

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Gregg A. Bradbury	President	2023/May 2023
Jeffrey L. Nading	Treasurer	2022/May 2022
Charles Church McKay	Assistant Secretary	2023/May 2023
Brandon Dooling	Assistant Secretary	2023/May 2023
Steve Nading	Assistant Secretary	2022/May 2022
David Solin	Secretary	

DATE June 23, 2020 (Tuesday)

TIME: 8:30 A.M.

PLACE: *Due to Executive Order D 2020 044 Safer at Home issued by Governor Polis on April 26, 2020, and Public Health Order 20-28 implementing the Executive Order, issued by the Colorado Department of Health and Environment (CDPHE) on April 26, 2020, this meeting will be held via teleconferencing and can be joined through the directions below:*

IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-877-250-3814 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 5592663.

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting notices and designate 24-hour posting location.

C. Discuss results of cancelled May 5, 2020 Regular Directors' Election (enclosure).

D. Consider appointment of Officers:

President _____

Treasurer _____

Secretary _____

Asst. Secretary _____

Asst. Secretary _____

Asst. Secretary _____

- E. Review and approve minutes of the November 26, 2019 Regular Meeting (enclosure).
-

II. PUBLIC COMMENTS

- A. _____

III. FINANCIAL MATTERS

- A. Review and ratify the approval of the payment of claims as follows (enclosures):

	Period Ending Dec. 11, 2019	Period Ending Jan. 23, 2020	Period Ending Feb. 19, 2020	Period Ending March 20, 2020
General Fund	\$ 815.76	\$ 4,207.22	\$ 2,369.98	\$ 2,630.60
Debt Service	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ 1,051.80	\$ -0-	\$ -0-	\$ -0-
Total Claims:	\$ 1,867.56	\$ 4,207.22	\$ 2,369.98	\$ 2,630.60

	Period Ending April 27, 2020	Period Ending May 22, 2020
General Fund	\$ 4,833.29	\$ 1,420.60
Debt Service	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-
Total Claims:	\$ 4,833.29	\$ 1,420.60

- B. Review and consider approval of the payment of claims through the period ending June 18, 2020, as follows: (enclosure)

General Fund	\$	1,678.30
Capital Improvements Fund	\$	-0-
Total Claims:	\$	<u>1,678.30</u>

- C. Review and accept unaudited financial statements for the period ending March 31, 2020 (enclosure).
-

- D. Conduct Public Hearing to consider further amendment of the 2019 Budget and consider adoption of Resolution to Further Amend the 2019 Budget and appropriate expenditures (enclosure).
-

- E. Ratify approval of 2019 Audit Engagement Agreement between the District and Wipfli LLP, in the amount of \$4,500 (enclosure).
-

- F. Consider approval of 2019 Audit and authorize execution of the Representations Letter (enclosure).
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- G. Ratify appointment of the District Accountant to prepare the 2021 Budget. Set date for a Public Hearing to adopt the 2021 Budget for November 24, 2020.
-

IV. LEGAL MATTERS

- A. Review and consider approval of updated McGeady Becher P.C. Document Retention Policy (enclosure).
-

V. OTHER BUSINESS

- A. _____

- VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR SEPTEMBER 22, 2020.**

NOTICE OF CANCELLATION
and
CERTIFIED STATEMENT OF RESULTS
§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

NOTICE IS HEREBY GIVEN by the Great Western Park Metropolitan District No. 3, City and County of Broomfield, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 5, 2020 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Gregg A. Bradbury	Second Regular Election, May 2023
Brandon Dooling	Second Regular Election, May 2023
Charles Church McKay	Second Regular Election, May 2023
Steven Nading	Next Regular Election, May 2022

/s/ David Solin
(Designated Election Official)

Contact Person for the District:	David Solin
Telephone Number of the District:	303-987-0835
Address of the District:	141 Union Boulevard, Suite 150, Lakewood, CO 80228
District Facsimile Number:	303-987-2032
District Email:	dsolin@sdmsi.com

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3 HELD NOVEMBER 26, 2019

A Regular Meeting of the Board of Directors of the Great Western Park Metropolitan District No. 3 (referred to hereafter as "Board") was convened on Tuesday, the 26th day of November, 2019, at 8:30 a.m., at the offices of the District, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Gregg A. Bradbury
Jeffrey L. Nading
Brandon Dooling
Charles Church McKay
Steve Nading

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Megan Becher, Esq.; McGeady Becher P.C.

Joy Tatton; Simmons & Wheeler, P.C. (via speakerphone for a portion of the meeting)

Brandon Collins (via speakerphone) and Wes Back (in person); Independent District Engineering Services, LLC

Diana Ten Eyck; Jefferson Center Metropolitan District Nos. 1 & 2 (for a portion of the meeting)

Thomas W. "Terry" Ten Eyck; Canyon Pines Metropolitan District 2 (for a portion of the meeting)

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

RECORD OF PROCEEDINGS

Mr. Solin noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Becher noted that the Directors' Disclosure Statements for all of the Directors have been filed, and no additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director McKay, seconded by Director Steve Nading and, upon vote, unanimously carried, the Agenda was approved, as presented.

Approval of Meeting Location and Posting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director McKay, seconded by Director Steve Nading and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Minutes: The Board reviewed the Minutes from the September 24, 2019 Regular Meeting.

Following discussion, upon motion duly made by Director Steve Nading, seconded by Director McKay and, upon vote, unanimously carried, the Minutes from the September 24, 2019 Regular Meeting were approved.

Resolution No. 2019-11-01, Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Location for Posting of 24-Hour Posting Notices: The Board considered Resolution No. 2019-11-01, Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Location for Posting of 24-Hour Posting Notices.

Mr. Solin reviewed the business to be conducted in 2020 to meet the statutory compliance requirements. The Board, determined to meet on the fourth Tuesday of

RECORD OF PROCEEDINGS

March, June, September and November, 2020 at 8:30 a.m. at Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado.

Following review, upon motion duly made by Director Bradbury, seconded by Director Steve Nading and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-01, Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Location for Posting of 24-Hour Posting Notices.

Section 32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2020: The Board discussed Section 32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2020.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Steve Nading and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website.

McGeady Becher P.C. Document Retention Policy: The Board deferred discussion.

Insurance Renewal: Mr. Solin discussed with the Board the insurance renewal, insurance schedules, and renewal of membership in the Special District Association.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

Claims: The Board considered ratifying approval of the payment of claims as follows:

	Period Ending Oct. 8, 2019
General Fund	\$ 1,738.34
Debt Service	\$ -0-
Capital Fund	\$ 1,900.86-
Total Claims:	\$ 3,639.20

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Steve Nading and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims, as presented.

