



Certified Public Accountants and Business Consultants

### Accountant's Compilation Report

Board of Directors  
Great Western Park Metropolitan District No. 2  
City and County of Broomfield, Colorado

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Great Western Park Metropolitan District No. 2 for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, the actual comparative information for the year ending December 31, 2016, and the adopted budget for the year ending December 31, 2017 in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the Budget Message included in the budget submission to the State of Colorado which describes that the budgetary basis of accounting is the modified accrual basis in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Great Western Park Metropolitan District No. 2.

*Barnes Griggs & Associates, PC*

Lakewood, Colorado  
January 11, 2018

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**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**Assessed Value, Property Tax and Mill Levy Information**

	<b>2016 Actual</b>	<b>2017 Adopted Budget</b>	<b>2018 Adopted Budget</b>
<b>Assessed Valuation</b>	\$ 2,968,340	\$ 5,702,080	\$ 9,552,510
<b>Mill Levy</b>			
General Fund	5.000	5.000	5.392
Debt Service Fund	35.232	42.827	46.185
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
<b>Total Mill Levy</b>	<u>40.232</u>	<u>47.827</u>	<u>51.577</u>
<b>Property Taxes</b>			
General Fund	\$ 14,842	\$ 28,510	\$ 51,507
Debt Service Fund	104,581	244,203	441,183
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	-
<b>Actual/Budgeted Property Taxes</b>	<u>\$ 119,423</u>	<u>\$ 272,713</u>	<u>\$ 492,690</u>

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**

**GENERAL FUND**

**2018 Adopted Budget**

with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

	<b>2016 Actual</b>	<b>2017 Adopted Budget</b>	<b>2017 Estimated</b>	<b>2018 Adopted Budget</b>
<b>BEGINNING FUND BALANCE</b>	\$ 170	\$ 1,773	\$ -	\$ 11,030
<b>REVENUE</b>				
Property Tax Revenue	14,842	28,510	28,510	51,507
Specific Ownership Taxes	824	810	1,850	1,850
Developer Advance	24,051	6,892	17,000	-
Interest Income	5	30	225	30
<b>Total Revenue</b>	<b>39,722</b>	<b>36,242</b>	<b>47,585</b>	<b>53,387</b>
<b>Total Funds Available</b>	<b>39,892</b>	<b>38,015</b>	<b>47,585</b>	<b>64,417</b>
<b>EXPENDITURES</b>				
Accounting	3,194	7,500	12,850	7,500
Audit	-	-	5,414	5,500
Election	13	-	-	1,000
Insurance/SDA Dues	408	2,000	3,363	3,500
Legal	19,817	15,000	10,200	11,000
Management	4,034	10,500	2,800	10,500
Miscellaneous	1,431	1,500	1,500	1,500
Treasurer's Fees	223	428	428	773
<b>Total Expenditures</b>	<b>29,121</b>	<b>36,928</b>	<b>36,555</b>	<b>41,273</b>
<b>Transfers and Other (Uses)</b>				
Transfer to District No. 1	10,771	-	-	-
Emergency Reserve	-	1,087	-	1,602
<b>Total Expenditures Requiring Appropriation</b>	<b>39,892</b>	<b>38,015</b>	<b>36,555</b>	<b>42,874</b>
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,030</b>	<b>\$ 21,543</b>

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**

**DEBT SERVICE FUND**

**2018 Adopted Budget**

with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

	<b>2016 Actual</b>	<b>2017 Adopted Budget</b>	<b>2017 Estimated</b>	<b>2018 Adopted Budget</b>
BEGINNING FUND BALANCE	\$ -	\$ 1,952,122	\$ 1,992,377	\$ 1,687,704
<b>REVENUE</b>				
Property Tax Revenue	104,579	244,203	244,203	441,183
Specific Ownership Taxes	5,809	12,699	15,950	28,500
Interest Income	7,083	3,000	21,000	10,000
Transfer from Capital Projects	2,138,868	-	-	-
Transfer from District No.1	-	-	76,675	-
<b>Total Revenue</b>	<b>2,256,339</b>	<b>259,902</b>	<b>357,828</b>	<b>479,683</b>
<b>Total Funds Available</b>	<b>2,256,339</b>	<b>2,212,024</b>	<b>2,350,205</b>	<b>2,167,387</b>
<b>EXPENDITURES</b>				
2016 A Interest	187,708	540,600	540,600	540,600
2016 B Interest	-	112,738	112,738	112,738
Paying Agent/Trustee Fees	-	5,500	5,500	5,500
Treasurer's Fees	1,569	3,663	3,663	6,618
Transfer to District No. 1	74,685	-	-	-
<b>Total Expenditures</b>	<b>263,962</b>	<b>662,501</b>	<b>662,501</b>	<b>665,456</b>
<b>Total Expenditures Requiring Appropriation</b>	<b>263,962</b>	<b>662,501</b>	<b>662,501</b>	<b>665,456</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,992,377</b>	<b>\$ 1,549,523</b>	<b>\$ 1,687,704</b>	<b>\$ 1,501,931</b>

