

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**Broomfield County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2021**

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**DECEMBER 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Great Western Park Metropolitan District No. 2  
Broomfield County, Colorado

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Great Western Park Metropolitan District No. 2, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Great Western Park Metropolitan District No. 2, as of December 31, 2021, and the respective changes in financial position and, the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Great Western Park Metropolitan District No. 2, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Great Western Park Metropolitan District No. 2's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Great Western Park Metropolitan District No. 2's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Great Western Park Metropolitan District No. 2's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Great Western Park Metropolitan District No. 2's basic financial statements. The supplementary budget comparison schedule identified in the table of contents is presented to supplement the basic financial statements and is presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary and other information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the schedule of assessed valuation, mill levy and property taxes collected, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Morain Bakarich, CPAs*

Morain Bakarich, CPAs  
February 7, 2023

## **BASIC FINANCIAL STATEMENTS**

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and investments	\$ 187,857
Cash and investments - restricted	29,951
Property taxes receivable	709,694
Total Assets	927,502
 <b>Deferred Outflows of Resources</b>	
Deferred charges on bond refunding	530,862
Total Deferred Outflows of Resources	530,862
 <b>Liabilities</b>	
Accounts payable	30,896
Accrued interest - bonds	124,316
Bonds payable	
Due within one year	165,000
Due in more than one year	12,300,000
Total Liabilities	12,620,212
 <b>Deferred Inflows of Resources</b>	
Deferred property tax revenue	705,813
Bond premiums, net	931,271
Total Deferred Inflows of Resources	1,637,084
 <b>Net Position</b>	
Restricted for:	
Emergency reserve	4,100
Debt service	29,335
Unrestricted	(12,832,367)
<b>Total Net Position</b>	<b>\$ (12,798,932)</b>

The accompanying notes are an integral part of the financial statements.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

<b>Function/Program</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>	
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Governmental activities:					
General government	\$ 88,735	\$ -	\$ -	\$ -	\$ (88,735)
Interest and related costs on long-term debt	785,909	-	-	-	(785,909)
<b>Total Governmental Activities</b>	<b>\$ 874,644</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (874,644)</b>
<b>General Revenues:</b>					
Property taxes					\$ 1,045,696
Specific ownership taxes					56,391
Interest income					10,716
Transfer from District No. 1					3,937
Forgiveness of debt					7,531,364
<b>Total general revenues</b>					<b>8,648,104</b>
<b>Change in Net Position</b>					7,773,460
<b>Net Position, Beginning of Year</b>					(20,572,392)
<b>Net position, End of Year</b>					<b>\$ (12,798,932)</b>

The accompanying notes are an integral part of the financial statements.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and investments	\$ 187,857	\$ -	\$ 187,857
Cash and investments - restricted	4,100	25,851	29,951
Property taxes receivable	43,500	666,194	709,694
Total Assets	<u>235,457</u>	<u>692,045</u>	<u>927,502</u>
<b>Liabilities</b>			
Accounts payable	30,896	-	30,896
Total Liabilities	<u>30,896</u>	<u>-</u>	<u>30,896</u>
<b>Deferred Inflows of Resources</b>			
Property tax revenue	43,103	662,710	705,813
Total Deferred Inflows of Resources	<u>43,103</u>	<u>662,710</u>	<u>705,813</u>
<b>Fund Balances</b>			
Restricted for:			
Debt Service	-	29,335	29,335
Emergency reserve	4,100	-	4,100
Unassigned			
General government	157,358	-	157,358
Total Fund Balances	<u>161,458</u>	<u>29,335</u>	<u>190,793</u>
Total Liabilities, Fund Balance, and Deferred Inflows	<u>\$ 235,457</u>	<u>\$ 692,045</u>	<u>\$ 927,502</u>

The accompanying notes are an integral part of the financial statements.



**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

Total governmental fund balances	\$	190,793
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Governmental funds report the effect of bond premiums when first issued, whereas these amounts are capitalized and amortized in the Statement of Activities.

Bond premiums	\$	(940,678)	
Accumulated amortization		<u>9,407</u>	(931,271)

Governmental funds report the difference between the net carrying value of defeased debt and the cost of the new debt as an other financing use, whereas these amounts are deferred and amortized in the Statement of Activities.

