

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 REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Gregg A. Bradbury	President	2027/May 2027
Jeffrey L. Nading	Treasurer	2025/May 2025
Charles Church McKay	Assistant Secretary	2027/May 2027
Brandon Dooling	Assistant Secretary	2027/May 2027
Steve Nading	Assistant Secretary	2025/May 2025

DATE June 27, 2023 (Tuesday)

TIME: 9:00 A.M.

PLACE: **Zoom Meeting: This meeting will be held via Zoom without any individuals (neither District representatives nor the general public) attending in person. The meeting can be joined through the directions below:**

Join Zoom Meeting

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

Meeting ID: 546 911 9353

Passcode: 912873

Dial In: 1- 253-215-8782

I. PUBLIC COMMENTS

A. _____

II. 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. Acknowledge resignation of James Ruthven as Secretary to the Board and consider appointment of David Solin as Secretary to the Board.

D. Review and approve Minutes of the November 22, 2022 Regular Meeting (enclosure).

- E. Discuss results of the cancelled of May 2, 2023 Regular Directors' Election (enclosure).
-

- F. Consider appointment of Officers:

President _____
Treasurer _____
Secretary _____
Asst. Secretary _____
Asst. Secretary _____
Asst. Secretary _____

III. FINANCIAL MATTERS

- A. Review and consider approval of the payment of claims for the period ending December 20, 2022 through May 31, 2023, in the amount of \$15,973.33 and June 27, 2023 in the amount of \$2,826.01 (enclosures).
-

- B. Review and accept unaudited financial statements for the period ending March 31, 2023 (enclosure).
-

- C. Conduct Public Hearing to consider Amendment to 2022 Budget (if necessary) and consider adoption of a Resolution to Amend the 2022 Budget (enclosures).
-

- D. Review and consider approval of 2022 Audit and authorize execution of Representations Letter (draft audit – enclosed).
-

IV. LEGAL MATTERS

- A. _____

V. OTHER BUSINESS

- A. _____

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 28, 2023 – BUDGET HEARING**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3 HELD NOVEMBER 22, 2022

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 22nd day of November, 2022, at 9:00 a.m. This District Board meeting was held by Zoom video/telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

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

Also In Attendance Were:

Jim Ruthven; Special District Management Services, Inc.

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

Joy Tatton; Simmons & Wheeler, P.C.

PUBLIC COMMENT

There were no public comments.

ADMINISTRATIVE MATTERS

Disclosure of Potential Conflicts 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. Mr. Ruthven 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.

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

RECORD OF PROCEEDINGS

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

Location of Meeting / Posting of Notice: 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. The Board determined that the meeting would be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location/manner of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

Resignation and Appointment of Secretary to the Board: The Board discussed the resignation of David Solin as Secretary to the Board and considered the appointment of Jim Ruthven as Secretary to the Board.

Following discussion, upon motion duly made by Director J. Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Board acknowledged the resignation of David Solin as Secretary to the Board and appointed Jim Ruthven as Secretary to the Board.

Minutes: The Board reviewed the Minutes of the June 28, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director J. Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Minutes of the June 28, 2022 Regular Meeting were approved.

Resolution No. 2022-11-01, Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Location for Posting of 24-Hour Notices: The Board considered Resolution No. 2022-11-01, Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Location for Posting of 24-Hour Notices.

Mr. Ruthven reviewed the business to be conducted in 2023 to meet the statutory compliance requirements. The Board determined to meet on June 27, 2023 and November 28, 2023 at 9:00 a.m. via Zoom.

Following review, upon motion duly made by Director J. Nading, seconded by Director Bradbury and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-01, Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Location for Posting of 24-Hour Notices.

RECORD OF PROCEEDINGS

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2023: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2023 and directed staff to post the Transparency Notice on the Special District Association's website and the District website.

FINANCIAL MATTERS

Payment of Claims: The Board reviewed and considered the ratification/approval of the payment of claims for the period of June 1, 2022 through October 31, 2022 in the amount of \$16,537.39, and November 22, 2022 in the amount of \$63,335.52.

Following review and consideration, upon motion duly made by Director Bradbury, seconded by Director McKay and, upon vote, unanimously carried, the Board ratified or approved the payment of claims, as presented.

Unaudited Financial Statements: Ms. Tatton reviewed with the Board the unaudited financial statements for the period ending September 30, 2022.

Following review, upon motion duly made by Director Bradbury, seconded by Director Dooling and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2022, as presented.