The Board then considered the approval of the payment of claims for the period ending November 26, 2019 as follows:

RECORD OF PROCEEDINGS

General Fund	\$ 769.85
Capital Improvements Fund	\$ 498.00
Total Claims:	<u>\$ 1,267.85</u>

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Steve Nading and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending November 26, 2019.

Unaudited Financial Statements: Mr. Beck reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending October 31, 2019.

Following review, upon motion duly made by Director Steve Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the unaudited financial statements for the period ending October 31, 2019 were accepted.

2019 Audit: The Board discussed the preparation of the 2019 Audit.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board authorized the District Accountant to obtain proposals for the preparation of the 2019 Audit, and authorized Director Bradbury to review the proposals and engage an auditor.

2019 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Following review and discussion, Director Bradbury moved to adopt Resolution No. 2019-11-02 to Amend the 2019 Budget, Director Jeff Nading seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-02 to Amend the 2019 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2020 Budget: The President opened the public hearing to consider the proposed 2020 Budget and to discuss related issues.

RECORD OF PROCEEDINGS

It was noted that publication of Notice stating that the Board would consider adoption of the Budget and the date, time and place of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this Public Hearing. No public comments were received, and the Public Hearing was closed.

Mr. Solin reviewed the estimated 2019 expenditures and the proposed 2020 expenditures with the Board.

Following discussion, the Board considered the adoption of Resolution No. 2019-11-03; Resolution to Adopt the 2020 Budget and Appropriate Sums of Money, and Resolution No. 2019-11-04; Resolution to Set Mill Levies (for the General Fund at 7.475 mills, the Debt Service Fund at 50.000 mills, for a total mill levy of 54.475 mills). Upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Resolutions were adopted, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2019. Mr. Solin was authorized to transmit the Certification of Mill Levy to the City and County of Broomfield and the Division of Local Government, not later than December 15, 2019. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2020. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Accounting Services: The Board reviewed the Engagement Agreement for Accounting Services between the District and Simmons & Wheeler, P.C.

Following discussion, upon motion duly made by Director McKay, seconded by Director Steve Nading and, upon vote, unanimously carried, the Board approved the Engagement Agreement for Accounting Services between the District and Simmons & Wheeler, P.C.

RECORD OF PROCEEDINGS

Preparation of the 2021 Budget: The Board discussed the preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director Dooling, seconded by Director Steve Nading and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget and set the date for the public hearing for November 24, 2020.

LEGAL MATTERS

Election Resolution: The Board discussed Resolution No. 2019-11-05; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director McKay and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-05; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Sixth Amendment to 2013 Operation Funding Agreement between the District and Great Western Park, LLC: Attorney Becher reviewed with the Board the Sixth Amendment to 2013 Operation Funding Agreement between the District and Great Western Park, LLC.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved the Sixth Amendment to 2013 Operation Funding Agreement between the District and Great Western Park, LLC.

Intergovernmental Agreement among Great Western Park Metropolitan District Nos. 1, 2 and 3 regarding assignment of rights and obligations: Attorney Becher reviewed with the Board the Intergovernmental Agreement among Great Western Park Metropolitan District Nos. 1, 2 and 3 regarding assignment of rights and obligations.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement among Great Western Park Metropolitan District Nos. 1, 2 and 3 regarding assignment of rights and obligations.

RECORD OF PROCEEDINGS

OTHER BUSINESS

December 24, 2019 meeting: The Board determined to cancel the December 24, 2019 regular meeting and schedule a Special Meeting on December 17, 2019 at 9:30 a.m.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Bradbury, seconded by Director Jeff Nading and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1257						
12/11/2019	Special District Management Ser	61535	Management	1-680	309.20	309.20
12/11/2019	Special District Management Ser	61535	Management	3-680	463.80	463.80
12/11/2019	Special District Management Ser	61535	Accounting	1-612	392.00	392.00
12/11/2019	Special District Management Ser	61535	Accounting	3-612	588.00	588.00
12/11/2019	Special District Management Ser	61535	Miscellaneous	1-685	114.56	114.56
Total 1257:						<u>1,867.56</u>
Grand Totals:						<u><u>1,867.56</u></u>

**Great Western Park Metropolitan District No.3
December-19**

	<u>General</u>		<u>Debt</u>		<u>Capital</u>		<u>Totals</u>
Disbursements	\$ 815.76	\$	-	\$	1,051.80	\$	1,867.56
	-		-		-		-
<hr/>							
Total Disbursements	\$ 815.76	\$	-	\$	1,051.80	\$	1,867.56

Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
01-000-06100	0	1300	Dec 2019	12/31/2019	01/23/2020	December Management Fee	1,697.22
**** TOTAL ****							1,697.22
Special District Management							1,697.22
01-000-06700	0	1301	POL1781	11/20/2019	01/23/2020	2020 Prop and Liab	2,015.00
**** TOTAL ****							2,015.00
Colorado Spec Dist P&L							2,015.00
01-000-06700	0	1302	7751	11/24/2019	01/23/2020	2020 Agency Fee	495.00
**** TOTAL ****							495.00
T Charles Wilson							495.00
*** GRAND TOTAL ***							4,207.22

Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
01-000-06750	0	1303	583B Jan 20	01/31/2020	02/19/2020	January Legal	678.50
**** TOTAL ****							678.50
McGeady Sisneros							
01-000-06100	0	1304	GWP3Jan 20	01/31/2020	02/19/2020	January Management	1,431.04
**** TOTAL ****							1,431.04
Special District Management							
01-000-06700	0	1305	Dues 02/10/2020	02/19/2020	2020 SDA Dues		260.44
**** TOTAL ****							260.44
Special District Association							
*** GRAND TOTAL ***							2,369.98

Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
01-000-06750	0	1306	936B 2/20	02/29/2020	03/20/2020	February Legal	37.50
**** TOTAL ****							37.50
McGeady Sisneros							
01-000-06100	0	1307	Feb 2020	02/29/2020	03/20/2020	February Management Fees	780.03
**** TOTAL ****							780.03
Special District Management							
01-000-06170	0	1308	25866	01/31/2020	03/20/2020	January Accounting	1,746.02
**** TOTAL ****							1,746.02
Simmons & Wheeler							
01-000-06850	0	1309	220020553	02/29/2020	03/20/2020	RTL Transmissions	67.05
**** TOTAL ****							67.05
Utility Notification Center of CO							
*** GRAND TOTAL ***							2,630.60

Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
01-000-06750	0	1310	583B 2019 10/31/2019	10/31/2019	04/27/2020	October Legal 2019	1,235.50
01-000-06750	0	1310	583B 2019 11/30/2019	11/30/2019	04/27/2020	November Legal 2019	1,391.50
01-000-06750	0	1310	583B 2019 12/31/2019	12/31/2019	04/27/2020	December Legal 2019	374.50
01-000-06750	0	1310	583B 2020 03/31/2020	03/31/2020	04/27/2020	March Legal	60.00
01-000-06750	0	1310	583B 2020 02/29/2020	02/29/2020	04/27/2020	February Legal	593.00
**** TOTAL ****							
McGeady Sisneros							3,654.50
01-000-06100	0	1311	Feb 2019 10/29/2019	10/29/2019	04/27/2020	October Management 2019	448.00
01-000-06100	0	1311	March 2020 03/31/2020	03/31/2020	04/27/2020	March Management	294.00
**** TOTAL ****							
Special District Management							742.00
01-000-06170	0	1312	26050 02/29/2020	02/29/2020	04/27/2020	February Accounting	436.79
**** TOTAL ****							
Simmons & Wheeler							436.79
*** GRAND TOTAL ***							4,833.29

Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
01-000-06750	0	1313	583B Apr20	04/30/2020	05/22/2020	April Legal	1,166.00
**** TOTAL ****							1,166.00
McGeady Sisneros							
01-000-06100	0	1314	Apr 20	04/30/2020	05/22/2020	April Management	254.60
**** TOTAL ****							254.60
Special District Management							
*** GRAND TOTAL ***							1,420.60

Account	PO/Cont	Check #	Invoice	Date	Date Paid	Description	Amount
01-000-06750	0	1315	583B 05	05/31/2020	06/18/2020	May Legal	465.50
**** TOTAL ****							465.50
McGeady Sisneros							
01-000-06100	0	1316	May 2020	05/31/2020	06/18/2020	May Management	238.00
**** TOTAL ****							238.00
Special District Management							
01-000-06170	0	1317	26405 04	30/2020	06/18/2020	April Accounting	921.16
**** TOTAL ****							921.16
Simmons & Wheeler							
01-000-06850	0	1318	220050582	05/31/2020	06/18/2020	RTL Transmissions	53.64
**** TOTAL ****							53.64
Utility Notification Center of CO							
*** GRAND TOTAL ***							1,678.30

Great Western Park Metropolitan District No. 3
Financial Statements

March 31, 2020

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Great Western Park Metropolitan District No. 3

Management is responsible for the accompanying financial statements of each major fund of Great Western Park Metropolitan District No. 3, as of and for the period ended March 31, 2020, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the three months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Great Western Park Metropolitan District No. 3 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

June 16, 2020
Englewood, Colorado

**Great Western Park Metropolitan District No.3
Combined Balance Sheet
March 31, 2020**

See Accountant's Compilation Report

	General <u>Fund</u>	Capital Projects <u>Fund</u>	Debt Service <u>Fund</u>	Account <u>Groups</u>	Total <u>All Funds</u>
Assets					
Current assets					
Cash checking	\$ (1,671)	\$ -	\$ -	\$ -	\$ (1,671)
Cash - Colotrust	575	-	61,239	-	61,814
Cash with County Treasurer	27	-	177	-	204
Developer Advance Receivable	5,902	-	-	-	5,902
	<u>4,833</u>	<u>-</u>	<u>61,416</u>	<u>-</u>	<u>66,249</u>
Other assets					
Fixed assets	-	-	-	2,835,357	2,835,357
Amount available in debt service fund	-	-	-	61,416	61,416
Amount to be provided for retirement of debt	-	-	-	8,071,497	8,071,497
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,968,270</u>	<u>10,968,270</u>
	<u>\$ 4,833</u>	<u>\$ -</u>	<u>\$ 61,416</u>	<u>\$ 10,968,270</u>	<u>\$ 11,034,519</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 4,833	\$ -	\$ -	\$ -	\$ 4,833
	<u>4,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,833</u>
Limited Tax Bonds, Series 2010	-	-	-	4,666,625	4,666,625
Accrued interest - Series 2010	-	-	-	3,304,362	3,304,362
Developer Advances - Capital Projects	-	-	-	58,119	58,119
Accrued Interest - Capital Projects	-	-	-	19,359	19,359
Developer Advances - Operations	-	-	-	65,718	65,718
Accrued Interest - Operations	-	-	-	18,730	18,730
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,132,913</u>	<u>8,132,913</u>
Total liabilities	<u>4,833</u>	<u>-</u>	<u>-</u>	<u>8,132,913</u>	<u>8,137,746</u>
Fund equity and other credits					
Investment in fixed assets	-	-	-	2,835,357	2,835,357
Fund balance	-	-	61,416	-	61,416
	<u>-</u>	<u>-</u>	<u>61,416</u>	<u>2,835,357</u>	<u>2,896,773</u>
	<u>\$ 4,833</u>	<u>\$ -</u>	<u>\$ 61,416</u>	<u>\$ 10,968,270</u>	<u>\$ 11,034,519</u>

Great Western Park Metropolitan District No.3
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Three Months Ended March 31, 2020
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual <u>Quarter</u>	Actual Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues				
Property taxes	\$ 8,613	\$ -	\$ -	\$ (8,613)
Specific ownership taxes	129	105	105	(24)
Developer advances	14,341	8,992	8,992	(5,349)
Interest income	200	257	257	57
	<u>23,283</u>	<u>9,354</u>	<u>9,354</u>	<u>(13,929)</u>
Expenditures				
Accounting	5,500	2,183	2,183	3,317
Audit	4,500	-	-	4,500
Election expense	1,500	-	-	1,500
Insurance	3,850	3,170	3,170	680
Legal	3,000	1,369	1,369	1,631
Management fees	3,250	2,505	2,505	745
Miscellaneous	1,200	127	127	1,073
Treasurer fees	129	-	-	129
Emergency reserve	698	-	-	698
	<u>23,627</u>	<u>9,354</u>	<u>9,354</u>	<u>14,273</u>
Excess (deficiency) of revenues over expenditures	(344)	<u>\$ -</u>	-	344
Fund balance beginning	<u>6,693</u>		-	<u>(6,693)</u>
Fund balance ending	<u>\$ 6,349</u>		<u>\$ -</u>	<u>\$ (6,349)</u>

Great Western Park Metropolitan District No.3
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Three Months Ended March 31, 2020
Capital Projects Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual <u>Quarter</u>	Actual Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues				
Interest income	\$ -	\$ -	\$ -	\$ -
Developer advances	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>(8,000)</u>
	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>(8,000)</u>
Expenditures				
Accounting	3,200	-	-	3,200
Legal	3,000	-	-	3,000
Management	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>1,800</u>
	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Excess (deficiency) of revenues over expenditures	-	<u>\$ -</u>	-	-
Fund balance beginning	<u>-</u>		<u>-</u>	<u>-</u>
Fund balance ending	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

