



Urban Drainage & Flood Control District

Comprehensive Annual Financial Report

YEAR ENDED

DECEMBER 31, 2019



M H F D

MILE HIGH FLOOD DISTRICT

Denver, CO

Comprehensive Annual Financial Report
December 31, 2019

Urban Drainage and Flood Control District, Colorado

Prepared by the Finance Department

Urban Drainage and Flood Control District

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December 31, 2019

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BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Libby Szabo, Commissioner, District 1 Jefferson County.....Chairperson
Stacie Gilmore, Council Member City & County of Denver.....Chairperson Pro Tem
Adam Paul, Mayor City of Lakewood.....Secretary/Treasurer
Dave Sellards, Retired Engineer.....Member at Large

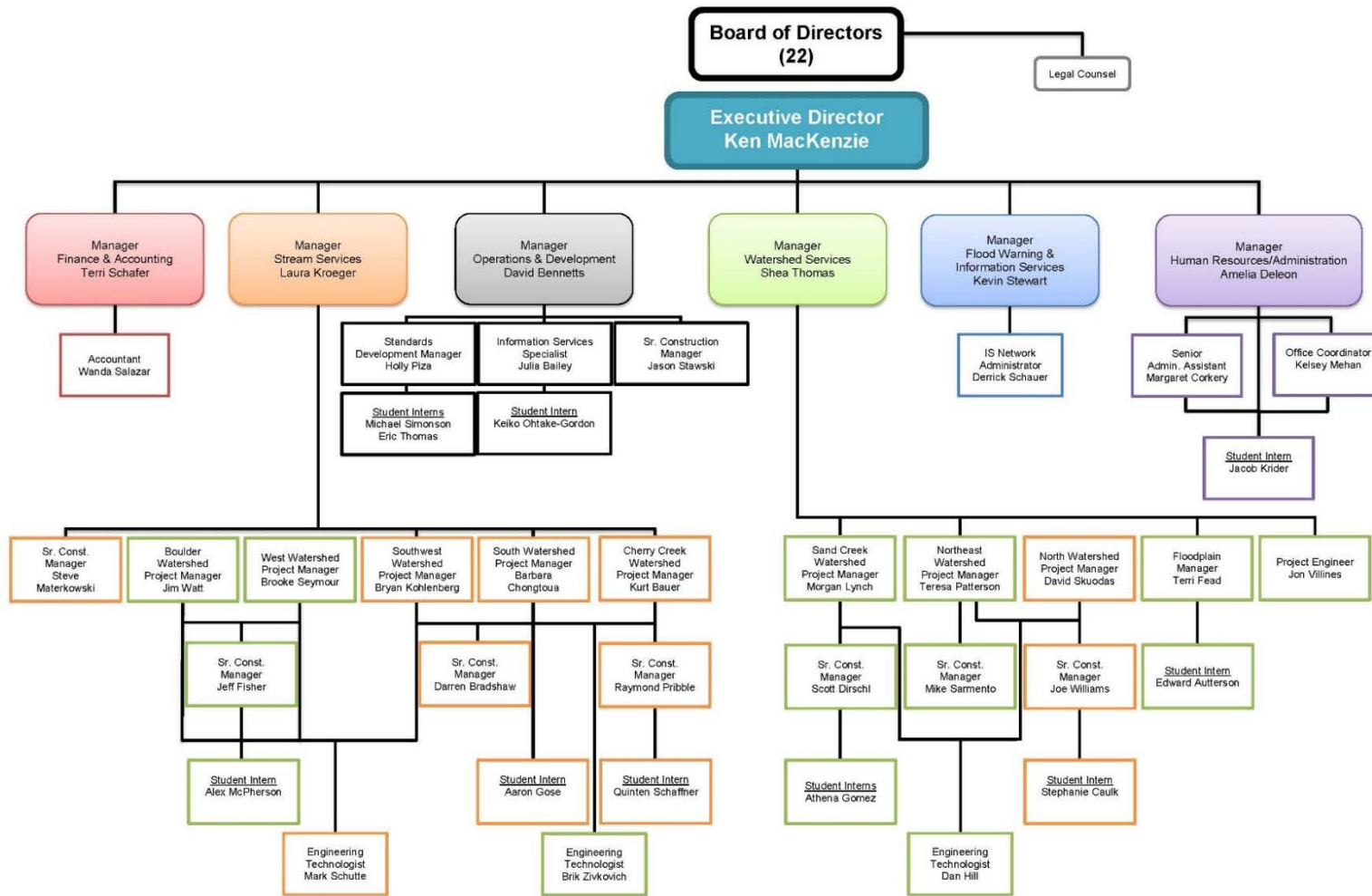
MEMBERS

Randy Ahrens, Mayor City & County of Broomfield
Herb Atchison, Mayor City of Westminster
Debbie Brinkman, Mayor City of Littleton
Jolon Clark, Council Member City & County of Denver
John Marriot, Mayor Pro Tem City of Arvada
Mark Hunter, Engineer-Retired
Matt Jones, Commissioner Boulder County
Bud Starker, Mayor City of Wheat Ridge
Paul Kashmann, Council Member City and County of Denver
Stephanie Piko, Mayor City of Centennial
Murphy Robinson, Deputy Mayor City & County of Denver
Bob Roth, Mayor Pro Tem City of Aurora
Nancy Sharpe, Commissioner Arapahoe County
Lora Thomas, Commissioner Douglas County
Sam Weaver, Mayor Pro Tem City of Boulder
Charles (Chaz) Tedesco, Commissioner Adams County
Heidi Williams, Mayor City of Thornton

DISTRICT STAFF

Ken MacKenzie, Executive Director
Terri Schafer, Manager Finance & Accounting
David Bennetts, Program Manager, Operations and Development
Amelia Deleon, Manager, Human Resources
Laura Kroeger, Program Manager, Stream Services
Kevin Stewart, Program Manager Information Services and Flood Warning Program
Shea Thomas, Program Manager, Watershed Services

Urban Drainage and Flood Control District
 Organizational Chart
 December 31, 2019



March 3, 2020

Board of Directors
Urban Drainage and Flood Control District
d/b/a/ Mile High Flood District

INTRODUCTION

GENERAL

The Comprehensive Annual Financial Report (CAFR) of Urban Drainage and Flood Control District, d/b/a Mile High Flood District (District) for the year ended December 31, 2019 is submitted herewith. The report was prepared by staff of the District's Accounting Division with the assistance of Eide Bailly, LLP. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe that the data presented are accurate in all material aspects; that the report is presented in a manner designed to fairly describe the results of operations of the District; that the report fairly presents the financial position of the District for the year then ended; and that all disclosures necessary to enable the reader to gain a maximum understanding of the District's financial activities have been included.

In the accompanying financial statements, the District has included all funds that are controlled by the District's Board of Directors in conformance with those standards set by the Governmental Accounting Standards Board (GASB). Control is determined on the basis of budget adoption, appropriating authority, funding, and approval by the District's Board of Directors. The reporting entity and funds are described in detail in Note 1 to the financial statements. The District is not a component unit of the State of Colorado, nor is it financially accountable for any other governmental entities.

In general terms, the District's operations may be described as: constructing and maintaining drainage and flood mitigation infrastructure; managing, and restoring urban streams; master planning of stream and watershed improvements; quantifying and delineating flood risk; providing early flood warning; managing and preserving floodplains and floodways; promulgating criteria and standards; performing research to advance the practice; maintaining and refining computational hydrologic and hydraulic models, and otherwise serving the residents of the 35 municipalities and those portions of the seven counties in the District's 1,608 square mile boundary in the Denver–Aurora–Lakewood metropolitan statistical area.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to

complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

ECONOMIC CONDITION AND OUTLOOK

The District's principle revenue source is an ad valorem tax, levied against the assessed value of real property within the District boundary. In 2019, a major influx of new residents into the Denver-Aurora-Lakewood metropolitan statistical area continued, outstripped housing availability and driving real estate prices higher. In the 2019 reassessment, residential property values in this statistical area increased by 8.74% over 2018 to a median value of \$420,600, while the net assessed value of all real property within the District increased 17.6%, to \$63.8 billion. This is all good news for the District's revenues, but within the metropolitan area, the unemployment rate decreased from 3.6% in 2018 to 2.3% in 2019, 35% lower than the nationwide unemployment rate of 3.4%. This has resulted in a scarcity in available and qualified prospective employees for both the District and its many vendors, driving labor costs upward. A boom in land development activities has also resulted in shortages of construction materials and equipment, driving those costs upward as well. The growth rate in the Colorado economy is expected to slow in the near future, while housing and commercial building inventory catches up with demand. These factors should alleviate the current increase in labor, material, and equipment costs.

TABOR AMENDMENT

In November of 1992, the voters of Colorado passed Article X, Section 20 of the Colorado Constitution known as the Taxpayer's Bill of Rights (TABOR) which is designed to restrain the growth of government. In 2018, Ballot item 7G was passed by the voters of the District, removing the District's TABOR revenue and spending restrictions. Additional information and explanations as to how this amendment affects the District can be found in Management's Discussion and Analysis and in Note 9.

SIGNIFICANT ACTIVITIES

The District's activities fall under four major program areas: Watershed Services; Stream Services; Operations and Development Services, and Flood Warning and Information Services.

Watershed Services

In 2019, the District was involved in 23 master planning studies, in nearly all of which the District served as the lead contracting agency. Two of these studies were completed in 2019. Each effort included at least one other local governmental entity, and a total of 18 local communities were involved as co-sponsors of these planning studies.

The District has worked with the Federal Emergency Management Agency (FEMA) as a Cooperating Technical Partner (CTP) since 2001. In this partnership, FEMA provides the District with grants and the District provides technical reviews for requests for Flood Insurance Rate Map (FIRM) changes. The project continued through 2019 and is expected to do so for the foreseeable future. The District assisted several local governments in obtaining FIRM changes brought about by the construction of the flood control projects discussed above. Twenty three Flood Hazard Area Delineation (FHAD) studies were in progress and 3 of those were completed

in 2019. Approximately 56,000 flood hazard information brochures were mailed to properties in or near high hazard zones. The District continued to provide plan review and construction observation services for projects that impact stream corridors under the Maintenance Eligibility Program (MEP). Projects constructed with non-District funds (typically land development projects) that are approved through the MEP may receive future stream management or maintenance assistance as described below. Routine assistance was provided to local governments on a wide range of floodplain management issues.

Stream Services

Capital improvement projects include designing and constructing master planned improvements. The year 2019 saw the start of 8, the completion of 12, and the continuation of 34 projects. The design phases were conducted under District management in cooperation with other public agencies. The construction projects were either managed by the local sponsor or the District. The funds for the construction projects, in most cases, were managed by the District.

A critical part of the District's operations is its stream management or maintenance activity. The District helped 34 local governments in 2019 by providing stream management assistance on major drainageways within their jurisdiction. Through ten separate contracts, stream management services were performed over 360 different drainageway sites totaling more than 90 miles of stream length and 550 acres of floodplain. These stream management activities included vegetation management, debris removal, tree removal, and small repairs. One hundred sixty six agreements or amendments for stream management restoration services were issued during 2019 to address localized maintenance needs across the District. All stream management maintenance activities were contracted to the private sector.

In 2019, the District continued stream management and restoration activities along the South Platte River, a reach of approximately 41 miles from Chatfield Reservoir to the Adams/Weld County line. Stream management activities included trash and debris removal from the channel, mowing and tree/shrub pruning along trails, noxious weed and invasive plant control, and revegetation. Channel restorative activities included bank restoration, grade control construction and rehabilitation, revegetation, utility crossing buttress construction, and trail repairs. All design and construction activities were contracted to private sector vendors. Three new projects were started along the river and two existing projects continued.

In 2017, the District established a Development Services Enterprise in order to contract with land developers, collect voluntary fees from same, and to then hire vendors to design and construct master-planned stream improvement projects necessitated by the land development activities. These projects are called Fee-In-Lieu Improvements (FILI) because the developer's fees are in lieu of the developer completing the required stream improvement work, and the District contracting the design and construction instead of providing maintenance eligibility reviews as a referral agency to the local governments we serve. The District started seven FILI projects in 2019, but this program is still in its infancy and no projects were actually constructed in 2019, so its efficacy in getting higher quality and lower maintenance infrastructure is still undetermined.