2022 Audit: The Board discussed the engagement of Wipfli LLP to prepare the 2022 Audit.

Following review and discussion, upon motion duly made by Director Bradbury, seconded by Director Dooling and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to prepare the 2022 Audit, in the amount of \$5,100.

2022 Budget Amendment: The President opened the public hearing to consider amendment of the 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider amendment of the 2022 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 discussion, the Board determined that an amendment to the 2022 Budget was not necessary.

RECORD OF PROCEEDINGS

2023 Budget: The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2023 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.

Ms. Tatton reviewed the estimated 2022 expenditures and the proposed 2023 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2022-11-02, Resolution to Adopt the 2023 Budget and Appropriate Sums of Money, and Resolution No. 2022-11-03 Resolution to Set Mill Levies (for the General Fund at 7.475 mills and the Debt Service Fund at 50.000 mills, for a total mill levy of 57.475 mills). Upon motion duly made by Director Bradbury, seconded by Director McKay and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, 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, 2022. Mr. Ruthven was authorized to transmit the Certification of Mill Levies to the City and County of Broomfield not later than December 15, 2022. Mr. Ruthven was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form (“Certification”): Following discussion, upon motion duly made by Director Bradbury, seconded by Director Dooling and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the Certification, and directed the District Manager to file the Certification with the City and County of Broomfield and other interested parties.

2024 Budget Preparation / Hearing: Following discussion, upon motion duly made by Director McKay, seconded by Director Dooling and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget, and set the date for the public hearing to consider adoption of the 2024 Budget for November 28, 2023, at 9:00 a.m. via Zoom.

LEGAL MATTERS

May 2, 2023 Regular Directors’ Election: The Board discussed the upcoming election and Resolution No. 2022-11-04, Resolution Calling a Regular Election for Directors on May 2, 2023.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Bradbury, seconded by Director S. Nading and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-04, Resolution Calling a Regular Election for Directors on May 2, 2023, appointed James Ruthven as the Designated Election Official, and authorized him 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.

Ninth Amendment to 2013 Operation Funding Agreement between the District and Great Western Park, LLC: The Board reviewed the Ninth 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 McKay and, upon vote, unanimously carried, the Board approved the Ninth Amendment to 2013 Operation Funding Agreement between the District and Great Western Park, LLC.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

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 2, 2023 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 Bradbury	Second Regular Election, May 2027
Brandon Dooling	Second Regular Election, May 2027
Charles McKay	Second Regular Election, May 2027

/s/ James Ruthven
(Designated Election Official)

Contact Person for the District:	James Ruthven
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:	jruthven@sdmsi.com

Vendor	Invoice #	Date	Amount in USD	Expense Account	Account Number	Department
McGeady Becher P.C.	10312022 583B	10/31/2022	304.00	Legal	6750	1
Special District Management	11302022 GWPMD3	11/30/2022	680.80	Management fees	6100	1
Utility Notification Center of CO	222110676	11/30/2022	28.60	Miscellaneous	6850	1
McGeady Becher P.C.	11302022 583B	11/30/2022	3,940.00	Legal	6750	1
Prairie Mountain Media, LLC	330662	11/30/2022	-	Miscellaneous	6850	1
Simmons & Wheeler	34599	12/31/2022	343.83	Accounting	6170	1
Simmons & Wheeler	34506	11/30/2022	1,014.64	Accounting	6170	1
Special District Management	12312022 GWPMD3	12/31/2022	266.97	Management fees	6100	1
Utility Notification Center of CO	222120641	12/31/2022	27.30	Miscellaneous	6850	1
Colorado Spec Dist P&L	23WC-60155-0567	1/1/2023	450.00	Insurance	6700	1
McGeady Becher P.C.	12312022 583B	12/31/2022	517.00	Legal	6750	1
Special District Association	2023	1/19/2023	267.70	Insurance	6700	1
Special District Management	01312023 GWPMD3	1/31/2023	16.00	Election expense	6350	1
Special District Management	01312023 GWPMD3	1/31/2023	454.80	Management fees	6100	1
Utility Notification Center of CO	223010630	1/31/2023	41.28	Miscellaneous	6850	1
McGeady Becher P.C.	01312023 583B	1/31/2023	1,524.58	Legal	6750	1
McGeady Becher P.C.	02282023 583B	2/28/2023	1,575.01	Legal	6750	1
McGeady Becher P.C.	02282023 583B	2/28/2023	48.48	Election expense	6350	1
Prairie Mountain Media, LLC	330662	11/30/2022	-	Miscellaneous	6850	1
Simmons & Wheeler	35134	2/28/2023	1,087.52	Accounting	6170	1
Simmons & Wheeler	34805	1/31/2023	1,154.10	Accounting	6170	1
Special District Management	03 31 2023 GWPMD3	3/31/2023	260.60	Election expense	6350	1
Special District Management	03 31 2023 GWPMD3	3/31/2023	117.60	Management fees	6100	1
McGeady Becher P.C.	03 31 23 583B	3/31/2023	780.72	Legal	6750	1
McGeady Becher P.C.	03 31 23 583B	3/31/2023	72.72	Election expense	6350	1
McGeady Becher P.C.	04 30 23 583B	4/30/2023	646.08	Legal	6750	1
Special District Management	04 30 23 GWPMD3	4/30/2023	194.40	Election expense	6350	1
Special District Management	04 30 23 GWPMD3	4/30/2023	158.60	Management fees	6100	1
			<u>15,973.33</u>			