Deferred charges on bond refunding	\$	536,224	
Accumulated amortization		<u>(5,362)</u>	530,862

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the fund balance sheets. Those liabilities consist of:

Long term liabilities - bonds	\$	(12,465,000)	
Accrued interest - bonds		<u>(124,316)</u>	(12,589,316)

Net Position (Deficit) of Governmental Activities		<u><u>\$ (12,798,932)</u></u>
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The accompanying notes are an integral part of the financial statements.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
General Property taxes	\$ 130,707	\$ 914,989	\$ 1,045,696
Ownership tax	5,766	50,625	56,391
Interest Income	150	1,160	1,310
Transfer from District No. 1	-	3,937	3,937
Total revenues	<u>136,623</u>	<u>970,711</u>	<u>1,107,334</u>
<b>Expenditures:</b>			
Accounting	9,925	-	9,925
Audit	5,250	-	5,250
County treasurer fees	1,961	13,730	15,691
Insurance	3,390	-	3,390
District management	15,485	-	15,485
Legal	26,822	-	26,822
Miscellaneous	1,172	-	1,172
Paying agent fee	-	11,000	11,000
Bond discount and issuance costs	-	385,300	385,300
Bond interest	-	651,138	651,138
Bond principal	-	145,000	145,000
Total expenditures	<u>64,005</u>	<u>1,206,168</u>	<u>1,270,173</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	72,618	(235,457)	(162,839)
<b>Other Financing Sources (Uses):</b>			
Issuance of refunding debt	-	12,465,000	12,465,000
Premium on refunding bonds issued	-	993,654	993,654
Discount on refunding bonds	-	(52,976)	(52,976)
Payments to refunding bond escrow	-	(13,125,139)	(13,125,139)
Repayment of developer advances	-	(2,000,000)	(2,000,000)
Total other financing sources (uses)	<u>-</u>	<u>(1,719,461)</u>	<u>(1,719,461)</u>
<b>Net Change in Fund Balance</b>	72,618	(1,954,918)	(1,882,300)
<b>Fund Balance, Beginning of Year</b>	88,840	1,984,253	2,073,093
<b>Fund Balance, End of Year</b>	<u>\$ 161,458</u>	<u>\$ 29,335</u>	<u>\$ 190,793</u>

The accompanying notes are an integral part of the financial statements.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds \$ (1,882,300)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report bond premiums as other financing sources. However, in the Statement of Activities the cost of those liabilities are amortized over the term of the debt and recorded as interest income.

Bond premium	(940,678)
Amortization of bond premium	9,407

The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of refunding debt	(12,465,000)
Forgiveness of developer advances	7,531,364
Principal payments on refunded debt	145,000
Repayment of developer advances	2,000,000
Payment to refunding debt escrow	13,125,139

Some 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.

Current year amortization - deferred charge on refunding	(5,362)
Change in accrued interest - long-term debt	255,890

Change in Net Position of Governmental Activities	\$ 7,773,460
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The accompanying notes are an integral part of the financial statements.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**  
**BUDGETARY BASIS**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Property taxes	\$ 130,707	\$ 130,707	\$ -
Ownership taxes	9,149	5,766	(3,383)
Interest	-	150	150
<b>Total Revenues</b>	<u>139,856</u>	<u>136,623</u>	<u>(3,233)</u>
<b>Expenditures</b>			
Accounting and auditing	16,000	9,925	6,075
Auditing	-	5,250	(5,250)
County treasurer fees	3,921	1,961	1,960
Insurance	3,600	3,390	210
District management	15,000	15,485	(485)
Legal	17,000	26,822	(9,822)
Miscellaneous	1,500	1,172	328
Contingency	111,378	-	111,378
<b>Total Expenditures</b>	<u>168,399</u>	<u>64,005</u>	<u>104,394</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(28,543)</u>	<u>72,618</u>	<u>101,161</u>
<b>Other Financing Sources (Uses):</b>			
Emergency Reserve	(1,711)	-	1,711
Operating Advances	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<u>(1,711)</u>	<u>-</u>	<u>1,711</u>
<b>Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<u>(30,254)</u>	<u>72,618</u>	<u>102,872</u>
<b>Fund Balance, Beginning of Year</b>	<u>30,254</u>	<u>88,840</u>	<u>58,586</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ 161,458</u>	<u>\$ 161,458</u>