Great Western Park Metropolitan District No.3
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Three Months Ended March 31, 2020
Debt Service Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Actual <u>Quarter</u>	Actual Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues				
Property taxes	\$ 57,609	\$ -	\$ -	\$ (57,609)
Specific ownership taxes	2,750	705	705	(2,045)
Interest income	600	-	-	(600)
	<u>60,959</u>	<u>705</u>	<u>705</u>	<u>(60,254)</u>
Expenditures				
Series 2010 Interest	60,000	-	-	60,000
Treasurer's fees	864	-	-	864
	<u>60,864</u>	<u>-</u>	<u>-</u>	<u>60,864</u>
Excess (deficiency) of revenues over expenditures	95	<u>\$ 705</u>	705	610
Fund balance beginning	<u>2,219</u>		<u>60,711</u>	<u>58,492</u>
Fund balance ending	<u>\$ 2,314</u>		<u>\$ 61,416</u>	<u>\$ 59,102</u>

SECOND RESOLUTION TO AMEND 2019 BUDGET
GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

WHEREAS, the Board of Directors of the Great Western Park Metropolitan District No. 3 budgeted and appropriated funds for the fiscal year 2019 as follows, as amended:

General Fund	\$	25,000
Debt Service Fund	\$	60,855
Capital Projects Fund	\$	15,000

WHEREAS, the necessity has arisen for additional expenditures in the General Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2019; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the General Fund from property tax revenue and interest income.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Great Western Park Metropolitan District No. 3 shall and hereby does amend the amended Budget for the fiscal year 2019 and adopts a supplemental budget and appropriation for the General Fund for the fiscal year 2019, as follows:

General Fund	\$	27,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 23rd day of June, 2020.

GREAT WESTERN PARK METROPOLITAN
DISTRICT NO. 3

By: _____
Secretary

Great Western Park Metropolitan District No. 2
Amended Budget
General Fund
For the Year ended December 31, 2019

	Adopted Budget <u>2019</u>	1st Amended Budget <u>2019</u>	2nd Amended Budget <u>2019</u>
Beginning fund balance	\$ 6,216	\$ 5,807	\$ 5,807
Revenues:			
Property Tax	8,710	8,710	8,710
Specific Ownership Taxes	131	131	131
Developer Advance	11,542	10,352	12,314
Interest income	-	-	-
Total revenues	<u>20,383</u>	<u>19,193</u>	<u>21,155</u>
Total funds available	<u>26,599</u>	<u>25,000</u>	<u>26,962</u>
Expenditures			
Accounting	5,500	5,500	5,500
Audit	4,300	4,300	4,300
Election	-	-	-
Insurance/SDA Dues	3,200	3,200	3,200
Legal	2,500	2,500	5,045
Management	3,400	3,400	3,429
Miscellaneous	750	750	750
Treasurer's Fees	131	131	131
Transfers to Capital Projects Fund	-	4,608	3,996
Emergency Reserves	611	611	611
Total expenditures	<u>20,392</u>	<u>25,000</u>	<u>26,962</u>
Ending fund balance	<u>\$ 6,207</u>	<u>\$ -</u>	<u>\$ -</u>

May 4, 2020

Diane Wheeler
Great Western Park Metropolitan District No. 3
c/o Simmons & Wheeler, P.C.
304 Inverness Way South, Suite 490
Englewood, CO 80112

Dear Diane:

We are pleased to confirm our understanding of the services we will provide Great Western Park Metropolitan District No. 3 ("the District") for the year ended December 31, 2019.

Type of Services and Investment: We will audit the general purpose financial statements of the District as of December 31, 2019. Your investment with our firm for the stated service(s) will be \$4,500.

Character of Services: Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express an unqualified opinion that your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance.

As part of your investment, we will provide the required and/or agreed upon accounting/bookkeeping services necessary to audit the financial statements identified above. Such services will be limited to the adjustment of specific accounts identified as necessary. The performance of a bookkeeping service is deemed to be a non-attest service in our professional standards. These services will be performed in conjunction with tests of reasonableness and materiality as defined by accounting principles and auditing standards generally accepted in the United States of America. Should the necessary accounting services result in a significant modification to your investment, we will notify you immediately to discuss the proposed investment modification and submit a Change Order for your approval before the services are completed.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, direct confirmation of cash balances and/or certain other assets and liabilities by correspondence with selected banks and creditors. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or government regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. As auditors our responsibility is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Your Responsibilities: Our audit will be conducted on the basis that management, and where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States;
- b. 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; and
- c. to provide us with
 - i. access to all information of which the District is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - ii. additional information that we may request from the District for the purpose of the audit; and
 - iii. unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from the District and where appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about known or suspected fraud affecting the District involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

You are also responsible for providing us all of the information requested in a timely manner and for informing us if any requested information will be delayed, as failing to provide the requested information and/or delays in providing such information may impact Wipfli LLP's services, pricing, and/or our ability to deliver the project on time.

Reportable Conditions on Internal Controls: We may make recommendations concerning your accounting system and system of internal controls. Because our engagement does not include a review and evaluation of these systems, any failures or inadequacies of your accounting records or financial statements resulting from inadequacies in these systems, or losses that you may suffer as a result, are exclusively your responsibility.

Our audit will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions, that is, significant deficiencies in the design or operation of internal control. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

Quality Review: The District agrees to, and hereby consents to participate in Wipfli LLP's policy of Quality Review. As a part of this program, all of the major services performed under this Agreement may be reviewed by another CPA in our firm following strict rules of confidentiality or by another CPA under the American Institute of Certified Public Accountants Peer Review Program. The price for this enhanced review is included in the professional services detailed above.

Other Services: Your investment for services not included as part of this engagement will be determined based on our standard rates or, depending on the type of engagement, will be identified and presented under a specific engagement letter for that particular service.

Conclusion of Engagement: At the conclusion of the engagement, you will be provided with a draft of the financial statements that we will review with management. Should this review result in requested modifications or changes to the information as presented, we will consider the applicability of those changes and, potentially, modify the statements accordingly.

We will not provide you with a final copy of the financial statements and report unless, or until, we have received a representation letter signed by the appropriate member of management.

Document Retention Policy: At the conclusion of this engagement, we will return to you all original records you supplied to us and any other records we deem to be part of your accounting system. Your records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentations, whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you that our records relating to the District are to be destroyed. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that our firm may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements and representation letters, and retain only digital images thereof.