Operations and Development Services

As part of the activities of the Operations and Development Program, the District continues to coordinate the combined efforts by the three largest cities within the District to comply with and renew their National Pollutant Discharge Elimination System (NPDES) Phase I stormwater

discharge permits and to participate and assist all Phase II municipalities as they continue to comply with the terms of their stormwater discharge permits. Much of the latter is done through active participation in the Colorado Stormwater Council and by engaging in discussions with the Colorado Department of Public Health and Environment (CDPHE). In support of stormwater quality efforts, the District continued to monitor several structural best management practice facilities for performance, reliability, and maintenance needs, and to report our findings to the scientific and regulated communities.

Also, activities to upgrade technical standards, the District Urban Storm Drainage Criteria Manual, specifications, and related support tools continued during 2019. The District also continued to upgrade its technical software, including the District's own suite of hydrologic and hydraulic computational models. Other operations and development activities continued in 2019 included rebranding, upgrading and maintaining the District's existing website while working to develop a new one; producing an annual report; providing public outreach and education; improving data and records management; and developing GIS capabilities and electronic work flow processes.

Flood Warning and Information Services

In 2005, the District created the Flood Warning and Information Services (FW/IS) program in response to growing technology-driven support needs. The automated flood detection network, known as the Automated Local Evaluation in Real Time (ALERT) system, continued to improve and expand in 2019. Flood warning plans and standard operating procedures are annually reviewed, updated and practiced with local governments. Meteorological services involving direct notifications to local jurisdictions concerning potential and imminent flood threats were improved. IT support needs for the District's local area network and server operations continued to increase as more electronic information becomes available. System security, virus protection, Internet services, file backups, disaster recovery, equipment upgrades, programming, software licensing and maintenance, data and voice communications, and general IT oversight are among the FW/IS program responsibilities. The District also continued ongoing contracts with the United States Geological Survey (USGS) to collect rainfall and runoff data throughout the Denver metropolitan area.

PROSPECTS FOR THE FUTURE

The combination of the favorable outcome of Ballot Item 7G in 2018, and the 40% increase in assessed values of real property within the District from 2016 to 2020 has resulted in the District's revenues increasing 126% over that same time period, from \$29.4 million in 2016, to \$67.8 million in 2020. Years of decreased construction funding and deferred maintenance under the TABOR restrictions are now replaced with accelerated work, with the District now able to fund more projects with the communities we serve, and at a higher level. In order to manage the Fee-In-Lieu Improvements (FIL) program, which will eventually involve tens of millions of developer fees, and also in order to manage the dramatic increase in our core work brought on by the passing of Ballot Item 7G, the District hired five new employees in 2019 and plans to hire five more in 2020.

In 2019, the District overhauled its policy regarding preservation of floodways and floodplains and the purchase of land for future improvements, increasing the annual funding level of the property acquisition fund reserve (a fund reserve in the Maintenance fund) for these activities

from \$500,000 to \$2,000,000, and easing the restrictions under which properties qualify for funding. No purchases were made from the property acquisition fund reserve in 2019.

The four major program areas of the District are all fully funded for 2019. Work programs and budgets for the programs have been approved by the District's Board of Directors.

FINANCIAL INFORMATION

INTERNAL CONTROL

In developing and evaluating the District's accounting system, an important consideration is the overall adequacy of internal controls. Internal controls are designed to provide District management with reasonable (but not absolute) assurance regarding: a) the safeguarding of assets against loss from unauthorized use or disposition; and b) the overall reliability of the financial records for preparing financial statements and for maintaining accountability and control over the District's assets. The concept of reasonable assurance recognizes that: a) the cost of a control should not exceed the benefits likely to be derived; and b) the evaluation of cost and benefits requires estimates and judgments by management.

We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

FISCAL CONTROL

Annually, appropriations are established to record the current year's fiscal requirements for the District. Portions of these appropriations are set aside as purchase orders and/or contracts. No commitment is authorized, nor any expenditure incurred, until it is determined that adequate appropriation balances exist for that purpose.

To facilitate this determination, the District's accounting records are delineated by category as shown in the financial statements. Budgetary control (that is, the level at which expenses cannot exceed the appropriated amount) is maintained at the category level within an individual fund. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Variances with the budget are reported to the District's management on a monthly basis.

DEBT ADMINISTRATION

The District is in a very enviable position of having no debt, and therefore no debt issues outstanding.

OTHER INFORMATION

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Urban Drainage and Flood Control District for its comprehensive annual financial report for the fiscal year ended December 31, 2018.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA.

INDEPENDENT AUDIT

The District is required to have an annual audit of the books of accounts, financial records and transactions conducted by a firm of independent certified public accountants. The accounting firm of Eide Bailly, LLP was selected by the District's Audit and Finance Committee and approved by the Board of Directors. The independent auditor's report of Eide Bailly, LLP has been included in this report.

ACKNOWLEDGMENTS

In submitting this 2019 Comprehensive Annual Financial Report, we express our sincere appreciation to the District accounting staff and management team that participated in the preparation of this report.

Respectfully Submitted,


Ken A. MacKenzie
Executive Director


Terri Schafer, CPA
Manager of Finance and Accounting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Urban Drainage and
Flood Control District
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO



Independent Auditor's Report

To the Board of Directors
Urban Drainage and Flood Control District
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Urban Drainage and Flood Control District (the "District") as of and for the year ended December 31, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12 through 18 and 44 through 48 and 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The introductory section, individual nonmajor fund budget to actual schedule, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual nonmajor fund budget to actual schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 individual nonmajor fund budget to actual schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Denver, Colorado
April 6, 2020

The management of Urban Drainage and Flood Control District, Denver, Colorado offers this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2019 as a supplement to the District's basic financial statements.

Financial Highlights

The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$17,340,268 (net position). Of this amount, \$1,720,345 represents the District's investment in capital assets, \$16,812,432 is restricted for emergencies, construction, maintenance and the South Platte River Projects. Unrestricted net position at December 31, 2019 was (\$1,192,509).

The District's total net position increased by \$5,779,669.

As of year-end, the District's Governmental Funds reported a combined ending fund balance of \$16,812,432, an increase of \$6,079,528 in comparison to the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's basic financial statements a broad overview of the District's finances, in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities. The government-wide financial statements can be found on pages 18 and 19.

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

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period (e.g., earned but unused compensated absences).

Fund Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances or spendable resources available at year-end. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five different governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Construction Special Revenue Fund, Maintenance Special Revenue Fund, South Platte River Special Revenue Fund, and Federal Grants Fund.

The District adopts an annual appropriated budget for the General Fund and Special Revenue Funds, except as described in the notes to the basic financial statements. A budgetary comparison schedule for the General Fund and each major Special Revenue Fund is included in the required supplementary information.

The basic governmental fund financial statements can be found on pages 20 through 23 of this report.

Proprietary funds are used to account for business-type activities that are similar to the private sector and in which fees are charged for goods and services. The District reports one proprietary fund, an enterprise fund.

The District created the Development Services Enterprise Fund in 2017 to account for voluntary fees collected from land developers for the District's participation in design and construction of regional drainage and flood control improvements.

The District adopts an annual appropriated budget for the Development Services Enterprise Fund. A budgetary comparison schedule for this fund is included in the supplementary information.

The basic proprietary fund financial statements can be found on pages 24 through 26 of this report. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District has one fiduciary fund, the Project Custodial Fund. The basic fiduciary fund financial statements can be found on pages 27 and 28 in the basic financial statements in 2019 due to the implementation of GASB 84 – Fiduciary Activities.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 29 through 42 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$17,340,268 at the close of the most recent fiscal year.

By far the largest portion of the District's current assets represent cash and investments of \$17,934,942 and property taxes receivable of \$62,702,750. Current liabilities include primarily accounts payable. Deferred inflows of resources include unearned revenue of \$62,702,750 related to the property tax receivable recorded at year-end and \$305,945 of unpaid rental expense

Statement of Net Position

| | 2019 | | 2018 | |
|--------------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|
| | Governmental Activities | Business- Type Activities | Governmental Activities | Business- Type Activities |
| ASSETS | | | | |
| Current Assets | | | | |
| Total Current Assets | \$ 81,178,372 | \$ - | \$ 57,278,285 | \$ - |
| Net Capital Assets | 1,720,345 | - | 1,584,204 | - |
| Total Assets | <u>82,898,717</u> | <u>-</u> | <u>58,862,489</u> | <u>-</u> |
| LIABILITIES | | | | |
| Current Liabilities | 1,964,436 | - | 2,974,546 | - |
| Long-Term Liabilities | 585,318 | - | 303,747 | - |
| Total Liabilities | <u>2,549,754</u> | <u>-</u> | <u>3,278,293</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property Tax Revenue | 62,702,750 | - | 43,818,139 | - |
| Unpaid Rental Expense | 305,945 | - | 205,458 | - |
| Total Deferred Inflows of Resources | <u>63,008,695</u> | <u>-</u> | <u>44,023,597</u> | <u>-</u> |
| NET POSITION | | | | |
| Investment in Capital Assets | 1,720,345 | - | 1,584,204 | - |
| Restricted | 16,812,432 | - | 10,732,904 | - |
| Unrestricted | (1,192,509) | - | (756,509) | - |
| Total Net Position | <u>\$ 17,340,268</u> | <u>\$ -</u> | <u>11,560,599</u> | <u>-</u> |

Governmental activities increased the District's net position by \$5,779,669, which represents a 50% increase in net position. The increase in net position was due primarily the increased millage rate (from 00057 in 2018 to 0820 in 2019) approved by the voters.

Business-type activities had no effect on the District's net position. All of the revenue collected in 2019 was used to fund the projects it was collected for.

Changes in Net Position

| | 2019 | | 2018 | |
|------------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|
| | Governmental Activities | Business- Type Activities | Governmental Activities | Business- Type Activities |
| REVENUE | | | | |
| Program Revenue: | | | | |
| Operating Grants and Contributions | \$ 545,758 | \$ - | \$ 476,561 | \$ - |
| Charges for Services | - | 1,786,506 | - | 90,348 |
| General Revenue: | | | | |
| Taxes | 46,837,563 | - | 31,366,715 | - |
| Investment Earnings | 591,390 | - | 253,562 | - |
| Other | 83,440 | - | 70,192 | - |
| Total Revenues | 48,058,151 | 1,786,506 | 32,167,030 | 90,348 |
| EXPENSES | | | | |
| General Government | 9,314,469 | - | 10,468,512 | - |
| Maintenance | 14,904,339 | - | 9,139,356 | - |
| Project Custodial Funds | 18,059,674 | 1,786,506 | 11,850,473 | 90,348 |
| Total Expenses | 42,278,482 | 1,786,506 | 31,458,341 | 90,348 |
| CHANGE IN NET POSITION | 5,779,669 | - | 708,689 | - |
| Net Position - Beginning of Year | 11,560,599 | - | 10,851,910 | - |
| NET POSITION - END OF YEAR | \$ 17,340,268 | \$ - | \$ 11,560,599 | \$ - |

Financial Analysis of the District's Governmental Funds

As noted earlier, the District uses fund accounting to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$16,812,432. This represents an increase of \$6,079,528 over the 2018 ending fund balance. The increase in fund balance is primarily due to the increased mill levy that was the result of the successful TABOR election held in November of 2018.

The General Fund is the chief operating fund of the District. The fund balance increased by \$823,425 from the prior year.

The South Platte River Fund is used to account for the maintenance and improvements to that portion of the river that lies within the District. The fund balance increased by \$304,090.

The Special Revenue Funds include the Construction, Maintenance and South Platte River Funds. The Construction Fund is used to account for capital costs of drainage projects. This fund balance increased by \$2,121,137.

The Maintenance Fund is used to conduct maintenance on District funded facilities and for the preservation of floodplains and floodways. This fund balance increased during the year by \$2,830,876.

Budgetary Highlights

There were no differences between the original and final budgets. During the year, expenditures were less than budgetary estimates due to management's monitoring and control of operating expenditures.