The accompanying notes are an integral part of the financial statements.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

The accounting policies of the Great Western Park Metropolitan District No. 2 (the “District”), located in Broomfield County, Colorado, (the “County”) conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

The District was organized on December 17, 2008, as a quasi-municipal corporation and political subdivision of the State of Colorado under the State of Colorado Special District Act, along with Great Western Park Metropolitan District No. 1 (“District No. 1”). Great Western Park Metropolitan District No. 3 (“District No. 3”) was organized on January 4, 2002. Great Western Park Metropolitan District No. 1 is referred to in its Service Plan as the “Service District” and Great Western Park Metropolitan District No. 2 and Great Western Park Metropolitan District No. 3 are referred to as the “Tax Districts” established to finance and pay for various services and facilities which will be provided by the Service District. The District was established to provide financing for construction of streets, water, sanitation, traffic and safety protection, and parks and recreational improvements. Previously, the three districts worked together to provide the necessary public improvements and services as required to serve the development. As of July 1, 2016, the three Districts operate independently of one another. The following is a summary of the more significant policies consistently applied in the preparation of financial statements. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB, Statement No. 61, The Financial Reporting Entity: Omnibus, which amended GASB Statement No. 14, The Financial Reporting Entity and GASB Statement No. 29, Determining Whether Certain Organizations are Component Units, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

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

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

Separate financial statements are provided for the governmental funds. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District has two governmental funds (below) and does not maintain proprietary or fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The general fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements 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.

Governmental fund financial statements are accounted for 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation 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 another fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the Colorado Budget Law, the District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or prior to October 15<sup>th</sup> the budget is submitted to the Board of Directors of the District.
2. A public hearing on the budget is held prior to its adoption.
3. On the date of the hearing, the Board reviews the proposed budget and formally adopts it by resolution.
4. At the time of adopting the budget the Board also adopts the mill levies.
5. Prior to the beginning of the calendar year, the Board passes an appropriating resolution giving the District legal authority to spend.
6. The District adopts budgets for the general and debt service funds on a basis consistent with generally accepted accounting principles. The District's Board of Directors can modify the budget and appropriations resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end and lapses at year end.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Directors. The District amended its debt service fund budget for the year ended December 31, 2021.

**Deposits and Investments**

The District's cash and cash investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value. The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Use of Estimates**

The preparation of basic financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the *deferred charges on refunding* are deferred and recognized as an outflow of resources in the period that the amount is incurred.

**Deferred Charges on Refunding**

Deferred charges on refunding of \$530,862, net of accumulated amortization of \$5,361, are included in the Statement of Net Position as a deferred outflow of resources. The District has recorded a deferred charges on refunding for the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Accumulated amortization on the deferred charges on refunding totaled \$5,361 at December 31, 2021.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. Accordingly, *deferred property tax revenue and bond premiums* are deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Original Issue Premiums**

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Unamortized bond discount costs or premiums are offset against or added to bonds payable.

The net original issue premium from the District's Series 2021 bonds is being amortized over the respective terms of the bonds, using the straight-line method, which approximates the effective interest method. Accumulated amortization of original issue premium amounted to \$9,407 at December 31, 2021. In 2021, the District's Series 2016A & Series 2016B bonds were refunded, and as of December 31, 2021, this associated Series 2016A & Series 2016B premiums are fully amortized.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15<sup>th</sup> by certification to the County Commissioners to put the tax lien on the individual properties as of January 1<sup>st</sup> of the following year. The County Treasurer collects 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 June. Delinquent taxpayers are notified in August and, generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.



**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes (continued)**

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

**Net Position**

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources. In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted, and unrestricted.