Privacy Policies and Practices: CPAs have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. We do not disclose any nonpublic personal information obtained in the course of our practice except as required by law. Included with this engagement letter is our U.S. Consumer Privacy Notice that explains our privacy policies and practices (see **Appendix A**).

Subpoena of Documents: As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities or a legal, arbitration or administrative proceeding (including grand jury investigations), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Data Transmission: In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards. Some of your data might be transmitted and stored electronically via systems that are not controlled by Wipfli LLP - examples include but are not limited to email, use of secure portals such as ShareFile to upload and download your documents, and Adobe Sign to obtain digital signatures. Our policies and procedures, as well as Colorado State statutes, require CPAs to only transmit personally identifiable information utilizing secure methods and we only work with established, reputable companies that have demonstrated their commitment to safeguarding your data. However, there is no guarantee that such data will not be seen by an unintended third party.

Conflicts of Interest: Although we intend to be fair and impartial toward all parties, a conflict of interest may exist between parties. Examples of these types of conflicts of interest include spouses, owners of businesses, and beneficiaries of trusts. Any information we receive from one party that may impact other party(ies) will be made known to all parties; and, for that purpose, you waive the requirements of confidentiality among yourselves and Wipfli LLP.

Invoicing, Payment and Disputes: Your investment is determined based on the services we are providing and the value applied to those services. Should any matters come to our attention during the course of our work that would require a modification of your investment, we will notify you immediately.

Our invoices, including progress billings, are due upon presentation. If payment in full is not received within 60 days of the date of the invoice, you agree to pay interest at the rate of 18 percent per annum on any unpaid balance.

All disputes arising under this agreement shall be submitted to mediation. Each party shall designate an executive officer or principal empowered to resolve the dispute. In the event that the designated representatives are unable to agree on a resolution, a mediation service acceptable to both parties shall select a mediator to mediate the dispute. Each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceeding shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. In the event that the dispute is required to be litigated, the court shall be authorized to assess litigation costs against any party found not to have participated in the mediation process in good faith.

Illegal Aliens: We certify that Wipfli LLP shall comply with the provisions of C.R.S. 8-17.5-101, et seq.

- A. *Employment or Contracting with Illegal Aliens.* We certify that Wipfli LLP does not knowingly employ or contract with an illegal alien to perform work under this engagement letter, or will enter into a contract with a subcontractor that fails to certify to Wipfli LLP that such subcontractor does not knowingly employ or contract with an illegal alien to perform work under this engagement letter.
- B. *Verification Regarding Illegal Aliens.* We certify that Wipfli LLP has verified the employment eligibility of all employees who are newly hired for employment, to perform the work under this engagement letter, through participation in either the Electronic Employment Verification Program, or Employment Verification Program which is established pursuant to Section 8-17.5-102 (5)(c), C.R.S., (collectively referred to as "Verification Programs").
- C. *Limitation Regarding Verification Programs.* We agree that Wipfli LLP will use the Verification Programs to undertake pre-employment screening of job applicants while performing professional services on behalf of the District.
- D. *Duty to Terminate Subcontractor:* If Wipfli LLP obtains actual knowledge that a subcontractor performing work pursuant to this engagement letter knowingly employs or contracts with an illegal alien, Wipfli LLP shall:
 - (i) notify the subcontractor and the District within three (3) days that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
 - (ii) terminate the subcontract with the subcontractor if, within three (3) days of receiving notice required pursuant to C.R.S. 8-17.5-102(2)(b)(III)(A) that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with an illegal alien, the subcontractor does not stop employing or contracting with the illegal alien.

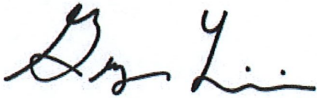
Wipfli LLP shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
- E. *Duty to Comply with Investigation.* Wipfli LLP shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation that the Colorado Department of Labor and Employment is undertaking pursuant to the authority established by C.R.S. 8-17.5-102(5).
- F. *Notification.* The District shall notify the office of the Colorado Secretary of State if Wipfli LLP violates a provision of C.R.S. 8-17.5-102(2), and the District terminates the engagement for such breach. The District will notify the Colorado Secretary of State if a court made such a determination.

G. *Participation in Employment Verification Program.* Wipfli LLP shall notify the District of its participation in the Employment Verification Program and shall comply with the requirements of C.R.S § 8-17.5-102(5)(c).

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you agree with the terms of our engagement as described in this letter, please sign and return it to us. This letter will continue in effect until canceled by either party. Please feel free to call us with any questions you may have.

Sincerely,

WIPFLI LLP



Greg Livin, CPA, CCIFP, CGMA

RESPONSE:

This letter correctly sets forth the understanding of Great Western Park Metropolitan District No. 3 for the year ended December 31, 2019.

Signature Greg A. Beadly

Title President

Date May 5, 2020

Please return all pages of the signed letter to Wipfli LLP.

Appendix A:

U.S. Consumer Privacy Notice

FACTS: WHAT DOES WIPFLI LLP DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> ▪ Social Security number and income ▪ Account balances and transaction history ▪ Credit history and payment history ▪ Other personal and/or business information we receive to assist in providing tax and accounting services
How?	All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their clients' personal information; the reasons Wipfli LLP chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Wipfli LLP share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes - information about your transactions and experiences	Not applicable	We don't share
For our affiliates' everyday business purposes - information about your creditworthiness	Not applicable	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call 303-988-1900
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Who we are	
Who is providing this notice?	Wipfli LLP

What we do	
How does Wipfli LLP protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Some of your data might be transmitted and stored electronically via systems that are not controlled by Wipfli LLP. Examples include but are not limited to email, use of secure portals such as ShareFile to upload and download your documents, and Adobe Sign to obtain digital signatures. Our policies and procedures, as well as Colorado State statutes, require CPAs to only transmit personally identifiable information utilizing secure methods and we only work with established, reputable companies that have demonstrated their commitment to safeguarding your data.
How does Wipfli LLP collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> ▪ Provide information in order to prepare your tax return ▪ Provide information in order to prepare personal or business financial statement ▪ Provide information regarding your personal or business financial matters to perform accounting, tax or consulting services
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> ▪ sharing for affiliates' everyday business purposes - information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> ▪ Wipfli LLP does not have any affiliates
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> ▪ Federal, State and local tax agencies ▪ Third party software and computer support agencies ▪ Professional and/or regulatory entities
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> ▪ Wipfli LLP does not have any joint marketing agreements with nonaffiliated financial companies