Capital Asset Administration

The District's net investment in capital assets for its governmental activities amounts to \$1,720,345. The majority of the District's capital assets represent land and non-depreciable dams in the amount of \$1,428,694. Additional information on the District's capital assets can be found in Note 3 of this report.

Economic Factors and Next Year's Budget and Rates

Colorado is enjoying a period of robust growth and low unemployment. Property values within the District are expected to continue to rise, due to a boom in land development and an ongoing housing demand that continues to outstrip the available supply. Because the District's principle revenue source is an ad valorem tax levied against the assessed value of real property within the District boundary, the District should continue to experience significant growth in property tax revenues for at least the next several years.

In November of 1992, the voters of Colorado passed Amendment One, Article X, Section 20 of the Colorado Constitution. Known as the Tax Payers Bill of Rights, or TABOR, this amendment is designed to restrain the growth of government through spending limits and property tax revenue

limits. In November of 2018, the District asked the voters to exempt the District from certain TABOR provisions.

The ballot question asked the voters to allow the District to restore its mill levy to the amount authorized by the legislature, and to be able to retain all the revenue received as a result of this increase. The voters passed this ballot measure, increasing the District's statutory millage rate from 0.557 in 2018 to 0.820 in 2019, with additional annual increases scheduled until the full statutory millage rate of 1.000 is restored in 2021. Other provisions of TABOR still apply, including the prohibition of further tax increases without voter approval, and the requirement to maintain and appropriately administer an emergency reserve equal to 3% or more of the District's fiscal year spending.

The 2020 budgeted revenue across the four governmental funds is 66,358,500, a 40% increase over the 2019 revenue of \$47,336,400. This is due to a combination of an 18% increase in the 2019 assessed value of real property districtwide, and a 22% increase in the District's statutory millage rate (from 0.820 in 2019 to 0.997 in 2020).

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Urban Drainage and Flood Control District, 2480 West 26th Avenue, Suite 156-B, Denver, Colorado 80211.

Urban Drainage and Flood Control District
Statement of Net Position
December 31, 2019

| | Primary Government | | Total |
|---|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 17,934,942 | \$ - | \$ 17,934,942 |
| Property taxes | 62,702,750 | - | 62,702,750 |
| Specific ownership taxes | 283,633 | - | 283,633 |
| Intergovernmental | 161,769 | - | 161,769 |
| Other | 5,309 | - | 5,309 |
| Accrued interest | 89,969 | - | 89,969 |
| Total current assets | <u>81,178,372</u> | <u>-</u> | <u>81,178,372</u> |
| Noncurrent assets: | | | |
| Land and improvements | 1,428,694 | - | 1,428,694 |
| Office furniture and equipment | 446,876 | - | 446,876 |
| Leasehold improvements | 96,192 | - | 96,192 |
| Maple Grove Dam | 350,000 | - | 350,000 |
| Less: Accumulated depreciation | <u>(601,417)</u> | <u>-</u> | <u>(601,417)</u> |
| Total noncurrent assets | <u>1,720,345</u> | <u>-</u> | <u>1,720,345</u> |
| Total assets | <u>82,898,717</u> | <u>-</u> | <u>82,898,717</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and other liabilities | 1,535,007 | - | 1,535,007 |
| Accrued salaries and benefits | 128,183 | - | 128,183 |
| Compensated absences - Current | 301,246 | - | 301,246 |
| Total current liabilities | <u>1,964,436</u> | <u>-</u> | <u>1,964,436</u> |
| Noncurrent liabilities: | | | |
| Compensated absences - LT | 585,318 | - | 585,318 |
| Total noncurrent liabilities | <u>585,318</u> | <u>-</u> | <u>585,318</u> |
| Total liabilities | <u>2,549,754</u> | <u>-</u> | <u>2,549,754</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property tax revenue | 62,702,750 | - | 62,702,750 |
| Unpaid rental expense | 305,945 | - | 305,945 |
| Total deferred inflows of resources | <u>63,008,695</u> | <u>-</u> | <u>63,008,695</u> |
| Total liabilities and deferred inflows of resources | <u>65,558,449</u> | <u>-</u> | <u>65,558,449</u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,720,345 | - | 1,720,345 |
| Restricted for: | | | |
| Construction | 4,878,637 | - | 4,878,637 |
| Emergencies | 1,428,000 | - | 1,428,000 |
| Maintenance | 9,788,117 | - | 9,788,117 |
| South Platte River | 717,678 | - | 717,678 |
| Unrestricted | <u>(1,192,509)</u> | <u>-</u> | <u>(1,192,509)</u> |
| Total net position | <u>\$ 17,340,268</u> | <u>\$ -</u> | <u>\$ 17,340,268</u> |

Urban Drainage and Flood Control District
Statement of Activities
Year Ended December 31, 2019

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | |
|--|---------------|----------------------|------------------------------------|---|-------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Primary Government Business-type Activities |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 9,314,469 | \$ - | \$ 519,935 | \$ - | \$ (8,794,534) | \$ (8,794,534) |
| Maintenance | 14,904,339 | - | - | - | (14,904,339) | (14,904,339) |
| Project custodial fund | 18,059,674 | - | 25,823 | - | (18,033,851) | (18,033,851) |
| Total governmental activities | 42,278,482 | - | 545,758 | - | (41,732,724) | (41,732,724) |
| Business-type activities: | | | | | | |
| Development Services | 1,786,506 | 1,786,506 | - | - | - | - |
| Total business-type activities | 1,786,506 | 1,786,506 | - | - | - | - |
| Total primary government | \$ 44,064,988 | \$ 1,786,506 | \$ 545,758 | \$ - | (41,732,724) | (41,732,724) |
| General revenues: | | | | | | |
| Property taxes | | | | | 43,434,353 | 43,434,353 |
| Specific ownership taxes | | | | | 3,403,210 | 3,403,210 |
| Investment earnings | | | | | 591,390 | 591,390 |
| Other | | | | | 83,440 | 83,440 |
| Total general revenues, special items, and transfers | | | | | 47,512,393 | 47,512,393 |
| Change in net position | | | | | 5,779,669 | 5,779,669 |
| Net position - beginning | | | | | 11,560,599 | 11,560,599 |
| Net position - ending | | | | | \$ 17,340,268 | \$ 17,340,268 |

Urban Drainage and Flood Control District
Balance Sheet – Governmental Funds
December 31, 2019

| | GENERAL | SPECIAL REVENUE SOUTH PLATTE RIVER | SPECIAL REVENUE CONSTRUCTION | SPECIAL REVENUE MAINTENANCE | Total Nonmajor Funds | Total Governmental Funds |
|---|---------------------|---------------------------------------|---------------------------------|--------------------------------|-------------------------|-----------------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 1,703,245 | \$ 1,222,389 | \$ 3,864,923 | \$ 11,144,385 | \$ - | \$ 17,934,942 |
| Due from other funds | 78,971 | - | - | - | - | 78,971 |
| Receivables: | | | | | | |
| Property taxes | 6,366,161 | 5,407,295 | 25,464,647 | 25,464,647 | - | 62,702,750 |
| Specific ownership taxes | 28,537 | 28,272 | 113,412 | 113,412 | - | 283,633 |
| Intergovernmental | - | - | - | - | 161,769 | 161,769 |
| Other | 1,598 | - | - | 3,711 | - | 5,309 |
| Accrued interest | 7,246 | 11,055 | 25,241 | 46,427 | - | 89,969 |
| Total assets | <u>\$ 8,185,758</u> | <u>\$ 6,669,011</u> | <u>\$ 29,468,223</u> | <u>\$ 36,772,582</u> | <u>\$ 161,769</u> | <u>\$ 81,257,343</u> |
| LIABILITIES | | | | | | |
| Accounts payable and other liabilities | \$ 85,591 | \$ 403,151 | \$ 56,472 | \$ 906,995 | \$ 82,798 | \$ 1,535,007 |
| Accrued salaries and benefits payable | 43,567 | 2,887 | 40,906 | 40,823 | - | 128,183 |
| Due to other funds | - | - | - | - | 78,971 | 78,971 |
| Total liabilities | <u>129,158</u> | <u>406,038</u> | <u>97,378</u> | <u>947,818</u> | <u>161,769</u> | <u>1,742,161</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Property tax revenues | 6,366,161 | 5,407,295 | 25,464,647 | 25,464,647 | - | 62,702,750 |
| Total deferred inflow of resources | <u>6,366,161</u> | <u>5,407,295</u> | <u>25,464,647</u> | <u>25,464,647</u> | <u>-</u> | <u>62,702,750</u> |
| Total liabilities and deferred inflows of resources | <u>6,495,319</u> | <u>5,813,333</u> | <u>25,562,025</u> | <u>26,412,465</u> | <u>161,769</u> | <u>64,444,911</u> |
| FUND BALANCES (DEFICITS) | | | | | | |
| Restricted | | | | | | |
| Construction | 1,543,439 | - | 3,335,198 | - | - | 4,878,637 |
| Emergencies (TABOR) | 147,000 | 138,000 | 571,000 | 572,000 | - | 1,428,000 |
| Maintenance | - | - | - | 9,788,117 | - | 9,788,117 |
| South Platte River Projects | - | 717,678 | - | - | - | 717,678 |
| Total fund balances (deficits) | <u>1,690,439</u> | <u>855,678</u> | <u>3,906,198</u> | <u>10,360,117</u> | <u>-</u> | <u>16,812,432</u> |
| Total liabilities and fund balances (deficits) | <u>\$ 8,185,758</u> | <u>\$ 6,669,011</u> | <u>\$ 29,468,223</u> | <u>\$ 36,772,582</u> | <u>\$ 161,769</u> | <u>\$ 81,257,343</u> |

Urban Drainage and Flood Control District
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
December 31, 2019

| | |
|--|----------------------|
| Fund balances of governmental funds | \$ 16,812,432 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund | 1,720,345 |
| Compensated absences are not uses of financial resources in governmental activities and are therefore not reported in the fund. However, compensated absences are treated as a liability in the statement of net position. This is the total of the liability as of December 31, 2018. | (886,564) |
| Unpaid rental expenses are not uses of financial resources in governmental activities and are therefore not reported in the fund. However, the reduction of lease payments is considered a deferred inflow of resources in the statement of net position. | (305,945) |
| Net position of governmental activities | <u>\$ 17,340,268</u> |

Urban Drainage and Flood Control District
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended December 31, 2019

| | GENERAL | SPECIAL REVENUE SOUTH PLATTE RIVER | SPECIAL REVENUE CONSTRUCTION | SPECIAL REVENUE MAINTENANCE | Total Nonmajor Funds | Total Governmental Funds |
|---|---------------------|---------------------------------------|---------------------------------|--------------------------------|-------------------------|-----------------------------|
| REVENUES | | | | | | |
| Taxes | \$ 4,727,070 | \$ 4,528,072 | \$ 18,838,911 | \$ 18,743,510 | \$ - | \$ 46,837,563 |
| Project participation | 18,708 | 142 | 5,440 | 1,533 | - | 25,823 |
| Investment earnings | 51,333 | 68,632 | 165,315 | 306,110 | - | 591,390 |
| Other revenue | 74,939 | - | 8,501 | - | - | 83,440 |
| Federal grants | - | - | - | - | 519,935 | 519,935 |
| Total revenues | <u>4,872,050</u> | <u>4,596,846</u> | <u>19,018,167</u> | <u>19,051,153</u> | <u>519,935</u> | <u>48,058,151</u> |
| EXPENDITURES | | | | | | |
| General government | 2,998,407 | 550,327 | 2,377,574 | 2,568,367 | 519,935 | 9,014,610 |
| Maintenance | - | 1,252,429 | - | 13,651,910 | - | 14,904,339 |
| District participation | | | | | | |
| Project custodial fund | <u>1,050,218</u> | <u>2,490,000</u> | <u>14,519,456</u> | <u>-</u> | <u>-</u> | <u>18,059,674</u> |
| Total expenditures | <u>4,048,625</u> | <u>4,292,756</u> | <u>16,897,030</u> | <u>16,220,277</u> | <u>519,935</u> | <u>41,978,623</u> |
| Excess (deficiency) of revenues over expenditures | <u>823,425</u> | <u>304,090</u> | <u>2,121,137</u> | <u>2,830,876</u> | <u>-</u> | <u>6,079,528</u> |
| Net change in fund balances | 823,425 | 304,090 | 2,121,137 | 2,830,876 | - | 6,079,528 |
| Fund balances - beginning | <u>867,014</u> | <u>551,588</u> | <u>1,785,061</u> | <u>7,529,241</u> | <u>-</u> | <u>10,732,904</u> |
| Fund balances - ending | <u>\$ 1,690,439</u> | <u>\$ 855,678</u> | <u>\$ 3,906,198</u> | <u>\$ 10,360,117</u> | <u>\$ -</u> | <u>\$ 16,812,432</u> |