**Fund Balance – Governmental Funds**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance – Governmental Funds (continued)**

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

**Reconciliation of Government-wide and Fund Financial Statements**

The governmental funds balance sheet includes a reconciliation between fund balances of the governmental funds and the net position of governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between the net change in fund balances of the governmental funds and the changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 187,857
Cash and Investments – Restricted	<u>29,951</u>
Total Cash and Investments	<u>\$ 217,808</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 16,702
Investments	<u>201,106</u>
Total Cash and Investments	<u>\$ 217,808</u>

**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 market value of the collateral must be at least 102% of the aggregate uninsured deposits. The State Commissioners 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.

At December 31, 2021, the District’s cash deposits had a bank balance of \$16,702 and a carrying balance of \$16,702.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

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.

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

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools\*

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	<u>\$ 201,106</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

**COLOTRUST (continued)**

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor’s. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

At December 31, 2021, the District had \$201,106 invested in COLOTRUST, of which, \$6,743 was held in trust accounts with UMB Bank.

**NOTE 3: CAPITAL ASSETS**

During 2020, the District conveyed all capital assets to other governmental entries.

**NOTE 4: LONG-TERM DEBT OBLIGATIONS**

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2021:

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/21
<i><u>General Obligation Bonds</u></i>				
GO Bonds Series 2016A	\$ 10,990,000	\$ -	\$ (10,990,000)	\$ -
Subordinate GO Bonds Series 2016B	1,555,000	-	(1,555,000)	-
GO Bond Series 2016B - Accrued Interest	335,339	-	(335,339)	-
Original issue premium - Series 2016A	188,915	-	(188,915)	-
2021 Limited Tax GO Bonds	-	12,465,000	-	12,465,000
<b>Total</b>	<b>\$ 13,069,254</b>	<b>\$ 12,465,000</b>	<b>\$ (13,069,254)</b>	<b>\$ 12,465,000</b>
<i><u>Other</u></i>				
Developer Advances - FFA	\$ 8,049,453	\$ -	\$ (8,049,453)	\$ -
Accrued Interest - FFA	1,443,778	-	(1,443,778)	-
Developer Advances - operations	29,451	-	(29,451)	-
Accrued Interest - operations	8,682	-	(8,682)	-
<b>Total</b>	<b>\$ 9,531,364</b>	<b>\$ -</b>	<b>\$ (9,531,364)</b>	<b>\$ -</b>

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4: LONG-TERM DEBT OBLIGATIONS (CONTINUED)**

**General Obligation Bonds (Limited Tax Refunding Bonds), Series 2021**

The District issued General Obligation Limited Tax Refunding Bonds, Series 2021 (“Series 2021 Bonds”) totaling \$12,465,000 with an interest rates and due dates as follows:

\$2,670,000 5.000% Term Bond due December 1, 2021 - December 1, 2030  
 \$2,905,000 4.000% Term Bond due December 1, 2031 - December 1, 2036  
 \$3,125,000 2.500% Term Bond due December 1, 2037 - December 1, 2041  
 \$3,765,000 2.750% Term Bond due December 1, 2042 - December 1, 2046

Interest is payable semi-annually on June 1 and December 1 each year commencing on June 1, 2022.

The current refunding was undertaken to reduce total debt service requirements over the next twenty-five (25) years by approximately \$5,400,000, which resulted in an economic gain of approximately \$3,600,00. The Series 2021 Bonds will be used to: (i) pay the costs of current refunding, (a) on December 1, 2021, all of the District’s outstanding General Obligation Limited Tax Bonds, Series 2016A, originally issued and currently outstanding in the aggregate principle amount of \$10,990,000 (the “Series 2016A Bonds”), (b) on December 15, 2021, all of the District’s Subordinate General Obligation Limited Tax Bonds, Series 2016B, originally issues and currently outstanding in the aggregate principle amount of \$1,555,000 (the “Series 2016B Bonds” and together with the Series 2016A Bonds, the “Refunded Bonds”); (ii) reimburse the Developer for certain public improvements previously constructed by the Developer for the benefit of the Development (see note 6); (iii) pay the premiums for the Policy and the Reserve Policy; and (iv) pay other costs incurred in connection with the issuance of the Bonds and the refunding of the Refunded Bonds.