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3
GASB 34 AJE's
12/31/2019

CIP	2,835,357	
Developer AR		-
Accrued interest		2,785,420
Prior period adjustment		-
GO Bonds		4,666,625
Developer Advances		110,658
Beginning fund balance	7,815	
Beginning net assets	4,719,531	
Record net position as of 12/31/18		
Developer advances	13,178	
Developer note		13,178
Reclass developer advances		
Developer advances	4,776	
Developer Advance Receivable		4,776
reverse developer advance receivable		
Interest expense	547,335	
Accrued interest		547,335
Record change in accrued note interest		
Non GASB34 entries		
Management - General	1,697	
Legal - General	3,002	
Accounts Payable - General		4,699
Developer Advance Receivable	4,776	
Developer Advances		4,776
To record additional AP @12/31/2019		
Developer Advances- General	6,066	
Developer Advances- Capital		6,066
To reclassify to correct fund		
Transfer from General Fund	6,066	
Transfer to Capital Projects Fund		6,066
To reverse transfers not needed after reclassified developer advances		
	<u>\$ 8,149,598</u>	<u>\$ 8,149,598</u>

**GREAT WESTERN PARK METROPOLITAN
DISTRICT NO. 3**

Financial Statements

Year Ended December 31, 2019

with

Independent Auditors' Report

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GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 475	\$ -	\$ -	\$ 475	\$ -	\$ 475
Cash and investments - restricted	698	60,397	-	61,095	-	61,095
Receivable - County Treasurer	47	314	-	361	-	361
Property taxes receivable	8,613	57,609	-	66,222	-	66,222
Developer advance receivable	4,776	-	-	4,776	(4,776)	-
Prepaid expenses	400	-	-	400	-	400
Capital assets not being depreciated	-	-	-	-	2,835,357	2,835,357
Total Assets	<u>\$ 15,009</u>	<u>\$ 118,320</u>	<u>\$ -</u>	<u>\$ 133,329</u>	<u>2,830,581</u>	<u>2,963,910</u>
LIABILITIES						
Accounts payable	\$ 6,396	\$ -	\$ -	\$ 6,396	-	6,396
Accrued interest on long-term debt	-	-	-	-	3,342,450	3,342,450
Long-term liabilities:						
Due in more than one year	-	-	-	-	4,790,461	4,790,461
Total Liabilities	<u>6,396</u>	<u>-</u>	<u>-</u>	<u>6,396</u>	<u>8,132,911</u>	<u>8,139,307</u>
DEFERRED INFLOWS OF RESOURCES						
Property taxes	8,613	57,609	-	66,222	-	66,222
Total Deferred Inflows of Resources	<u>8,613</u>	<u>57,609</u>	<u>-</u>	<u>66,222</u>	<u>-</u>	<u>66,222</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepays	400	-	-	400	(400)	-
Restricted:						
Emergencies	698	-	-	698	(698)	-
Debt service	-	60,711	-	60,711	(60,711)	-
Unassigned	(1,098)	-	-	(1,098)	1,098	-
Total Fund Balances	<u>-</u>	<u>60,711</u>	<u>-</u>	<u>60,711</u>	<u>(60,711)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,009</u>	<u>\$ 118,320</u>	<u>\$ -</u>	<u>\$ 133,329</u>		
Net Position:						
Restricted for:						
Emergencies					698	698
Debt service					(3,281,739)	(3,281,739)
Unrestricted					<u>(1,960,578)</u>	<u>(1,960,578)</u>
Total Net Position					<u>\$ (5,241,619)</u>	<u>\$ (5,241,619)</u>

The notes to the financial statements are an integral part of these statements.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
General expenses:						
Accounting	\$ 3,839	\$ -	\$ 4,916	\$ 8,755	\$ -	\$ 8,755
Audit	4,124	-	-	4,124	-	4,124
Insurance	3,364	-	-	3,364	-	3,364
Legal	5,436	-	3,175	8,611	-	8,611
Management fees	5,166	-	2,513	7,679	-	7,679
Miscellaneous expenses	906	-	-	906	-	906
Treasurers fees	131	874	-	1,005	-	1,005
Debt service:						
Interest expense	-	2,628	-	2,628	557,030	559,658
Total Expenditures	22,966	3,502	10,604	37,072	557,030	594,102
GENERAL REVENUES						
Property taxes	8,710	58,258	-	66,968	-	66,968
Specific ownership taxes	557	3,725	-	4,282	-	4,282
Interest income	-	764	-	764	-	764
Total General Revenues	9,267	62,747	-	72,014	-	72,014
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	(13,699)	59,245	(10,604)	34,942	(557,030)	(522,088)
OTHER FINANCING SOURCES (USES)						
Developer advances	11,888	-	6,066	17,954	(17,954)	-
Transfers in (out)	(3,996)	-	3,996	-	-	-
Total Other Financing Sources (Uses)	7,892	-	10,062	17,954	(17,954)	-
NET CHANGES IN FUND BALANCES						
	(5,807)	59,245	(542)	52,896	(52,896)	
CHANGE IN NET POSITION						
					(522,088)	(522,088)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	5,807	1,466	542	7,815	(4,727,346)	(4,719,531)
END OF YEAR	\$ -	\$ 60,711	\$ -	\$ 60,711	\$ (5,302,330)	\$ (5,241,619)

The notes to the financial statements are an integral part of these statements.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Budget</u>	<u>Budget</u>		
REVENUES				
Property taxes	\$ 8,710	\$ 8,710	\$ 8,710	\$ -
Specific ownership taxes	<u>131</u>	<u>131</u>	<u>557</u>	<u>426</u>
Total Revenues	<u>8,841</u>	<u>8,841</u>	<u>9,267</u>	<u>426</u>
EXPENDITURES				
Accounting	5,500	5,500	3,839	1,661
Audit	4,300	4,300	4,124	176
Election expense	-	-	-	-
Insurance	3,200	3,200	3,364	(164)
Legal	2,500	5,045	5,436	(391)
Management fees	3,400	3,429	5,166	(1,737)
Miscellaneous expenses	750	750	906	(156)
Treasurers fees	131	131	131	-
Emergency reserve	<u>611</u>	<u>611</u>	<u>-</u>	<u>611</u>
Total Expenditures	<u>20,392</u>	<u>22,966</u>	<u>22,966</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,551)	(14,125)	(13,699)	426
OTHER FINANCING SOURCES (USES)				
Developer advances	11,541	12,314	11,888	(426)
Transfers in (out)	<u>-</u>	<u>(3,996)</u>	<u>(3,996)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>11,541</u>	<u>8,318</u>	<u>7,892</u>	<u>(426)</u>
NET CHANGE IN FUND BALANCE	(10)	(5,807)	(5,807)	-
FUND BALANCE:				
BEGINNING OF YEAR	<u>6,216</u>	<u>5,807</u>	<u>5,807</u>	<u>-</u>
END OF YEAR	<u>\$ 6,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Great Western Park Metropolitan District No. 3 (“the District”), located in the City and County of Broomfield, Colorado, (“the City and 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.