Urban Drainage and Flood Control District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
to the Statement of Activities
Year Ended December 31, 2019

| | |
|--|--------------|
| Net change in fund balances - total governmental funds | \$ 6,079,528 |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p> | |
| <p>Capital assets are expensed in the governmental funds and depreciated in the statement of activities:</p> | |
| Capital asset additions | 188,418 |
| Depreciation expense | (52,275) |
| <p>Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds</p> | |
| Change in accrued compensated absences | (335,513) |
| Unpaid rent expense | (100,489) |
| | \$ 5,779,669 |
| Change in net position of governmental activities | \$ 5,779,669 |

Urban Drainage and Flood Control District
Statement of Net Position – Proprietary Fund
December 31, 2019

| | Development Services Fund |
|---|------------------------------|
| ASSETS | |
| Total assets | <u>\$ -</u> |
| LIABILITIES | |
| Total liabilities | <u>-</u> |
| NET POSITION | |
| Total liabilities, deferred inflows of resources and net position | <u>\$ -</u> |

Urban Drainage and Flood Control District
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund
Year Ended December 31, 2019

| | <u>Development Services Fund</u> |
|--------------------------------|--------------------------------------|
| OPERATING REVENUES | |
| Charges for services | \$ 1,786,506 |
| Total revenue | <u>1,786,506</u> |
| OPERATING EXPENSES | |
| District Participation | |
| Project custodial fund | 1,786,506 |
| Total expenses | <u>1,786,506</u> |
| Change in net position | - |
| Total net position - beginning | <u>-</u> |
| Total net position - ending | <u>\$ -</u> |

Urban Drainage and Flood Control District
Statement of Cash Flows – Proprietary Fund
Year Ended December 31, 2019

| | Development Services Fund |
|--|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash receipts from customers and users | \$ 1,786,506 |
| Payments to suppliers | (1,786,506) |
| Net cash provided (used) by operating activities | - |
| Net increase (decrease) in cash and cash equivalents | - |
| Cash and investments - January 1 | - |
| Cash and investments - December 31 | \$ - |

Urban Drainage and Flood Control District
Statement of Fiduciary Net Position – Project Custodial Fund
December 31, 2019

| | <u>Custodial Funds</u> |
|--------------------------------------|------------------------|
| ASSETS | |
| Cash and investments | \$ 81,613,046 |
| Accrued interest receivable | 279,564 |
| Project receivable | 47,976 |
| Total assets | <u>81,940,586</u> |
| LIABILITIES | |
| Accounts payable | 2,778,965 |
| Retainage payable | 509,454 |
| Participation deposits | 75,299,141 |
| Total liabilities | <u>78,587,560</u> |
| NET POSITION | |
| Restricted for: | |
| Construction and participant refunds | <u>\$ 3,353,026</u> |

Urban Drainage and Flood Control District
Statement of Changes in Fiduciary Net Position – Project Custodial Fund
Year Ended December 31, 2019

| | Custodial Funds |
|---|-----------------|
| ADDITIONS | |
| Revenues | |
| Project participation | \$ 26,815,143 |
| Investment earnings | 1,732,264 |
| Other revenue | 108,075 |
| Total additions | 28,655,482 |
| DEDUCTIONS | |
| Construction, maintenance and master plan costs | 27,336,022 |
| Refund of project participation | 11,800 |
| Other | 13,279 |
| Total deductions | 27,361,101 |
| Net increase (decrease) in fiduciary net position | 1,294,381 |
| Net Position -- beginning of the year | 2,058,645 |
| Net Position -- end of the year | \$ 3,353,026 |

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Urban Drainage and Flood Control District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District was created pursuant to the authority conferred by the Colorado Revised Statutes and is a governmental subdivision of the State of Colorado, with those powers specifically granted and those reasonably implied therefrom and necessary to carry out the objectives and purpose of the District. The District's purpose is to coordinate, plan, construct, maintain or otherwise attempt to minimize risk to persons and property from flood hazards inherent in the area. The District's Board of Directors is appointed as stipulated by the Colorado Revised Statutes.

The District, pursuant to the provisions of the Colorado Revised Statutes is exempt from sales, income and property taxes.

The District follows 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.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Governing Body

The board of directors is the governing body of the District. By Colorado state law, the board consists of 22 members constituted as follows: mayor or deputy mayor of the City and County of Denver as ex officio director; three Denver council members appointed by the City Council; one commissioner from each of the counties of Adams, Arapahoe, Boulder, Jefferson, and Douglas appointed by their respective board of county commissioners; one mayor from a city located in each county of Adams, Arapahoe, Boulder, and Jefferson appointed by the governor; mayor or mayor pro tern from the City and County of Broomfield; mayor or mayor pro tern of any City having population in excess of 100,000 as ex officio member (currently Aurora, Arvada, Centennial, Lakewood, Thornton and Westminster); and two licensed professional engineers appointed by the board of directors.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Governmental activities are supported by taxes and intergovernmental revenues. Business-type activities are supported by charges for service for development services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customer or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements, business type activities financial statements and the custodial fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue susceptible to accrual is property tax. Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

The District reports the following major governmental funds:

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

The South Platte River Special Revenue Fund is used to account for property tax revenue which, by statute, is to be used for the maintenance of and improvements on the portion of the South Platte River which lies within the District. The South Platte River Capital Improvement Fund, which is combined in the South Platte River Special Revenue Fund, is to be used for projects designated as improvements on the portion of the South Platte River which lies within the District.

The Construction Special Revenue Fund is used to account for property tax revenue which, by statute, is to be used for capital costs of drainage projects. Generally, this fund accounts for the District's share of participation costs in various construction projects. The District's participation expenditures from the fund are recorded as participant deposits in the Project Private-Purpose Trust Fund for construction and design projects until such time when the related expenditures begins. Other participation expenditures are paid directly to other governmental entities for construction projects which are not administered by the District. Participation expenditures are recorded when the resolutions are approved by the Board of Directors and the contracts are executed by the participants.

The Maintenance Special Revenue Fund is used to account for property tax revenue which, by statute, is to be used to conduct maintenance on District-funded facilities and other major drainage ways in the District, and for the preservation of floodplains and floodways.

The Maintenance Emergency Contingency Fund, which is combined in the Maintenance Special Revenue Fund, is to provide a contingency reserve or emergency maintenance expenditures on District-funded facilities and other major drainage ways in the District.

The District reports the following non-major governmental fund:

The Federal Grants Special Revenue Fund is used to account for financial resources received from the Federal Government.

The District reports the following non-major proprietary fund:

Development Services Enterprise Fund is used to account for charges for services received from land developers, who require necessary projects related to regional drainage and flood control infrastructure within the District.

Additionally, the District reports the following fund type:

The Project Custodial Fund is used to account for the construction and design of drainage facilities which will be owned by other governmental entities. The District and other governmental entities share in the cost of the construction projects and, in some cases, maintenance of these projects. The District generally is responsible for receiving and disbursing moneys for construction and design.

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.

Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize interest earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated monthly to the participating funds based upon each fund's monthly average equity balance in the total cash and investments. Investments are carried at fair value.

Capital Assets

Capital assets, which include land and site improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Non-depreciable assets consist of land held for preservation, land and land improvements. Land and land improvements consist of the Englewood and Holly Dam sites. These dam sites include land costs and costs that readied these earthen dams for their use. These earthen dams are only used as overflow drainage facilities, and as such, are considered inexhaustible capital assets and, therefore, are not depreciated.

Site improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| | Years |
|---|--------|
| Site Improvements - Maple Grove Dam | 9 - 10 |
| Furniture, equipment, and leasehold improvement | 5 - 10 |

Interest incurred during construction is not capitalized on capital assets.

Compensated Absences

District employees earn sick leave at a rate of one day per month. Accumulated sick leave in excess of 480 hours, may be paid at one-half of cash value, or converted to vacation leave days, at the option of the employee. Any unused sick leave is payable at cash value upon termination. Depending on their length of service, employees are entitled to 15 to 28 vacation leave days per year, of which a maximum of 300 hours can be carried forward to subsequent years. Unused vacation leave is paid to the employees upon termination.

Vacation leave and sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Property Taxes

Property taxes are levied by the District board of directors. The levy is based on assessed valuations determined by the County Assessors, generally as of January 1 of each year. The levy is normally set during October or November by certification to the County Commissioners to put the tax lien on the individual properties as of December of each year. County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and July. Delinquent taxpayers are notified in August and tax sales of delinquent properties are held in November. The County Treasurers remit the taxes collected monthly to the District.

The District is limited by statute to a maximum mill levy of one mill, except in Boulder and Broomfield Counties, where the limit is 0.9 mills. Not more than one-tenth (0.1) of a mill shall be used for engineering and operations (General Fund), not more than four-tenths (0.4) of a mill shall be used for capital costs (Construction Special Revenue Fund), and not more than four-tenths (0.4) of a mill shall be used for maintenance and preservation of floodways and floodplains (Maintenance Special Revenue Fund). Not more than one-tenth (0.1) of a mill, except in Boulder and Broomfield Counties, shall be used for the maintenance and improvements on that portion of the South Platte River, which lies within the District (South Platte River Special Revenue Fund).

Property taxes are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The property taxes are recorded as revenue in the year they are available or collected.

Net Position

In the government-wide financial statements, net position is categorized into three categories. The first is net investment in capital assets, which represents net investment in property, plant, equipment and infrastructure. The second category is restricted, which represents constraints placed on the net position and are externally imposed. The third category is unrestricted net position, which consists of the remaining net position that does not meet the definition of either of the other two categories. 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.

Fund Balances

For the governmental fund presentation, fund balances classified as "restricted" are balances with constraints placed on the use of resources by creditors, granters, contributors or laws or regulations of other governments. Fund balances classified as "committed" can only be used for specific purposes pursuant to constraints imposed by the District Board through a resolution. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. "Assigned" fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the District's Executive Director based on the Board of Director's direction. The "non-spendable" fund balance classification includes items that are not expected to be converted to cash such as inventory and prepaid amounts. As of 2019, the District only reports a restricted fund balance.

It is the District's policy to use restricted amounts first, then committed, then assigned, and then unassigned, as they are needed.

Budgets

The District complies with the Colorado Revised Statutes which requires budgets to be legally adopted for all governmental major fund types, and that moneys shall not be expended in excess of the amount appropriated by resolution for a particular fund. Additional information on the District's budget process can be found in the Notes to Required Supplementary Information.

Fair Value Measurement and Application

The District adheres to the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurements and Application*, which addresses accounting and financial reporting issues related to fair value measurements. The fair value is the price that would be received by the District to sell an asset or paid by the District to transfer a liability in an orderly transaction between market participants and the measurement date. The fair value measurement for financial reporting at December 31, 2019, and the application used is determined by a hierarchy of one of three levels. Level one is the most reliable and is quoted prices in active markets for identical assets or liabilities, level two is reliable and consists of quoted prices for similar assets or liabilities, other observable inputs, interest rates, credit spreads, condition of the asset, activity level of markets for observable input, and level three is least reliable which is based on unobservable inputs. All donated assets are measured at the acquisition value.

Current Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposed and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District implemented this statement as of January 1, 2019.

Note 2 - Cash Deposits and Investments

Cash and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

| | Amount |
|-------------------------------------|---------------|
| Statement of Net Position: | |
| Cash and Investments | \$ 17,934,942 |
| Statement of Fiduciary Net Position | |
| Cash and Investments | 81,613,046 |
| Total Cash and Investments | \$ 99,547,988 |

Cash and investments as of December 31, 2019 consist of the following

| | Amount |
|----------------------------|---------------|
| Cash deposits | \$ 14,070,865 |
| Cash on hand | 81 |
| Investments | 85,477,042 |
| Total Cash and Investments | \$ 99,547,988 |

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The fair value of the collateral must be at least equal to 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.