The Series 2021 Bonds are secured by and payable from Pledged Revenue consisting of funds derived by the District from the following sources, net of any cost of collections: (a) Required Mill Levy; (b) Specific Ownership Tax; and (c) any other legally available moneys which the District determines, in its absolute discretion as Pledged Revenue. The Series 2021 Bonds are subject to a Reserve Fund which shall be maintained in the amount of the Required Reserves (i.e., \$837,412.36) as provided in the Indenture for so long as any Bond is Outstanding. The District acknowledged the law places certain restrictions upon the use of Bond proceeds and debt service mill levies which may be credited to the Reserve fund, and (ii) the use of moneys released from the Reserve Fund shall be subject to any pledges, liens, or other encumbrances thereon, included without limitation any pledge, lien, or encumbrance created under the terms of any other Parity Bonds or Subordinate Bonds.

The Series 2021 Bonds maturing on December 1, 2041, are subject to mandatory sinking fund redemption, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

<u>Year of Redemption</u>	<u>Redemption Amount</u>
2037	\$575,000
2038	605,000
2039	620,000
2040	655,000
2041(*)	670,000

(\*) *Final maturity. Not a sinking fund redemption.*

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4: LONG-TERM DEBT OBLIGATIONS (CONTINUED)**

**General Obligation Bonds (Limited Tax Refunding Bonds), Series 2021 (continued)**

The Series 2021 Bonds maturing on December 1, 2046, are subject to mandatory sinking fund redemption, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

Year of Redemption	Redemption Amount
2042	\$700,000
2043	720,000
2044	755,000
2045	775,000
2046 (*)	815,000

(\*) *Final maturity. Not a sinking fund redemption.*

The following is a summary of the annual long-term debt principal and interest requirements of the Series 2021 Bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 165,000	\$ 497,265	\$ 662,265
2023	235,000	423,113	658,113
2024	260,000	411,363	671,363
2025	275,000	398,363	673,363
2026	305,000	384,613	689,613
2027 - 2031	1,845,000	1,674,063	3,519,063
2032 - 2036	2,490,000	1,217,713	3,707,713
2037 - 2041	3,125,000	758,063	3,883,063
2042 - 2046	3,765,000	318,450	4,083,450
	<u>\$ 12,465,000</u>	<u>\$ 6,083,003</u>	<u>\$ 18,548,003</u>

**General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2016A**

The District issued its General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2016A on July 26, 2016, in the original principal amount of \$11,045,000 (“Series 2016A Bonds”). The Series 2016A Bonds are term bonds, of which \$1,165,000 bears interest at 4.000% and matures December 1, 2026, and of which \$9,880,000 bears interest at 5.000% and matures December 1, 2046. Interest is payable semiannually on each June 1 and December 1, commencing on December 1, 2016. On December 1, 2021, the District refunded the General Obligation Bonds (Limited Tax Convertible to Unlimited Tax), Series 2016A with the issuance of the General Obligation (Limited Tax Refunding Bonds), Series 2021.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4: LONG-TERM DEBT OBLIGATIONS (CONTINUED)**

**Subordinate General Obligation Limited Tax Bonds, Series 2016B**

The District issued \$1,555,000 of Subordinate General Obligation Limited Tax Bonds, Series 2016B (“Series 2016B Bonds”) on July 26, 2016. The Series 2016B Bonds bear interest at the rate of 7.250% payable annually on December 15 of each year, commencing December 15, 2016. The Series 2016B Bonds are cash flow bonds with annual payments anticipated to be made on December 15<sup>th</sup>. Unpaid interest compounds annually on December 15. On December 15, 2021, the District refunded the General Obligation Bonds Limited Tax Bonds, Series 2016B with the issuance of the General Obligation (Limited Tax Refunding Bonds), Series 2021.

**Debt Authorization**

At an election held in 2012, a majority of the qualified electors of the District authorized the issuance of general obligation indebtedness in an amount not to exceed \$100,800,000 for providing public improvements. As of December 31, 2021, the District had remaining voted debt authorization of approximately \$88,335,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing additional public improvements within the District’s services area, if needed.