Vendor	Invoice #	Date	Amount in USD	Expense Account	Account Number	Department
Simmons & Wheeler	35807	5/31/2023	263.19	Accounting	6170	1
Simmons & Wheeler	35594	4/30/2023	491.82	Accounting	6170	1
Special District Management	02 28 2023	2/28/2023	340.60	Election expense	6350	1
Special District Management	02 28 2023	2/28/2023	182.40	Management fees	6100	1
Special District Management	05 31 2023	5/31/2023	320.00	Election expense	6350	1
Special District Management	05 31 2023	5/31/2023	<u>1,228.00</u>	Management fees	6100	1
			<u><u>2,826.01</u></u>			

Great Western Park Metropolitan District No. 3
Financial Statements

March 31, 2023

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, 2023, 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, 2023
Englewood, Colorado

Great Western Park Metropolitan District No.3
Combined Balance Sheet
March 31, 2023

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
Assets				
Current assets				
Cash checking	\$ 349	\$ -	\$ -	\$ 349
Cash - Colotrust	503	1,185	-	1,688
Cash with County Treasurer	40	266	-	306
Developer Advance Receivable	339	-	-	339
	<u>1,231</u>	<u>1,451</u>	<u>-</u>	<u>2,682</u>
Other assets				
Amount available in debt service fund	-	-	1,451	1,451
Amount to be provided for retirement of debt	-	-	9,947,803	9,947,803
	<u>-</u>	<u>-</u>	<u>9,949,254</u>	<u>9,949,254</u>
	<u>\$ 1,231</u>	<u>\$ 1,451</u>	<u>\$ 9,949,254</u>	<u>\$ 9,951,936</u>
Liabilities and Equity				
Current liabilities				
Accounts payable	\$ 1,231	\$ -	\$ -	\$ 1,231
	<u>1,231</u>	<u>-</u>	<u>-</u>	<u>1,231</u>
Limited Tax Bonds, Series 2010	-	-	4,666,625	4,666,625
Accrued interest - Series 2010	-	-	4,997,939	4,997,939
Developer Advances - Capital Projects	-	-	58,119	58,119
Accrued Interest - Capital Projects	-	-	34,466	34,466
Developer Advances - Operations	-	-	143,211	143,211
Accrued Interest - Operations	-	-	48,894	48,894
	<u>-</u>	<u>-</u>	<u>9,949,254</u>	<u>9,949,254</u>
Total liabilities	<u>1,231</u>	<u>-</u>	<u>9,949,254</u>	<u>9,950,485</u>
Fund equity and other credits				
Fund balance	-	1,451	-	1,451
	<u>-</u>	<u>1,451</u>	<u>-</u>	<u>1,451</u>
	<u>\$ 1,231</u>	<u>\$ 1,451</u>	<u>\$ 9,949,254</u>	<u>\$ 9,951,936</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, 2023
General Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual Quarter</u>	<u>Actual Year to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Property taxes	\$ 9,209	\$ 3	\$ 3	\$ (9,206)
Specific ownership taxes	554	114	114	(440)
Developer advances	18,702	10,894	10,894	(7,808)
Interest income	-	15	15	15
	<u>28,465</u>	<u>11,026</u>	<u>11,026</u>	<u>(17,439)</u>
Expenditures				
Accounting	10,000	2,242	2,242	7,758
Audit	-	-	-	-
Election expense	-	398	398	(398)
Insurance	3,360	3,789	3,789	(429)
Legal	7,000	3,880	3,880	3,120
Management fees	6,000	572	572	5,428
Miscellaneous	1,000	145	145	855
Treasurer fees	276	-	-	276
Emergency reserve	829	-	-	829
	<u>28,465</u>	<u>11,026</u>	<u>11,026</u>	<u>17,439</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, 2023
Debt Service Fund

