392,000	392,000	585,000	354,025	939,025	19,382	2,769	22,151	604,382	748,794	1,353,176
2017	-	392,000	392,000	620,000	318,194	938,194	20,465	1,686	22,151	640,465	711,880	1,352,345
2018	-	392,000	392,000	655,000	280,219	935,219	19,765	545	20,310	674,765	672,764	1,347,529
2019	6,400,000	392,000	6,792,000	695,000	240,100	935,100	-	-	-	7,095,000	632,100	7,727,100
2020	-	-	-	740,000	197,531	937,531	-	-	-	740,000	197,531	937,531
2021	-	-	-	785,000	152,206	937,206	-	-	-	785,000	152,206	937,206
2022	-	-	-	1,700,000	104,121	1,804,121	-	-	-	1,700,000	104,121	1,804,121
	$ 18,310,000	$ 1,960,000	$ 20,270,000	$ 8,660,000	$ 3,607,016	$ 12,267,016	$ 77,969	$ 8,795	$ 86,764	$ 27,047,969	$ 5,575,811	$ 32,623,780

(1) Note: This payment schedule is according to the original payment schedule for Certificates of Participation.
It does not reflect changes that may be negotiated or required during 2014.