Investments

As of December 31, 2019, the District had the following investments:

| | Investment Maturities | | |
|--|-----------------------|---------------|---------------|
| | Less than 1 Year | 1 - 5 Years | Total |
| Federal Home Loan Mortgage Corporation | \$ - | \$ 5,995,395 | \$ 5,995,395 |
| Federal National Mortgage Association | 15,973,226 | 6,482,357 | 22,455,583 |
| Federal Home Loan Bank | 4,024,688 | 18,499,392 | 22,524,080 |
| Federal Farm Credit Bank | 3,541,734 | 7,986,404 | 11,528,138 |
| US Treasury | 4,012,602 | - | 4,012,602 |
| CSAFE | 6,805,636 | - | 6,805,636 |
| COLOTRUST | 12,155,608 | - | 12,155,608 |
| Total investments | \$ 46,513,494 | \$ 38,963,548 | \$ 85,477,042 |

As of December 31, 2019, the District had invested in local government investment pools which include the Colorado Local Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE). The local government investment pools are investment vehicles which were established for local government entities in Colorado to pool surplus funds. Both pools are similar to money market funds, with each share valued at \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal mechanisms of the pooled funds.

The custodian's internal records identify the investments owned by each pool investor. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. As of December 31, 2019, the District had \$12,155,608 invested in COLOTRUST and \$6,805,636 invested in CSAFE.

Credit Risk

The District follows state statutes regarding 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 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.

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, 2019, all of the District's investments had maturities of five years or less.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments are as follows:

| | <u>Fair Value</u> | <u>Percent of Investment Portfolio</u> |
|--|-------------------|--|
| Federal Home Loan Mortgage Corporation | \$ 5,995,395 | 9% |
| Federal National Mortgage Association | 22,455,583 | 34% |
| Federal Home Loan Bank | 22,524,080 | 34% |
| Federal Farm Credit Banks | 11,528,138 | 17% |
| US Treasury | 4,012,602 | 6% |

Fair Value

The District categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for an asset or liability.

The District has the following fair value measurements as of December 31, 2019

| | Total | Level 1 | Level 2 | Level 3 |
|--|----------------------|-------------|----------------------|-------------|
| <u>Investment by Fair Value Level:</u> | | | | |
| Federal Home Loan Mortgage Corporation | \$ 5,995,395 | \$ - | \$ 5,995,395 | \$ - |
| Federal National Mortgage Association | 22,455,583 | - | 22,455,583 | - |
| Federal Home Loan Bank | 22,524,080 | - | 22,524,080 | - |
| Federal Farm Credit Banks | 11,528,138 | - | 11,528,138 | - |
| US Treasury | 4,012,602 | - | 4,012,602 | - |
| Total investments by fair value level | 66,515,798 | <u>\$ -</u> | <u>\$ 66,515,798</u> | <u>\$ -</u> |
| <u>Investments Measured at:</u> | | | | |
| CSAFE (Amortized Cost) | 6,805,636 | | | |
| Colostrust (Net Asset Value) | 12,155,608 | | | |
| Total investments | <u>\$ 85,477,042</u> | | | |

Note 3 - Capital Assets

A summary of changes in capital assets follows:

| | Balance at January 1, 2019 | Increases | Decreases | Balance at December 1, 2019 |
|--|-------------------------------|-------------------|-------------|--------------------------------|
| <u>Capital assets, not being depreciated</u> | | | | |
| Englewood Dam | \$ 544,474 | \$ - | \$ - | \$ 544,474 |
| Holly Dam | 635,503 | - | - | 635,503 |
| Land held for preservation | 248,717 | - | - | 248,717 |
| Total capital assets not being depreciated | <u>1,428,694</u> | <u>-</u> | <u>-</u> | <u>1,428,694</u> |
| <u>Capital assets, being depreciated</u> | | | | |
| Office furniture and equipment | 269,356 | 177,519 | - | 446,875 |
| Maple Grove Dam | 350,000 | - | - | 350,000 |
| Leasehold improvements | 85,295 | 10,898 | - | 96,193 |
| Total capital assets | <u>704,651</u> | <u>188,417</u> | <u>-</u> | <u>893,068</u> |
| <u>Less accumulated depreciation</u> | | | | |
| Office furniture and equipment | 172,583 | 42,929 | - | 215,512 |
| Maple Grove Dam | 350,000 | - | - | 350,000 |
| Leasehold improvements | 26,558 | 9,347 | - | 35,905 |
| Total accumulated depreciation | <u>549,141</u> | <u>52,276</u> | <u>-</u> | <u>601,417</u> |
| Governmental activities capital assets, net | <u>\$ 1,584,204</u> | <u>\$ 136,141</u> | <u>\$ -</u> | <u>\$ 1,720,345</u> |

Depreciation expense was charged to the general government function for \$52,276.

Note 4 - - Long Term Obligations

| | Balance at January 1, 2019 | Additions | Reductions | Balance at December 1, 2019 | Current Portion |
|----------------------|-------------------------------|------------|------------|--------------------------------|--------------------|
| Compensated Absences | \$ 551,051 | \$ 697,772 | \$ 362,259 | \$ 886,564 | \$ 301,246 |

Amounts are liquated within the General, South Platte River, Construction and Maintenance funds.

Note 5 - Retirement Plans

Employees' Retirement Plan

The employees of the District participate in the Colorado County Officials and Employees Retirement Association Defined Contribution Plan (CCOERA). In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees become Plan members on the date of employment. Under this Plan, 4% of the employees' compensation is withheld and remitted to CCOERA, along with a matching payment of 4% from the District. The District's contributions, plus earnings, become vested at a rate of 20% for each year of participation in the Plan. District contributions for employees who leave employment before five years of participation are used to reduce the District's current period contribution requirement. Plan provisions and contribution requirements are established and may be amended by CCOERA and would have to be approved by the District's board of directors.

Both the District and participating employees made the required 4% contribution of \$143,048 for the year ended December 31, 2019.

Employees' Money Purchase Plan

The District established a defined contribution money purchase plan as a replacement for social security. This Plan is also administered by CCOERA. Employees become Plan members on the date of employment.

For employees hired before or on March 31, 1986, the contribution requirements of the District and the employees are the same as those required under social security. For employees hired after March 31, 1986, the contribution requirements of the District and the employees are 6.2% of individual compensation. The District's contributions, plus earnings, become fully vested after 18 months of continuous employment. District contributions for employees who leave employment before 18 months are used to reduce the District's current period contribution requirement. There is no liability for benefits under the Plan beyond the District's matching payments.

Both the District and the participating employees made the required contribution of \$220,314 for the year ended December 31, 2019.

Deferred Compensation Plan

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This Plan is also administered by CCOERA. Participation in the Plan is optional for all employees. The District contributes 2% of the employee's salary to the employee's 457 plan. The District contributed \$71,234 to the Plan during 2019. The Plan allows the employees to defer a portion of their salary until future years.

Note 6 - Leases

Office Facilities Lease

The District leases office facilities under an operating lease which was renewed on May 31, 2018 through May 31, 2026. The renewed lease offered the District free rent for a portion of time; therefore, the District recorded deferred rent of \$305,945 at Government-Wide. Total rental expenses for the year ended December 31, 2019 was \$277,129 at the fund level. The future and minimum annual rental commitments are as follows:

| Years Ending December 31, | Operating Lease |
|------------------------------|--------------------|
| 2020 | \$ 390,320 |
| 2021 | 398,029 |
| 2022 | 405,738 |
| 2023 | 413,447 |
| 2024 | 421,156 |
| Thereafter | 619,605 |
| Total minimum lease payments | \$ 2,648,295 |

Note 7 - Encumbrances

Outstanding encumbrances as of December 31, 2019, by fund, were as follows:

| | Amount |
|------------------------|--------------|
| General Fund | \$ 708,499 |
| Special Revenue Funds: | |
| Construction | 1,288,863 |
| Maintenance | 7,321,582 |
| South Platte River | 325,087 |
| Total | \$ 9,644,031 |

Note 8 - 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 is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 9 - 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.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3 percent of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Note 10 - Commitments and Contingencies

Committed Construction

As of December 31, 2019, the District does not have any unexpended construction related to commitments other than those items related to encumbrances (Note 7).

Litigation

Although the District is subject to pending and threatened litigation, the District's Management and Attorney believe that all lawsuits and claims, which have been filed against the District, are either adequately covered by insurance or the final settlement of uninsured matters will not have a materially adverse effect on the financial position of the District.

Note 11 - Subsequent Events

Subsequent to year-end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the District's financial position is not known.

Required Supplementary Information
December 31, 2019

Urban Drainage and Flood Control District

Urban Drainage and Flood Control District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variances Over (Under) |
|---|------------------------------|---------------------|---------------------------|
| REVENUE: | | | |
| Operating | | | |
| Property taxes | \$ 4,340,875 | \$ 4,384,974 | \$ 44,099 |
| Specific ownership taxes | 325,566 | 342,097 | 16,531 |
| | <u>4,666,441</u> | <u>4,727,071</u> | <u>60,630</u> |
| Project participation (including related interest) | - | 18,708 | 18,708 |
| Investment earnings | 8,900 | 51,332 | 42,432 |
| Other revenue | 56,000 | 74,939 | 18,939 |
| Total revenues | <u>4,731,341</u> | <u>4,872,050</u> | <u>140,709</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | | | |
| Salaries and services | 2,035,160 | 1,741,987 | (293,173) |
| Floodplain management activities | 510,000 | 498,783 | (11,217) |
| Operations and development | 481,000 | 429,825 | (51,175) |
| Flood warning activities | 370,000 | 352,179 | (17,821) |
| Office and operating costs | 608,770 | 427,031 | (181,739) |
| Special projects | 185,000 | 74,079 | (110,921) |
| District participation | | | |
| Project trust fund | 595,000 | 675,410 | 80,410 |
| Total expenditures | <u>4,784,930</u> | <u>4,199,294</u> | <u>(585,636)</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (53,589)</u> | <u>672,756</u> | <u>\$ 726,345</u> |
| Reconciliation to GAAP basis: | | | |
| Current year encumbrances | | 701,333 | |
| Prior year encumbrances | | <u>(550,664)</u> | |
| Net adjustment to GAAP basis | | <u>150,669</u> | |
| Excess if revenue over (under) expenditures (GAAP) Basis | | 823,425 | |
| Fund balances - beginning | | <u>867,014</u> | |
| Fund balances - ending | | <u>\$ 1,690,439</u> | |

Urban Drainage and Flood Control District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – South Platte River Fund
Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variances Over (Under) |
|---|------------------------------|-------------------|---------------------------|
| REVENUES | | | |
| Operating | | | |
| Property taxes | \$ 4,424,696 | \$ 4,186,332 | \$ (238,364) |
| Specific ownership taxes | 331,852 | 341,741 | 9,889 |
| | <u>4,756,548</u> | <u>4,528,073</u> | <u>(228,475)</u> |
| Project participation (including related interest) | - | 142 | 142 |
| Investment earnings | 11,800 | 68,632 | 56,832 |
| Other revenue | - | - | - |
| Total revenues | <u>4,768,348</u> | <u>4,596,847</u> | <u>(171,501)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | | | |
| Salaries and services | 133,199 | 125,922 | (7,277) |
| Office and operating costs | 227,450 | 165,665 | (61,785) |
| Operations and development | 350,000 | 315,951 | (34,049) |
| Maintenance | 2,000,000 | 1,373,734 | (626,266) |
| District Participation | | | - |
| Project trust fund | 2,000,000 | 2,490,000 | 490,000 |
| Total expenditures | <u>4,710,649</u> | <u>4,471,272</u> | <u>(239,377)</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 57,699</u> | <u>125,575</u> | <u>\$ 67,876</u> |
| Reconciliation to GAAP basis: | | | |
| Current year encumbrances | | 325,087 | |
| Prior year encumbrances | | (146,572) | |
| Net adjustment to GAAP basis | | <u>178,515</u> | |
| Excess of revenue over (under) expenditures (GAAP) Basis | | 304,090 | |
| Fund balances - beginning | | <u>551,588</u> | |
| Fund balances - ending | | <u>\$ 855,678</u> | |