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual Quarter</u>	<u>Actual Year to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Property taxes	\$ 61,600	\$ 21	\$ 21	\$ (61,579)
Specific ownership taxes	3,701	759	759	(2,942)
Interest income	-	-	-	-
	<u>65,301</u>	<u>780</u>	<u>780</u>	<u>(64,521)</u>
Expenditures				
Series 2010 Interest	63,453	-	-	63,453
Treasurer's fees	1,848	-	-	1,848
	<u>65,301</u>	<u>-</u>	<u>-</u>	<u>65,301</u>
Excess (deficiency) of revenues over expenditures	-	<u>\$ 780</u>	780	780
Fund balance beginning	<u>-</u>		<u>671</u>	<u>671</u>
Fund balance ending	<u>\$ -</u>		<u>\$ 1,451</u>	<u>\$ 1,451</u>

RESOLUTION TO AMEND 2022 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 2022 as follows:

General Fund	\$	28,494
Debt Service Fund	\$	63,032

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 2022; 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 taxes and developer advances; and

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 2022 and adopts a supplemental budget and appropriation for the General Fund for the fiscal year 2022, as follows:

General Fund	\$	33,294
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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 17th day of November, 2022.

GREAT WESTERN PARK METROPOLITAN
DISTRICT NO. 3

By: _____
Secretary

Great Western Park Metropolitan District No. 3
Amended Budget
General Fund
For the Year ended December 31, 2022

	Adopted Budget <u>2022</u>	Amended Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -
Revenues:		
Property taxes	8,807	8,807
Specific ownership taxes	616	616
Developer advances	19,071	23,871
Interest income	-	-
	<u>28,494</u>	<u>33,294</u>
Total revenues	<u>28,494</u>	<u>33,294</u>
Total funds available	<u>28,494</u>	<u>33,294</u>
Expenditures:		
Accounting / audit	10,000	12,900
Election	-	800
Legal	7,000	10,100
Management	6,000	4,000
Insurance	3,400	3,400
Miscellaneous	1,000	1,000
Treasurer's Fees	264	264
Emergency reserve (3%)	830	830
	<u>28,494</u>	<u>33,294</u>
Total expenditures	<u>28,494</u>	<u>33,294</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation	<u>1,178,160</u>	<u>1,178,160</u>
Mill Levy	<u>7.475</u>	<u>7.475</u>

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3
GASB 34 AJE's
12/31/2022

CIP	-	
Developer AR		-
Accrued interest		4,333,665
Prior period adjustment		-
GO Bonds		4,666,625
Developer Advances		169,920
Developer advances receivable		-
Beginning fund balance	1,315	
Beginning net assets	9,168,895	

Record net position as of 12/31/22

Developer advances	17,667	
Developer advances receivable	-	
Developer note		17,667

Reclass developer advances

Developer advances	3,188	
Developer Advance Receivable		3,188

reverse developer advance receivable

Accrued interest - operations		10,751
Accrued interest - capital projects		4,649
Interest expense	15,400	

To record interest on Developer Advances

Interest expense	625,367	
Accrued interest		625,367

Record change in accrued note interest

Accrued interest	60,770	
Interest expense		60,770

Record interest paid on note in 2020

Non GASB34 entries

Management - General	-	
Legal - General	-	
Accounts Payable - General		-
Developer Advance Receivable	-	
Developer Advances		-
To record additional AP @12/31/2021		
Developer Advances- General	-	
Developer Advances- Capital		-
To reclassify to correct fund		
Transfer from General Fund	-	
Transfer to Capital Projects Fund		-
To reverse transfers not needed after reclassified developer advances		
	\$ 9,892,602	\$ 9,892,602

DRAFT 6-19-2023

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

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

DRAFT 6-19-2023

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GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