The District’s service plan provides that the District’s general obligation debt limit is \$12,600,000 (“Debt Limit”). After the issuance of the Series 2021 GO Bonds, \$0 of this authorization remains unissued. The service plan provides that the issuance of the general obligation bonds in excess of an individual District’s debt limit shall be considered a material modification of the Service Plan, requiring the review and approval of the City and County of Broomfield Board of County Commissioners, through a service plan amendment or other appropriate proceeding agreed to by the applicable District and the City and County of Broomfield.

**NOTE 5: RELATED PARTIES**

Certain Board of Directors are an employee, owner or otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

**NOTE 6: COMMITMENTS AND AGREEMENTS**

With the issuance of the District’s Series 2021 Bonds, the District paid \$2,000,000 to the Developer to reimburse certain costs relating to public improvements previously constructed for the benefit of the District. During the year ended December 31, 2021, the District and the Developer entered into a termination and release agreement which forgave \$7,531,364 of principal and interest related to District No.1 OFA and FFA obligations.

**Operation Funding Agreement**

On June 30, 2016, the District entered into the Operation Funding Agreement (the “Agreement”), with Great Western Park, LLC (the “Developer”), whereby the Developer agreed to advance up to \$35,000 to the District for operations and maintenance expenses incurred in fiscal years 2016 and 2017. Such advances from the date of deposit into the District’s account and amounts advanced to District No. 1 pursuant to the District No. 1 OFA will accrue simple interest from the date of deposit into the District’s account at the rate of 8% per annum.

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6: COMMITMENTS AND AGREEMENTS (CONTINUED)**

**Operation Funding Agreement (continued)**

The District agreed to reimburse the Developer for amounts advanced subject to annual budget and appropriation. The obligation of the District to reimburse the Developer expires on December 31, 2048. Any amounts of principal and interest owed on or before December 31, 2048, shall be deemed to be forever discharged and satisfied in full. On November 15, 2016, this Agreement was amended to increase the total shortfall amount to \$53,803. On December 6, 2017, this agreement was further amended to increase the shortfall amount to \$60,000, and to extend the funding obligation through 2018. On November 26, 2019, this agreement was further amended to extend the funding obligation through 2020. At December 31, 2021, the District had \$0 of developer advances payable under the agreement.

**Facilities Funding and Acquisition Agreement**

The District and the Developer entered into an Amended and Restated Facilities Funding and Acquisition Agreement, dated October 23, 2018, effective July 1, 2016, whereby the District acknowledged that the Developer has previously expended funds pursuant to funding agreements between District No. 1 and the Developer (the "District No. 1 Funding Agreements"). Specifically, the Developer funded and/or District No. 1 acquired \$12,600,000 of public improvements and the Developer funded certain organizational expenses relative to the District. The District agreed that upon the termination of the FFCOA that it would reimburse the Developer for those costs incurred by the Developer under the District No. 1 Funding Agreements. In addition, the Developer agreed to fund the anticipated shortfall up to \$4,000,000 for the District to construct additional improvements within the District (the "Shortfall Amount"). Simple interest shall accrue on Organization Expenses and Construction Related Expenses at the rate of 8% per annum until paid. Payments made by the District shall credit first against accrued and unpaid interest and then to the principal amount due. Pursuant to this Agreement, the Developer's obligation to fund the Shortfall Amount extended through December 31, 2020. On February 25, 2020, this Agreement was amended to terminate the Developer's funding obligations as of February 25, 2020. At December 31, 2021, the District had \$0 of developer advances payable under the agreement.

**Agreement of Acknowledgement of Satisfaction of Obligations of District No. 1 related to Great Western Park, LLC Operation Funding Agreement and Acknowledgement of Ongoing Obligations of District Nos. 2 and 3**

On November 26, 2019, effective December 31, 2019, the District, District No. 1, District No. 3 and the Developer entered into an Agreement of Acknowledgement of Satisfaction of Obligations of District No. 1 related to Great Western Park, LLC Operation Funding Agreement and Acknowledgement of Ongoing Obligations of District Nos. 2 and 3 whereby the District acknowledged that the Developer has previously expended funds pursuant to an operation funding agreement between District No. 1 and the Developer (the "District No. 1 Operation Funding Agreement"). Specifically, the Developer funded \$267,240 of operation and maintenance shortfalls relative to the District. The District agreed that upon the termination of the FFCOA that it would reimburse the Developer for those costs incurred by the Developer under the District No. 1 Operation Funding Agreement under the Districts existing Operation Funding Agreement.