Urban Drainage and Flood Control District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Construction Fund
Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variances Over (Under) |
|---|------------------------------|---------------------|---------------------------|
| REVENUE: | | | |
| Operating | | | |
| Property taxes | \$ 17,526,284 | \$ 17,431,524 | \$ (94,760) |
| Specific ownership taxes | 1,314,471 | 1,407,388 | 92,917 |
| | <u>18,840,755</u> | <u>18,838,912</u> | <u>(1,843)</u> |
| Project participation (including related interest) | - | 5,440 | 5,440 |
| Investment earnings | 57,100 | 165,315 | 108,215 |
| Other revenue | - | 8,501 | 8,501 |
| Total revenues | <u>18,897,855</u> | <u>19,018,168</u> | <u>120,313</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | | | |
| Salaries and services | 1,675,213 | 1,686,444 | 11,231 |
| Operations and development | 1,800,000 | 250,630 | (1,549,370) |
| Office and operating costs | 462,370 | 357,952 | (104,418) |
| Special projects | 200,000 | 209,076 | 9,076 |
| District Participation | | | |
| Project trust fund | 14,260,000 | 14,260,000 | - |
| Total expenditures | <u>18,397,583</u> | <u>16,764,102</u> | <u>(1,633,481)</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 500,272</u> | <u>2,254,066</u> | <u>\$ 1,753,794</u> |
| Reconciliation to GAAP basis: | | | |
| Current year encumbrances | | 1,288,863 | |
| Prior year encumbrances | | (1,421,792) | |
| Net adjustment to GAAP basis | | <u>(132,929)</u> | |
| Excess of revenue over (under) expenditures (GAAP) Basis | | 2,121,137 | |
| Fund balances - beginning | | <u>1,785,061</u> | |
| Fund balances - ending | | <u>\$ 3,906,198</u> | |

Urban Drainage and Flood Control District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Maintenance Fund
Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variances Over (Under) |
|---|------------------------------|----------------------|---------------------------|
| REVENUE: | | | |
| Operating | | | |
| Property taxes | \$ 17,526,284 | \$ 17,431,524 | \$ (94,760) |
| Specific ownership taxes | 1,314,471 | 1,311,986 | (2,485) |
| | <u>18,840,755</u> | <u>18,743,510</u> | <u>(97,245)</u> |
| Project participation (including related interest) | - | 1,533 | 1,533 |
| Investment earnings | 98,100 | 306,110 | 208,010 |
| Total revenues | <u>18,938,855</u> | <u>19,051,153</u> | <u>112,298</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | | | |
| Salaries and services | 1,752,601 | 1,558,127 | (194,474) |
| Operations and development | 300,000 | 614,110 | 314,110 |
| Office and operating costs | 636,670 | 480,357 | (156,313) |
| Special projects | 300,000 | 277,629 | (22,371) |
| Maintenance | 14,540,000 | 13,845,397 | (694,603) |
| Flood Monitoring | 660,000 | 613,060 | (46,940) |
| Total expenditures | <u>18,189,271</u> | <u>17,388,680</u> | <u>(800,591)</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 749,584</u> | <u>1,662,473</u> | <u>\$ 912,889</u> |
| Reconciliation to GAAP basis: | | | |
| Current year encumbrances | | 7,321,582 | |
| Prior year encumbrances | | <u>(6,153,179)</u> | |
| Net adjustment to GAAP basis | | <u>1,168,403</u> | |
| Excess of revenue over (under) expenditures (GAAP) Basis | | | |
| | | 2,830,876 | |
| Fund balances - beginning | | <u>7,529,241</u> | |
| Fund balances - ending | | <u>\$ 10,360,117</u> | |

Note 1 - Budgets and Budgetary Accounting

The Colorado Revised Statutes require that fixed budgets be legally adopted for all governmental fund types, and that moneys shall not be expended in excess of the amount appropriated by resolution for a particular fund. The level of control for the budgets is at the category level within an individual fund. Categories are the consolidation of the District's sub-function budget accounts and combine to total fund expenditures.

In the fall of each year, the District's board of directors holds public hearings to approve the budgets and appropriate the funds for the following year. The District's management cannot amend the budget without approval by the District's Board of Directors. The District's board of directors can modify the budget and appropriation resolutions upon completion of notifications and publication requirements. The District, by state budget law, cannot exceed the total appropriation without Board modification during the year. Appropriations for all funds lapse at year-end. Expenditures of the Construction Fund exceeded budgeted appropriations by \$1,022,492 due to the unpredictability of expenditures related to the November 6, 2018 election for the property tax mill levy increases in the seven counties that support the District. This may be a violation of Colorado budget law.

Budgets for governmental funds are adopted on a basis which differs from generally accepted accounting principles (GAAP). Encumbrances and interfund transfers are included for budget purposes as expenditures. Budgetary comparisons in this report are presented on the Non-GAAP budgetary basis.

Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds, except as described below. Formal budgetary integration is also employed to comply with the State of Colorado Budget Law.

The District does not adopt a formal budget for the Project Custodial Fund (formerly the Project Private Purpose Trust Fund) or the Federal Grants Special Revenue Fund because effective budgetary control is achieved through specific contract agreements. Additionally, the District and other participating governmental entities are individually responsible for budgeting and appropriating the expenditures they individually make to the Project Custodial Fund for the other participating governmental entities.

Budgeted amounts presented are as originally adopted by the board.

Supplementary Information
December 31, 2019

Urban Drainage and Flood Control District

Urban Drainage and Flood Control District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual – Development Service Fund
 Year Ended December 31, 2019

| | Original and Final Budget | Actual | Variances Over (Under) |
|--------------------------|------------------------------|------------------|---------------------------|
| REVENUE | | | |
| Operating | | | |
| Charges for services | \$ 15,360,000 | \$ 1,786,506 | \$ (13,573,494) |
| Total revenue | <u>15,360,000</u> | <u>1,786,506</u> | <u>(13,573,494)</u> |
| EXPENSE | | | |
| District Participation | | | |
| Project trust fund | 15,360,000 | 1,786,506 | (13,573,494) |
| Total expense | <u>15,360,000</u> | <u>1,786,506</u> | <u>(13,573,494)</u> |
| Net income (loss) | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - beginning | | <u>-</u> | |
| Fund balance - Ending | | <u>\$ -</u> | |

Statistical Section
December 31, 2019

Urban Drainage and Flood Control District

This part of the Urban Drainage and Flood Control District’s Comprehensive Annual Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.

| | |
|--|----|
| Net Position by Component..... | 53 |
| Changes in Net Position..... | 54 |
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| Changes in Fund Balances, Governmental Fund..... | 56 |
| General Government Expenditures by Function..... | 57 |
| General Government Revenues by Source..... | 58 |

Revenue Capacity

These schedules contain information to help the read assess the District’s most significant sources of revenue.

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| Assesses and Estimated Actual Value of Taxable Property..... | 59 |
| Property Tax Levies and Collections..... | 60 |
| Property Tax Mill Levies..... | 61 |

Debt Capacity

This schedule contains information to help the reader assess the affordability of the District’s current level of debt and the District’s ability to issue debt in the future.

| | |
|------------------------|----|
| Legal Debt Margin..... | 62 |
|------------------------|----|

Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.

| | |
|-----------------------------|----|
| Demographic Statistics..... | 63 |
|-----------------------------|----|

Operating Information

These schedules contain information regarding the number of employees in various job categories and types of assets by function/department.

| | |
|---|----|
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| Trust Fund – Project Activity..... | 65 |
| Insurance in Force..... | 66 |

Urban Drainage and Flood Control District
 Net Position by Component
 Last Ten Fiscal Years
 (Accrual basis of Accounting)

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 1,568,810 | \$ 1,549,646 | \$ 1,510,888 | \$ 1,473,748 | \$ 1,457,228 | \$ 1,547,946 | \$ 1,534,335 | \$ 1,527,077 | \$ 1,584,204 | \$ 1,720,345 |
| Restricted | 543,152 | 506,699 | 8,296,508 | 6,201,657 | 7,333,629 | 6,352,378 | 7,088,960 | 9,324,833 | 9,976,395 | 15,619,923 |
| Unrestricted | <u>13,786,480</u> | <u>14,936,373</u> | <u>616,557</u> | <u>321,814</u> | <u>307,061</u> | <u>232,997</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total governmental activities net position | <u>15,898,442</u> | <u>16,992,718</u> | <u>10,423,953</u> | <u>7,997,219</u> | <u>9,097,918</u> | <u>8,133,321</u> | <u>8,623,295</u> | <u>10,851,910</u> | <u>11,560,599</u> | <u>17,340,268</u> |
| Business-type activities | | | | | | | | | | |
| Unrestricted | - | - | - | - | - | - | - | - | - | - |
| Total business-type activities net position | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 1,568,810 | 1,549,646 | 1,510,888 | 1,473,748 | 1,457,228 | 1,547,946 | 1,534,335 | 1,527,077 | 1,584,204 | 1,720,345 |
| Restricted | 543,152 | 506,699 | 8,296,508 | 6,201,657 | 7,333,629 | 6,352,378 | 7,088,960 | 9,324,833 | 9,976,395 | 15,619,923 |
| Unrestricted | <u>13,786,480</u> | <u>14,936,373</u> | <u>616,557</u> | <u>321,814</u> | <u>307,061</u> | <u>232,997</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total primary government net position | <u>\$ 15,898,442</u> | <u>\$ 16,992,718</u> | <u>\$ 10,423,953</u> | <u>\$ 7,997,219</u> | <u>\$ 9,097,918</u> | <u>\$ 8,133,321</u> | <u>\$ 8,623,295</u> | <u>\$ 10,851,910</u> | <u>\$ 11,560,599</u> | <u>\$ 17,340,268</u> |