This financial information should be read only in connection with the accompanying accountant's compilation report and budget message.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**

**CAPITAL PROJECTS FUND**

**2018 Adopted Budget**

**with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated**

	<b>2016 Actual</b>	<b>2017 Adopted Budget</b>	<b>2017 Estimated</b>	<b>2018 Adopted Budget</b>
BEGINNING FUND BALANCE	\$ -	\$ 2,000,000	\$ 2,050,575	\$ 2,066,590
<b>REVENUE</b>				
Developer Advance	48,176	-	-	-
Interest Income	6,826	10,000	21,235	10,000
Bond Proceeds	12,600,000	-	-	-
Bond Premium	236,330	-	-	-
<b>Total Revenue</b>	<b>12,891,331</b>	<b>10,000</b>	<b>21,235</b>	<b>10,000</b>
<b>Total Funds Available</b>	<b>12,891,331</b>	<b>2,010,000</b>	<b>2,071,810</b>	<b>2,076,590</b>
<b>EXPENDITURES</b>				
Accounting	1,874	-	800	-
Bond Issuance Costs	164,995	-	-	-
Bond Discount	267,550	-	-	-
Legal	13,880	-	300	-
Management	1,497	-	120	-
Capital Outlay	-	2,010,000	4,000	2,076,590
Developer Reimbursement	48,176	-	-	-
Transfer to District No. 1	8,203,916	-	-	-
<b>Total Expenditures</b>	<b>8,701,888</b>	<b>2,010,000</b>	<b>5,220</b>	<b>2,076,590</b>
<b>Transfers and Other (Uses)</b>				
Transfer to Debt Service	2,138,868	-	-	-
<b>Total Expenditures Requiring Appropriation</b>	<b>10,840,756</b>	<b>2,010,000</b>	<b>5,220</b>	<b>2,076,590</b>
ENDING FUND BALANCE	\$ 2,050,575	\$ -	\$ 2,066,590	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and budget message.

# GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2

## 2018 Budget Message

### **Introduction**

The District was formed in December 2008 for the purpose of providing design, financing, acquisition, and construction of certain infrastructure improvements.

The 2018 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2018 fiscal year based on available revenues. This budget provides for the general operation of the District and facilitation of capital project expenditures.

The Board of Directors authorized adjustment of the District mill levy in accordance with the Colorado Constitution, Article X, Section 3 (the “Gallagher Adjustment”). The Gallagher Adjustment and the District’s Service Plan authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2004, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District’s revenue is neither diminished nor enhanced.

The District’s 2017 assessed value increased by \$3,850,430 (or 68%), to \$9,552,510. The District certified a 2017 mill levy of 51.577 mills, for collection in 2018 with 5.392 mills dedicated to the General Fund and 46.185 mills to the Debt Service Fund.

### **Budgetary Basis of Accounting**

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District’s funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

**Fund Summaries**

**The General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax, and expenditures which include District administration, legal services, and other expenses related to statutory operations of a local government.

**The Debt Service Fund** is used to account for principal and interest and associated costs for long term debt. The primary revenue source is property taxes along with specific ownership taxes and interest income. In 2016 the District issued 2016A General Obligation Bonds and 2016B Subordinate Cash Flow Bonds. The combined schedule of principal and interest is presented below:

Great Western Park Metropolitan District No. 2			
\$11,045,000			
Bonds Principal and Interest Maturing in the Year Ending December 31,	Series 2016A GO and \$ 1,555,000 2016B Subordinate Cash Flow Bonds*		
	Principal	Interest	Total
2018	\$ -	\$ 653,338	\$ 653,338
2019	-	653,338	653,338
2020	55,000	653,338	708,338
2021	145,000	651,138	796,138
2022	165,000	645,338	810,338
2023-2027	1,035,000	3,116,888	4,151,888
2028-2032	1,500,000	2,835,938	4,335,938
2033-2038	2,120,000	2,402,188	4,522,188
2038-2042	2,940,000	1,794,188	4,734,188
2043-2046	4,640,000	848,450	5,488,450
	<u>\$ 12,600,000</u>	<u>\$ 14,254,138</u>	<u>\$ 26,854,138</u>

\*2016B are Subordinate Cash Flow Bonds

**The Capital Projects Fund** is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure. The primary source of revenue is monies from the project fund that was established with the 2016 Bond issuance.

**Emergency Reserve**

As required under Article X, Section 20 of the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.