**NOTE 7: 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 (the Pool).



**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7: RISK MANAGEMENT (CONTINUED)**

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, and public officials' liability 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 8: 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 retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% 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. At December 31, 2021, the District determined its required emergency reserve to be approximately \$4,100.

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 9: DEFICIT NET POSITION**

The District has deficit net position of \$12,798,932 as of December 31, 2021. The District has incurred general obligation debt since inception for the construction of public improvements within the District. All of these assets have been deeded or transferred to other local and state governmental entities. These entities have assumed the responsibility for continued maintenance of these improvements and therefore, these assets no longer belong to the District but still exist for the benefit and use of the taxpayers of the District. GASB 34 requires netting the debt acquired to purchase assets against those assets the District still holds title to, which creates the net deficit as of December 31, 2021.

**NOTE 10: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through February 7, 2023, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**YEAR ENDED DECEMBER 31, 2021**  
**BUDGETARY BASIS**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$ 914,989	\$ 914,989	\$ 914,989	\$ -
Ownership Taxes	64,049	64,049	50,625	(13,424)
Interest Income	-	-	1,160	1,160
Transfer from District No. 1	-	-	3,937	3,937
<b>Total Revenues</b>	<u>979,038</u>	<u>979,038</u>	<u>970,711</u>	<u>(8,327)</u>
<b>Expenditures</b>				
County treasurer fees	27,450	27,450	13,730	13,720
Paying agent fees	5,500	11,000	11,000	-
Miscellaneous	2,500	2,500	-	2,500
Bond interest	896,705	413,578	651,138	(237,560)
Bond principal	145,000	360,000	145,000	215,000
Bond issuance costs	-	528,388	385,300	143,088
Contingency	-	171,993	-	171,993
<b>Total Expenditures</b>	<u>1,077,155</u>	<u>1,514,909</u>	<u>1,206,168</u>	<u>308,741</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(98,117)</u>	<u>(535,871)</u>	<u>(235,457)</u>	<u>300,414</u>
<b>Other Financing Sources (Uses):</b>				
Emergency Reserve				
Issuance of refunding bonds	-	11,680,000	12,465,000	785,000
Premium on refunding bonds issued	-	2,373,060	993,654	(1,379,406)
Discount on refunding bonds issued	-	-	(52,976)	(52,976)
Payments to refunding bond escrow	-	(13,496,855)	(13,125,139)	371,716
Repayment of developer advances	-	(2,004,587)	(2,000,000)	4,587
<b>Net Other Financing Sources (Uses)</b>	<u>-</u>	<u>(1,448,382)</u>	<u>(1,719,461)</u>	<u>(271,079)</u>
<b>Excess (Deficiency) of Revenues Over</b>				
<b>Expenditures and Other Financing Sources (Uses)</b>	<u>(98,117)</u>	<u>(1,984,253)</u>	<u>(1,954,918)</u>	<u>29,335</u>
<b>Fund Balance, Beginning of Year</b>	<u>2,074,367</u>	<u>1,984,253</u>	<u>1,984,253</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 1,976,250</u>	<u>\$ -</u>	<u>\$ 29,335</u>	<u>\$ 29,335</u>

**OTHER INFORMATION**

**GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2021**  
(Unaudited)

<u>Year Ended December 31<sup>st</sup>:</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2017	\$ 18,236,640	2.741	40.000	\$ 779,452	\$ 779,452	100.00%
2018	\$ 21,348,710	2.342	40.000	\$ 903,947	\$ 903,947	100.00%
2019	\$ 21,423,420	2.333	40.000	\$ 906,918	\$ 906,918	100.00%
2020	\$ 23,219,280	2.333	40.000	\$ 982,942	\$ 982,887	99.99%
2021	\$ 23,233,710	2.333	40.000	\$ 983,552	\$ 1,045,696	106.32%
Estimated for the Year Ending <u>December 31<sup>st</sup>:</u>						
2022	\$ 22,690,860	2.333	40.000	\$ 960,572		

**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.