Urban Drainage and Flood Control District
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|-----------------------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|-------------------|---------------------|-------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | | | | | | | | | | |
| Operating | \$ 7,123,480 | \$ 7,230,448 | \$ 6,180,457 | \$ 6,417,474 | \$ 6,373,779 | \$ 6,776,018 | \$ 7,227,326 | \$ 6,830,414 | \$ 10,468,512 | \$ 9,380,125 |
| Maintenance | 7,613,304 | 7,120,569 | 12,111,613 | 9,765,639 | 10,064,681 | 12,383,260 | 11,321,086 | 10,614,568 | 9,139,356 | 14,904,339 |
| District project participation | 11,461,313 | 8,755,426 | 13,052,178 | 12,025,034 | 9,360,279 | 10,710,502 | 10,533,602 | 11,122,624 | 11,850,473 | 18,059,674 |
| Total governmental activities expenses | <u>26,198,097</u> | <u>23,106,443</u> | <u>31,344,248</u> | <u>28,208,147</u> | <u>25,798,739</u> | <u>29,869,780</u> | <u>29,082,014</u> | <u>28,567,606</u> | <u>31,458,341</u> | <u>42,344,138</u> |
| Business-type activities | | | | | | | | | | |
| Development Services | - | - | - | - | - | - | - | - | 90,438 | 1,786,506 |
| Total business-type activities expenses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>90,438</u> | <u>1,786,506</u> |
| Total expenses | <u>26,198,097</u> | <u>23,106,443</u> | <u>31,344,248</u> | <u>28,208,147</u> | <u>25,798,739</u> | <u>29,869,780</u> | <u>29,082,014</u> | <u>28,567,606</u> | <u>31,548,779</u> | <u>44,130,644</u> |
| Program revenue | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Operating grants and contributions | 467,397 | 1,200,118 | 1,117,542 | 705,726 | 416,326 | 844,635 | 695,306 | 240,549 | 476,561 | 545,758 |
| Charges for services | - | - | - | - | - | - | - | 185,279 | - | - |
| Total governmental activities | <u>467,397</u> | <u>1,200,118</u> | <u>1,117,542</u> | <u>705,726</u> | <u>416,326</u> | <u>844,635</u> | <u>695,306</u> | <u>425,828</u> | <u>476,561</u> | <u>545,758</u> |
| Business-type activities | | | | | | | | | | |
| Charges for services | - | - | - | - | - | - | - | - | 90,438 | 1,786,506 |
| Total Business-type activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>90,438</u> | <u>1,786,506</u> |
| Total program revenue | <u>467,397</u> | <u>1,200,118</u> | <u>1,117,542</u> | <u>705,726</u> | <u>416,326</u> | <u>844,635</u> | <u>695,306</u> | <u>425,828</u> | <u>566,999</u> | <u>2,332,264</u> |
| General revenues | | | | | | | | | | |
| Property taxes | 21,564,130 | 21,602,371 | 22,068,202 | 23,357,342 | 24,610,592 | 25,849,392 | 26,896,344 | 27,819,596 | 29,162,970 | 43,434,353 |
| Specific ownership taxes | 1,356,423 | 1,313,684 | 1,491,141 | 1,614,603 | 1,809,128 | 2,049,594 | 1,996,046 | 2,388,135 | 2,203,745 | 3,403,210 |
| Investment earnings | 105,275 | 60,886 | 66,171 | 53,087 | 40,158 | 51,833 | (14,468) | 129,215 | 253,562 | 591,390 |
| Other | 26,290 | 23,660 | 32,428 | 50,655 | 23,234 | 25,419 | 33,677 | 33,447 | 70,192 | 74,839 |
| Total general revenues | <u>23,052,118</u> | <u>23,000,601</u> | <u>23,657,942</u> | <u>25,075,687</u> | <u>26,483,112</u> | <u>27,976,238</u> | <u>28,911,599</u> | <u>30,370,393</u> | <u>31,690,469</u> | <u>47,503,792</u> |
| Total revenue | <u>23,519,515</u> | <u>24,200,719</u> | <u>24,775,484</u> | <u>25,781,413</u> | <u>26,899,438</u> | <u>28,820,873</u> | <u>29,606,905</u> | <u>30,796,221</u> | <u>32,257,468</u> | <u>49,836,056</u> |
| Change in net position | | | | | | | | | | |
| Governmental activities | (2,678,582) | 1,094,276 | (6,568,764) | (2,426,734) | 1,100,699 | (1,048,907) | 524,891 | 2,228,615 | 708,689 | 5,705,412 |
| Business-type Activities | - | - | - | - | - | - | - | - | - | - |
| | <u>\$ (2,678,582)</u> | <u>\$ 1,094,276</u> | <u>\$ (6,568,764)</u> | <u>\$ (2,426,734)</u> | <u>\$ 1,100,699</u> | <u>\$ (1,048,907)</u> | <u>\$ 524,891</u> | <u>\$ 2,228,615</u> | <u>\$ 708,689</u> | <u>\$ 5,705,412</u> |

Urban Drainage and Flood Control District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

| | <u>2010</u> | <u>2011 (*)</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Restricted | \$ - | \$ 109,631 | \$ 118,386 | \$ 124,795 | \$ 124,795 | \$ 113,096 | \$ 29,310 | \$ 671,850 | \$ 867,014 | \$ 1,690,439 |
| Assigned | - | 528,037 | 251,430 | 228,111 | 236,376 | 545,693 | - | - | - | - |
| Unassigned | - | 901,349 | 748,835 | 503,246 | 449,391 | 72,448 | - | - | - | - |
| Reserved | 109,367 | - | - | - | - | - | - | - | - | - |
| Unreserved | <u>1,236,669</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total general fund | <u>1,346,036</u> | <u>1,539,017</u> | <u>1,118,651</u> | <u>856,152</u> | <u>810,562</u> | <u>731,237</u> | <u>29,310</u> | <u>671,850</u> | <u>867,014</u> | <u>1,690,439</u> |
| All other governmental funds | | | | | | | | | | |
| Restricted | - | 14,265,945 | 8,178,122 | 6,076,862 | 7,208,834 | 6,239,252 | 7,466,070 | 9,107,579 | 9,865,890 | 15,121,993 |
| Reserved | 433,785 | - | - | - | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | <u>12,891,331</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total all other governmental funds | <u>13,325,116</u> | <u>14,265,945</u> | <u>8,178,122</u> | <u>6,076,862</u> | <u>7,208,834</u> | <u>6,239,252</u> | <u>7,466,070</u> | <u>9,107,579</u> | <u>9,865,890</u> | <u>15,121,993</u> |
| Total general and all other governmental funds | <u>\$ 14,671,152</u> | <u>\$ 15,804,962</u> | <u>\$ 9,296,773</u> | <u>\$ 6,933,014</u> | <u>\$ 8,019,396</u> | <u>\$ 6,970,489</u> | <u>\$ 7,495,380</u> | <u>\$ 9,779,429</u> | <u>\$ 10,732,904</u> | <u>\$ 16,812,432</u> |

(*) Certain balances reported in other governmental funds have been reclassified to conform to current year presentation.

Urban Drainage and Flood Control District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 22,920,553 | \$ 22,916,055 | \$ 23,559,343 | \$ 24,971,945 | \$ 26,419,720 | \$ 27,898,986 | \$ 28,892,390 | \$ 30,207,731 | \$ 31,366,715 | \$ 46,837,563 |
| Project participation | | | | | | | | | | |
| Earned | 255,597 | 920,889 | 717,402 | 558,516 | - | - | - | - | - | - |
| Refunded, including related interest | - | - | - | - | 141,155 | 429,371 | 341,533 | 33,076 | 6,240 | 25,823 |
| Charges for services | - | - | - | - | - | - | - | 185,279 | - | - |
| Federal grants | 211,800 | 279,229 | 400,140 | 147,210 | 275,171 | 415,264 | 353,773 | 207,473 | 470,321 | 519,935 |
| Investment earnings | 105,275 | 60,886 | 66,171 | 53,087 | 40,158 | 51,833 | (14,468) | 129,215 | 253,562 | 591,390 |
| Other | 26,291 | 23,659 | 32,428 | 50,655 | 23,234 | 25,419 | 33,677 | 33,447 | 70,192 | 83,440 |
| Total revenues | <u>23,519,516</u> | <u>24,200,718</u> | <u>24,775,484</u> | <u>25,781,413</u> | <u>26,899,438</u> | <u>28,820,873</u> | <u>29,606,905</u> | <u>30,796,221</u> | <u>32,167,030</u> | <u>48,058,151</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | | | | | | | | | | |
| Operating | 7,120,628 | 7,210,077 | 6,119,882 | 6,354,499 | 6,388,096 | 6,776,018 | 7,227,326 | 6,775,127 | 10,223,577 | 9,014,612 |
| Maintenance | 7,560,840 | 7,101,405 | 12,111,613 | 9,765,639 | 10,064,681 | 12,383,260 | 11,321,086 | 10,614,568 | 9,139,356 | 14,904,339 |
| District participation | | | | | | | | | | |
| Project trust funds | 11,435,346 | 8,367,890 | 13,001,845 | 11,539,060 | 9,271,092 | 10,554,664 | 10,481,786 | 11,122,624 | 11,850,473 | 18,059,674 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Contingency | 25,967 | 46,015 | 50,333 | 485,974 | 89,187 | 155,838 | 51,816 | - | - | - |
| Total expenditures | <u>26,142,781</u> | <u>22,725,387</u> | <u>31,283,673</u> | <u>28,145,172</u> | <u>25,813,056</u> | <u>29,869,780</u> | <u>29,082,014</u> | <u>28,512,319</u> | <u>31,213,406</u> | <u>41,978,625</u> |
| Excess revenues over (under) expenditures | (2,623,265) | 1,475,331 | (6,508,189) | (2,363,759) | 1,086,382 | (1,048,907) | 524,891 | 2,283,902 | 953,624 | 6,079,526 |
| Fund balance - Beginning | <u>17,294,417</u> | <u>14,329,631</u> | <u>15,804,962</u> | <u>9,296,773</u> | <u>6,933,014</u> | <u>8,019,396</u> | <u>6,970,489</u> | <u>7,495,380</u> | <u>9,779,282</u> | <u>10,732,906</u> |
| Fund balance - Ending | <u>\$ 14,671,152</u> | <u>\$ 15,804,962</u> | <u>\$ 9,296,773</u> | <u>\$ 6,933,014</u> | <u>\$ 8,019,396</u> | <u>\$ 6,970,489</u> | <u>\$ 7,495,380</u> | <u>\$ 9,779,282</u> | <u>\$ 10,732,906</u> | <u>\$ 16,812,432</u> |

Urban Drainage and Flood Control District
 General Government Expenditures by Function
 Last Ten Fiscal Years

| Year | General | South Platte | Construction | Maintenance | Non-major | Total |
|------|--------------|-----------------|---------------|---------------|------------|---------------|
| 2019 | \$ 4,048,627 | \$ 4,292,756 | \$ 16,897,030 | \$ 16,220,277 | \$ 519,935 | \$ 41,978,625 |
| 2018 | 3,991,902 | - | 12,972,977 | 10,865,759 | 3,382,770 | 31,213,408 |
| 2017 | 3,795,419 | - | 11,857,440 | 10,424,318 | 2,434,995 | 28,512,172 |
| 2016 | 3,935,486 | 2,566,013 | 11,514,199 | 10,712,543 | 353,773 | 29,082,014 |
| 2015 | 3,709,884 | 2,872,608 | 11,402,613 | 11,469,411 | 415,264 | 29,869,780 |
| 2014 | 4,117,677 | 1,653,341 | 9,747,294 | 9,953,373 | 341,371 | 25,813,056 |
| 2013 | 4,172,404 | 2,419,568 | 12,203,417 | 9,158,354 | 191,429 | 28,145,172 |
| 2012 | 4,225,164 | 2,750,939 | 13,073,845 | 10,969,476 | 264,249 | 31,283,673 |
| 2011 | 3,290,865 | 2,549,609 | 8,390,980 | 8,181,855 | 312,078 | 22,725,387 |
| 2010 | 3,500,098 | 2,219,321 | 11,421,584 | 8,710,473 | 291,305 | 26,142,781 |

Urban Drainage and Flood Control District
 General Government Revenues by Source
 Last Ten Fiscal Years

| Year | <u>Taxes</u> | <u>Interest</u> | <u>Miscellaneous</u> | <u>Total</u> |
|------|---------------|-----------------|----------------------|---------------|
| 2019 | \$ 46,837,563 | \$ 591,390 | \$ 629,198 | \$ 48,058,151 |
| 2018 | 31,366,715 | 253,562 | 546,753 | 32,167,030 |
| 2017 | 30,207,731 | 129,215 | 459,275 | 30,796,221 |
| 2016 | 28,892,390 | (14,468) | 728,983 | 29,606,905 |
| 2015 | 27,898,986 | 51,833 | 870,054 | 28,820,873 |
| 2014 | 26,419,720 | 40,158 | 439,560 | 26,899,438 |
| 2013 | 24,971,945 | 53,087 | 756,381 | 25,781,413 |
| 2012 | 23,559,343 | 66,171 | 1,149,970 | 24,775,484 |
| 2011 | 22,916,055 | 60,886 | 1,223,777 | 24,200,718 |
| 2010 | 22,920,553 | 105,275 | 493,688 | 23,519,516 |