Definition of Reporting Entity

The District was organized on January 4, 2002, under the name of Great Western Park Metropolitan District as a quasi-municipal organization established under the State of Colorado Special District Act. The name of the District was changed to Great Western Park Metropolitan District No. 3 on January 7, 2009. On December 17, 2008, Great Western Park Metropolitan District No. 1 (“District No. 1”) and Great Western Park Metropolitan District No. 2 (“District No. 2”) were formed. The District was established to provide financing for the construction of streets, water, sanitation, traffic and safety protection, and park and recreation improvements. Previously, the three districts worked together to provide the necessary public improvements and services required to serve the development. As of 2016, the District, District No. 1 and District No. 2 determined to operate independently of one another. 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. 39, *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. The District has no component units as defined by the GASB.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect 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 customers 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*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

The District reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

On November 26, 2019, the District amended its total appropriations in the General Fund from \$20,392 to \$25,000 primarily due to the transfer of funds to the Capital Projects Fund and in the Capital Projects Fund from \$7,800 to \$15,000 primarily due to the increase capital expenditures over the amount budgeted for. In 2020, the District amended its total appropriations in the General Fund from \$25,000 to \$26,962 primarily due to the transfer of funds to the Capital Projects Fund.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position:

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents 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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements December 31, 2019

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.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements December 31, 2019

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2019.

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 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$400 represents prepaid expenditures.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$698 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$60,711 is restricted for the payment of the debt service costs (see Note 4).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

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

Statement of Net Position:

Cash and investments	\$ 475
Cash and investments - Restricted	<u>61,095</u>
Total	<u>\$ 61,570</u>

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

Deposits with financial institutions	\$ 980
Investments - COLOTRUST	<u>60,590</u>
	<u>\$ 61,570</u>

Deposits:

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

The District does not have a formal policy for deposits however; the District follows State statutes for Deposits. None of the District’s deposits were exposed to custodial credit risk.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

Investments:

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method (NAV) per share.

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

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. The trusts operate similarly to a money market fund with each share maintaining a value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes 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 repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2019, the District had \$60,590 invested in COLOTRUST.

Credit Risk

The District has adopted an investment policy by which it follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2019 follows:

	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2018</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 2,835,357	\$ -	\$ -	\$ 2,835,357
Government type assets, net	\$ 2,835,357	\$ -	\$ -	\$ 2,835,357

Upon completion and acceptance, all fixed assets except for the landscaping and the monument wall will be conveyed by the District to other local governments. The District will not be responsible for maintenance.

Note 4: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2019:

	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>
Limited Tax Bonds - Series 2010	\$ 4,666,625	\$ -	\$ -	\$ 4,666,625
Accrued interest - Series 2010 Bonds	2,757,027	549,963	2,628	3,304,362
Developer advances - operations	58,605	7,112	-	65,717
Accrued interest - operations	13,266	5,463	-	18,729
Developer advances - capital projects	52,053	6,066	-	58,119
Accrued interest - capital projects	15,127	4,232	-	19,359
Total long-term debt:	\$ 7,562,703	\$ 572,836	\$ 2,628	\$ 8,132,911

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements December 31, 2019

A description of the long-term obligations as of December 31, 2019, is as follows:

Limited Tax Bonds, Series 2010. On November 1, 2010, the District issued its \$4,666,625 Limited Tax Bonds, Series 2010, (“the Bonds”) maturing on December 15, 2040, for the purpose of reimbursing certain costs of designing, constructing, acquiring and installing certain infrastructure improvements within the District’s boundaries. The bonds bear interest at the rate of 7%, payable annually on December 15th, commencing on December 15, 2011. The bonds are subject to a mandatory sinking fund redemption in part by lot on each December 15, commencing on December 15, 2011. Should funds be available in the mandatory redemption account the Bonds are subject to an early redemption at the option of the District commencing December 1, 2020 with no call premium.

The Bonds are secured by Pledged Revenues including revenues derived from the required mill levy of 50 mills, specific ownership taxes, the facilities fees and other legally available moneys which the District determines to credit to payment of the Bonds.

Due to the uncertainty of the timing of the principal and interest on the Bonds, a schedule of the estimated timing of these payments is not available. There was one interest payment in 2019 in the amount of \$2,628.

In accordance with the Bond documents, due to the limited nature of the pledged revenues, the District will not be in default of its obligations by reason of failure to pay interest or principal when due. Any unpaid interest will compound on the due date commencing December 15, 2011.

Non-Revolving Line of Credit Note, Series 2010. On November 1, 2010, the District issued its Subordinate Non-revolving Line of Credit Note, Series 2010 (the “Note”) to Great Western Park, LLC (the “Developer”) in an amount not to exceed \$11,248,375, for the purpose of reimbursing costs of designing, constructing, acquiring, installing and funding the purchase price for the acquisition of certain infrastructure improvements under the Amended and Restated Facilities Funding and Acquisition Agreement with the Developer (see Note 7). The Note will bear interest at the rate of 7.5% per annum, payable annually on December 15, commencing on December 15, 2011. As of December 31, 2019, there was \$0 advanced to the District under the note.

The Note is secured by certain pledged revenues including a required mill levy not to exceed 50.000 mills; related specific ownership taxes, facilities fees, and other legally available moneys which the District determines to credit to the Note fund. The repayment of this Note is subordinate to the repayment of the Bonds.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

Note 5: Debt Authorization

As of December 31, 2019, the District had remaining voted debt authorization from its Service Plan limit of approximately \$79,933,375. Per the District's Service Plan, the District cannot issue debt in excess of \$84,600,000. Further, the District's Service Plan limits the aggregate principal amount of debt that can be issued by the District, District No. 1 and District No. 2 to \$97,200,000, of which \$54,733,375 remains. In November 2012, the District voted an increase in debt authorization to \$848,000,000, leaving the District with an overall debt authorization amount of \$1,099,133,375. The District has not budgeted to issue any new debt during 2020.