Urban Drainage and Flood Control District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

| Levy Year | Residential | Commercial | Industrial | Vacant Land | Agricultural | Natural Resources | State Assessed | Personal Property | Exempt Property | Assessed Valuation | Actual Value | Percentage of Assessed Total Estimated | Total Direct Tax Rate (1) | |
|-----------|---------------|---------------|--------------|--------------|--------------|-------------------|----------------|-------------------|-----------------|--------------------|----------------|--|---------------------------|--------------------|
| | | | | | | | | | | | | Actual Value | Boulder and Broomfield | All Other Counties |
| 2019 | \$ 35,546,396 | \$ 25,425,830 | \$ 1,845,251 | \$ 1,641,052 | \$ 106,862 | \$ 353,747 | \$ 2,428,984 | \$ 3,736,599 | \$ 14,050,838 | \$ 72,264,092 | \$ 530,526,653 | 13.62% | 0.900 | 0.997 |
| 2018 | 30,929,209 | 21,692,114 | 1,456,572 | 1,349,079 | 101,978 | 133,081 | 2,452,885 | 3,525,349 | 12,944,689 | 62,682,745 | 497,425,472 | 12.60% | 0.726 | 0.820 |
| 2017 | 30,357,924 | 21,168,849 | 2,291,398 | 1,294,053 | 104,127 | 95,515 | 2,518,684 | 3,427,945 | 12,691,267 | 60,096,774 | 492,316,528 | 12.21% | 0.500 | 0.557 |
| 2016 | 23,809,283 | 16,139,722 | 873,498 | 919,114 | 36,635 | 90,845 | 1,856,102 | 3,424,004 | 10,667,112 | 47,149,204 | 395,852,708 | 11.91% | 0.559 | 0.620 |
| 2015 | 23,395,266 | 15,446,502 | 1,150,957 | 1,041,404 | 37,239 | 126,558 | 1,720,298 | 3,589,919 | 10,804,986 | 46,508,143 | 383,932,204 | 12.11% | 0.553 | 0.611 |
| 2014 | 18,808,853 | 12,898,867 | 1,022,456 | 843,943 | 34,522 | 92,082 | 1,806,135 | 3,398,590 | 9,734,914 | 38,905,448 | 314,825,027 | 12.36% | 0.632 | 0.700 |
| 2013 | 18,526,518 | 12,987,911 | 1,046,358 | 912,523 | 34,471 | 78,472 | 1,697,061 | 3,206,994 | 8,269,855 | 38,490,308 | 303,972,662 | 12.66% | 0.608 | 0.672 |
| 2012 | 18,263,175 | 12,312,041 | 1,045,546 | 915,087 | 32,634 | 86,978 | 1,610,481 | 3,132,392 | 8,562,347 | 37,398,334 | 303,715,413 | 12.31% | 0.559 | 0.657 |
| 2011 | 21,437,870 | 13,573,075 | 1,492,758 | 2,292,596 | 36,652 | 82,889 | 2,094,970 | 1,516,874 | 4,626,097 | 42,527,686 | 305,862,648 | 13.90% | 0.566 | 0.623 |
| 2010 | 19,777,252 | 14,201,882 | 1,732,106 | 2,378,585 | 54,000 | 155,217 | 1,997,614 | 1,551,413 | 4,461,650 | 41,848,069 | 308,388,884 | 13.57% | 0.523 | 0.576 |

SOURCE: Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas and Jefferson County Assessor offices.

NOTE: The numbers used for Jefferson County are from 2018. As of the date of this report, the 2019 numbers were not available

(1) Average of the rates from the seven contributing counties

Urban Drainage and Flood Control District
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy | Current Property Tax Collections | % of Current Property Tax Collections | Delinquent Tax Collections | Total Property Tax Collections | Ratio Total | Outstanding Delinquent Tax | Ratio Delinquent |
|--------------------|-----------------------|---|--|-----------------------------------|---------------------------------------|--------------------|-----------------------------------|-------------------------|
| 2019 | \$ 43,979,215 | \$ 43,533,552 | 98.99% | \$ (30,639) | \$ 43,502,913 | 98.92% | 445,663 | 1.01 |
| 2018 | 29,334,022 | 29,137,624 | 99.33% | 14,287 | 29,151,911 | 99.38% | 196,398 | 0.67 |
| 2017 | 27,728,896 | 27,660,411 | 99.75% | 3,795 | 27,664,206 | 99.77% | 68,485 | 0.25 |
| 2016 | 27,482,569 | 26,852,936 | 97.71% | 20,140 | 26,873,076 | 97.78% | 629,633 | 2.29 |
| 2015 | 26,165,902 | 25,823,109 | 98.69% | 6,871 | 25,829,980 | 98.72% | 342,793 | 1.31 |
| 2014 | 24,844,461 | 24,172,713 | 97.30% | 38,052 | 24,210,765 | 97.45% | 671,748 | 2.70 |
| 2013 | 23,589,351 | 23,524,552 | 99.73% | 43,984 | 23,568,536 | 99.91% | 64,799 | 0.27 |
| 2012 | 22,463,652 | 22,328,528 | 99.40% | 59,423 | 22,387,951 | 99.13% | 135,123 | 0.60 |
| 2011 | 22,047,232 | 21,954,039 | 99.58% | 157,938 | 22,111,977 | 99.86% | 93,193 | 0.42 |
| 2010 | 21,866,790 | 21,783,003 | 99.62% | 31,460 | 21,814,463 | 99.47% | 83,786 | 0.38 |

Urban Drainage and Flood Control District
Property Tax Mill Levies
Last Ten Fiscal Years

| Fiscal Year | Counties | | | | | | |
|----------------|----------|---------|--------|-------|-----------|---------|------------|
| | Arapahoe | Douglas | Denver | Adams | Jefferson | Boulder | Broomfield |
| 2019 | 0.997 | 0.997 | 0.997 | 0.997 | 0.997 | 0.900 | 0.900 |
| 2018 | 0.820 | 0.820 | 0.820 | 0.820 | 0.820 | 0.726 | 0.726 |
| 2017 | 0.557 | 0.557 | 0.557 | 0.557 | 0.557 | 0.500 | 0.500 |
| 2016 | 0.620 | 0.620 | 0.620 | 0.620 | 0.620 | 0.559 | 0.559 |
| 2015 | 0.611 | 0.611 | 0.611 | 0.611 | 0.611 | 0.553 | 0.553 |
| 2014 | 0.700 | 0.700 | 0.700 | 0.700 | 0.700 | 0.632 | 0.632 |
| 2013 | 0.672 | 0.672 | 0.672 | 0.672 | 0.672 | 0.608 | 0.608 |
| 2012 | 0.657 | 0.657 | 0.657 | 0.657 | 0.657 | 0.599 | 0.599 |
| 2011 | 0.623 | 0.623 | 0.623 | 0.623 | 0.623 | 0.566 | 0.566 |
| 2010 | 0.576 | 0.576 | 0.576 | 0.576 | 0.576 | 0.523 | 0.523 |
| 2009 | 0.569 | 0.569 | 0.569 | 0.569 | 0.569 | 0.508 | 0.508 |
| 2008 | 0.591 | 0.591 | 0.591 | 0.591 | 0.591 | 0.528 | 0.528 |

Note: Taxes levied in a given year are collected in the following year

Urban Drainage and Flood Control District
 Legal Debt Margin
 Last Ten Fiscal Years

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assessed valuations | | | | | | | | | | |
| Assessed value | \$ 63,661,616,285 | \$ 47,856,520,521 | \$ 47,275,182,348 | \$ 46,677,694,552 | \$ 39,052,903,688 | \$ 38,724,724,522 | \$ 36,350,970,703 | \$ 36,519,615,173 | \$ 38,751,834,309 | \$ 38,987,224,924 |
| Legal debt margin | | | | | | | | | | |
| Debt limitation | | | | | | | | | | |
| 3% of total assessed value | \$ 1,909,848,489 | \$ 1,435,695,616 | \$ 1,418,255,470 | \$ 1,400,330,837 | \$ 1,171,587,111 | \$ 1,161,741,736 | \$ 1,090,529,121 | \$ 1,095,588,455 | \$ 1,162,555,029 | \$ 1,169,616,748 |
| Debt applicable to limitation | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | \$ 1,909,848,489 | \$ 1,435,695,616 | \$ 1,418,255,470 | \$ 1,400,330,837 | \$ 1,171,587,111 | \$ 1,161,741,736 | \$ 1,090,529,121 | \$ 1,095,588,455 | \$ 1,162,555,029 | \$ 1,169,616,748 |

Urban Drainage and Flood Control District
Demographic Statistics
Last Ten Fiscal Years

| Fiscal Year | (3) Personal Income (thousands of \$) | (1) and (4) Population | (1) and (3) Per Capita Income | (1) and (2) Unemployment Rate |
|-------------|---|---------------------------|-------------------------------------|-------------------------------------|
| 2019 | N/A | N/A | N/A | 2.50% |
| 2018 | \$ 209,220,052 | 3,197,929 | \$ 65,764 | 3.50% |
| 2017 | 191,254,910 | 3,151,607 | 61,564 | 3.00% |
| 2016 | 180,109,544 | 3,117,539 | 60,061 | 2.90% |
| 2015 | 174,180,268 | 3,077,326 | 58,844 | 3.50% |
| 2014 | 164,513,002 | 3,012,013 | 57,472 | 4.00% |
| 2013 | 154,613,005 | 2,953,038 | 52,357 | 6.20% |
| 2012 | 148,638,347 | 2,896,598 | 51,315 | 7.60% |
| 2011 | 140,543,000 | 2,830,174 | 49,431 | 8.12% |
| 2010 | 132,535,000 | 2,868,412 | 47,241 | 8.05% |
| 2009 | 131,293,235 | 2,828,563 | 46,031 | 7.76% |

DATA SOURCES

- (1) Department of Local Affairs - State of Colorado
- (2) Bureau of Labor Statistics
- (3) Bureau of Economic Analysis
- (4) U.S. Census Bureau
- N/A Not available

Urban Drainage and Flood Control District
 Full-Time Equivalent Employees by Function/Program
 Last Ten Fiscal Years

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General government | 12 | 12 | 12 | 15 | 16 | 11 | 11 | 10 | 4 | 12 |
| Maintenance | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 9 | 13 | 11 |
| SPR operations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 1 |
| Construction | 5 | 5 | 5 | 4 | 4 | 9 | 8 | 7 | 12 | 11 |
| Student interns | 11 | 11 | 11 | 9 | 9 | 10 | 10 | 10 | 10 | 10 |
| Other part time | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>2</u> | <u>1</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u><u>38</u></u> | <u><u>38</u></u> | <u><u>38</u></u> | <u><u>38</u></u> | <u><u>38</u></u> | <u><u>39</u></u> | <u><u>39</u></u> | <u><u>39</u></u> | <u><u>42</u></u> | <u><u>45</u></u> |

DATA SOURCE:

District's payroll system

Urban Drainage and Flood Control District
Trust Fund-Project Activity
Last Ten Fiscal Years

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Trust Fund Projects started | <u>12</u> | <u>12</u> | <u>13</u> | <u>16</u> | <u>14</u> | <u>32</u> | <u>25</u> | <u>25</u> | <u>30</u> | <u>35</u> |
| Trust Fund Projects completed | <u>18</u> | <u>24</u> | <u>8</u> | <u>4</u> | <u>1</u> | <u>2</u> | <u>27</u> | <u>7</u> | <u>4</u> | <u>23</u> |

DATA SOURCE:

District's Project accounting system

Urban Drainage and Flood Control District

Insurance in Force
December 31, 2019

| Type of Coverage | Name of Company | Dates | | Coverage |
|----------------------------|--|----------|------------|--|
| | | From | To | |
| Public Officials Liability | Colorado Special Districts Property and Liability Pool | 1/1/2019 | 12/31/2019 | \$2,000,000 |
| Property | Colorado Special Districts Property and Liability Pool | 1/1/2019 | 12/31/2019 | \$522,960 limit on business personal property; \$150,000 computer coverage limit, \$2,000,000 earthquake and flood per occurrence |
| Automobile | Colorado Special Districts Property and Liability Pool | 1/1/2019 | 12/31/2019 | \$2,000,000 liability limit on non-owned and hired autos; \$50,000 physical damage on hired autos; \$2,500 physical damage on non-owned autos for employee deductible reimbursement |
| Commercial Crime | Colorado Special Districts Property and Liability Pool | 1/1/2019 | 12/31/2019 | \$50,000 employee dishonesty; and \$50,000 forgery or altercations; and \$50,000 theft, disappearance and destruction; \$50,000 computer fraud; \$25,000 identity recovery |
| Inland Marine | Colorado Special Districts Property and Liability Pool | 1/1/2019 | 12/31/2019 | \$60,000 Portable Equipment, Mobil Equipment and other Inland Marine Scheduled items |
| General Liability | Colorado Special Districts Property and Liability Pool | 1/1/2019 | 12/31/2019 | \$2,000,000 each occurrence, except for sublimits: \$387,000 for injury to one person per occurrence and \$1,093,000 for injury to two or more persons per occurrence. \$10,000 medical expense limit per person, \$10,000 medical expense limit for any one accident. |
| Worker's Compensation | Colorado Special Districts Property and Liability Pool | 1/1/2019 | 12/31/2019 | Statutory |