Note 6: Related Party

All of the Board of Directors are employees, owners or are 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 7: Commitments and Agreements

Second Amended and Restated Facilities Funding and Acquisition Agreement dated June 25, 2013, and effective December 12, 2001. On November 27, 2007, the District entered into a Facilities Funding and Acquisition Agreement with the Developer ("Original FFAA"). The Original FFAA was amended and restated on June 25, 2013 per the Second Amended and Restated Facilities Funding and Acquisition Agreement ("Acquisition Agreement"). The Developer has agreed to advance funds to the District to design, construct and complete the infrastructure improvements within the District outlined in the Service Plan in an amount not to exceed \$15,915,000 as needed for fiscal years 2001 – 2040. In lieu of advancing funds to the District, the Developer may complete such improvements subject to future acceptance and acquisition by the District. Any advances made under the Acquisition Agreement will earn interest at 8% per annum. At December 31, 2019, the District had \$77,478 of developer advances payable under the Acquisition Agreement, which includes \$19,359 of accrued interest.

2013 Operation Funding Agreement. On November 19, 2013 (effective January 1, 2013), the District entered into the 2013 Operation Funding Agreement ("2013 OFA") with the Developer, whereby the Developer agreed to advance up to \$9,000 to the District for operations and maintenance expenses incurred in fiscal year 2013. Such advances will accrue simple interest from the date of deposit into the District's account at the rate of 9% per annum. The District agreed to reimburse the Developer amounts advanced under the 2013 OFA, subject to annual budget and appropriation. The obligation of the District to reimburse the Developer under the 2013 OFA expires on December 31, 2033. On November 18, 2014 (effective January 1, 2013), this agreement was amended to increase the total shortfall amount to \$25,000 and to extend the funding obligation through fiscal year 2015. On November 17, 2015 (effective January 1, 2013), this agreement was further amended to increase the total shortfall amount to \$30,000 and to extend the funding obligation through fiscal year 2016.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

On November 15, 2016 (effective January 1, 2013), this agreement was further amended to increase the shortfall amount to \$45,171, and to extend the funding obligation through fiscal year 2017. On December 6, 2017 (effective January 1, 2013), this agreement was further amended to increase the shortfall amount to \$60,000, and to extend the funding obligation through fiscal year 2018. On October 23, 2018, (Effective January 1, 2013), this agreement was further amended to increase the shortfall amount to \$70,000, and to extend the funding obligation through fiscal year 2019. On November 26, 2019, (Effective January 1, 2013), this agreement was further amended to increase the shortfall amount to \$100,000, and to extend the funding obligation through fiscal year 2020. At December 31, 2019, the District had \$84,446 of developer advances payable under the agreement, which includes \$18,729 of accrued interest.

Imposition of Facilities Development Fees. On March 22, 2004, the District adopted a resolution to impose Facilities Development Fees (“Fees”) on the property located within the District’s boundaries. The Fees will be \$1.00 per square foot paid upon the issuance of a building permit for construction upon any portion of a lot or commercial space within the property. The revenues received from the imposition of the Fees are pledged for payment of the Bonds or any other indebtedness of the District. As of December 31, 2019, no Fees have been paid to the District.

Note 8: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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.

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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

On November 4, 2008 a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 9: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the "Pool"), which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 10: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The *Governmental Funds Balance Sheet/Statement of Net Position* includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds payable, accrued bond interest payable, developer advances payable and accrued interest on developer advances are not due and payable in the current period and, therefore, are not in the funds.

The *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities* includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2019

- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances as revenue; and,
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

DRAFT

SUPPLEMENTAL INFORMATION

DRAFT

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2019

	<u>Original and</u> <u>Final Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 58,258	\$ 58,258	\$ -
Specific ownership taxes	3,400	3,725	325
Interest income	<u>400</u>	<u>764</u>	<u>364</u>
Total Revenues	<u>62,058</u>	<u>62,747</u>	<u>689</u>
EXPENDITURES			
Treasurers fees	874	874	-
Interest expense	<u>59,981</u>	<u>2,628</u>	<u>57,353</u>
Total Expenditures	<u>60,855</u>	<u>3,502</u>	<u>57,353</u>
NET CHANGE IN FUND BALANCE	1,203	59,245	58,042
FUND BALANCE:			
BEGINNING OF YEAR	<u>69,540</u>	<u>1,466</u>	<u>(68,074)</u>
END OF YEAR	<u>\$ 70,743</u>	<u>\$ 60,711</u>	<u>\$ (10,032)</u>

The notes to the financial statements are an integral part of these statements.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2019

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Accounting	3,000	6,000	4,916	1,084
Legal	3,000	6,000	3,175	2,825
Management fees	<u>1,800</u>	<u>3,000</u>	<u>2,513</u>	<u>487</u>
Total Expenditures	<u>7,800</u>	<u>15,000</u>	<u>10,604</u>	<u>4,396</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,800)	(15,000)	(10,604)	4,396
OTHER FINANCING SOURCES (USES)				
Developer advances	7,800	10,458	6,066	(4,392)
Transfers in (out)	<u>-</u>	<u>4,000</u>	<u>3,996</u>	<u>(4)</u>
Total Other Financing Sources (Uses)	<u>7,800</u>	<u>14,458</u>	<u>10,062</u>	<u>(4,396)</u>
NET CHANGE IN FUND BALANCE	-	(542)	(542)	-
FUND BALANCE:				
BEGINNING OF YEAR	<u>-</u>	<u>542</u>	<u>542</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2019

<u>Year Ended December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2010	\$ 1,051,060	57.475	0.000	\$ 60,410	\$ 60,410	100.00%
2011	\$ 1,062,690	7.475	50.000	\$ 61,078	\$ 61,079	100.00%
2012	\$ 1,124,270	7.475	50.000	\$ 64,617	\$ 62,024	95.99%
2013	\$ 1,132,600	7.475	50.000	\$ 65,096	\$ 65,096	100.00%
2014	\$ 1,263,820	7.475	50.000	\$ 72,638	\$ 72,638	100.00%
2015	\$ 1,179,440	7.475	50.000	\$ 67,788	\$ 67,788	100.00%
2016	\$ 1,122,980	7.475	50.000	\$ 64,543	\$ 64,543	100.00%
2017	\$ 1,091,100	7.475	50.000	\$ 62,711	\$ 62,711	100.00%
2018	\$ 1,140,730	7.475	50.000	\$ 65,564	\$ 65,563	100.00%
2019	\$ 1,165,151	7.475	50.000	\$ 66,968	\$ 66,968	100.00%
Estimated for year ending December 31, 2020	\$ 1,152,185	7.475	50.000	\$ 66,222		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

McGeady Becher P.C.
Document Retention Policy

Types of Documents

In representing you we will or may take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, or cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the "**Record**"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District – such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

Delivery of the Record

Once a matter is concluded or our representation terminated, we deliver the original, printed Record, together with any original documents we have accepted for safekeeping, to you or the District's designee, provided our fees and costs have been paid in full. If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents because of your failure to designate a recipient, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days following the conclusion of a matter or the termination of our representation.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.