BALANCE SHEET/STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

December 31, 2022

	<u>General</u>	Debt <u>Service</u>	<u>Total</u>	<u>Adjustments</u>	Statement of <u>Net Position</u>
ASSETS					
Cash and investments	\$ 8	\$ -	\$ 8	\$ -	\$ 8
Cash and investments - Restricted	829	488	1,317	-	1,317
Receivable - County Treasurer	27	183	210	-	210
Property taxes receivable	9,209	61,600	70,809	-	70,809
Developer advance receivable	3,188	-	3,188	(3,188)	-
Prepaid expenses	3,071	-	3,071	-	3,071
Total Assets	<u>\$ 16,332</u>	<u>\$ 62,271</u>	<u>\$ 78,603</u>	<u>(3,188)</u>	<u>75,415</u>
LIABILITIES					
Accounts payable	\$ 7,123	\$ -	\$ 7,123	-	7,123
Accrued interest on long-term debt	-	-	-	4,913,662	4,913,662
Long-term liabilities:					
Due in more than one year	-	-	-	4,854,212	4,854,212
Total Liabilities	<u>7,123</u>	<u>-</u>	<u>7,123</u>	<u>9,767,874</u>	<u>9,774,997</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes	9,209	61,600	70,809	-	70,809
Total Deferred Inflows of Resources	<u>9,209</u>	<u>61,600</u>	<u>70,809</u>	<u>-</u>	<u>70,809</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	3,071	-	3,071	(3,071)	-
Restricted:					
Emergencies	829	-	829	(829)	-
Debt service	-	671	671	(671)	-
Unassigned	<u>(3,900)</u>	<u>-</u>	<u>(3,900)</u>	<u>3,900</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>671</u>	<u>671</u>	<u>(671)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,332</u>	<u>\$ 62,271</u>	<u>\$ 78,603</u>		
Net Position:					
Restricted for:					
Emergencies				829	829
Debt service				(4,912,991)	(4,912,991)
Unrestricted				<u>(4,858,229)</u>	<u>(4,858,229)</u>
Total Net Position				<u>\$ (9,770,391)</u>	<u>\$ (9,770,391)</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, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
General expenses:					
Accounting	\$ 8,159	\$ -	\$ 8,159	\$ -	\$ 8,159
Audit	4,650	-	4,650	-	4,650
Election expense	762	-	762	-	762
Insurance	3,231	-	3,231	-	3,231
Legal	10,028	-	10,028	-	10,028
Management fees	3,661	-	3,661	-	3,661
Miscellaneous expenses	971	-	971	-	971
Treasurers fees	132	884	1,016	-	1,016
Debt service:					
Interest expense	-	60,770	60,770	579,997	640,767
Total Expenditures	31,594	61,654	93,248	579,997	673,245
GENERAL REVENUES					
Property taxes	8,807	58,907	67,714	-	67,714
Specific ownership taxes	437	2,921	3,358	-	3,358
Interest income	677	-	677	-	677
Total General Revenues	9,921	61,828	71,749	-	71,749
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(21,673)	174	(21,499)	(579,997)	(601,496)
OTHER FINANCING SOURCES (USES)					
Developer advances	20,855	-	20,855	(20,855)	-
Total Other Financing Sources (Uses)	20,855	-	20,855	(20,855)	-
NET CHANGES IN FUND BALANCES					
	(818)	174	(644)	644	
CHANGE IN NET POSITION					
				(601,496)	(601,496)
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	818	497	1,315	(9,170,210)	(9,168,895)
END OF YEAR	\$ -	\$ 671	\$ 671	\$ (9,771,062)	\$ (9,770,391)

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, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 8,807	\$ 8,807	\$ 8,807	\$ -
Specific ownership taxes	616	616	437	(179)
Interest income	-	-	677	677
Total Revenues	9,423	9,423	9,921	498
EXPENDITURES				
Accounting	5,500	8,200	8,159	41
Audit	4,500	4,700	4,650	50
Election expense	-	800	762	38
Insurance	3,400	3,400	3,231	169
Legal	7,000	10,100	10,028	72
Management fees	6,000	4,000	3,661	339
Miscellaneous expenses	1,000	1,000	971	29
Treasurers fees	264	264	132	132
Emergency reserve	830	830	-	830
Total Expenditures	28,494	33,294	31,594	1,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,071)	(23,871)	(21,673)	2,198
OTHER FINANCING SOURCES (USES)				
Developer advances	19,071	23,871	20,855	(3,016)
Total Other Financing Sources (Uses)	19,071	23,871	20,855	(3,016)
NET CHANGE IN FUND BALANCE	-	-	(818)	(818)
FUND BALANCE:				
BEGINNING OF YEAR	-	-	818	818
END OF YEAR	\$ -	\$ -	\$ -	\$ -

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, 2022

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 pronouncements, which provide 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.

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

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

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, 2022

The District can report 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.

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.

In **2023**, the District amended its total appropriations in the General Fund from \$28,494 to \$33,294 primarily due to the increase in certain expenses over the amount budgeted.

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

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, 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.

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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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

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.

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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements December 31, 2022

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 \$3,071 represents prepaid expenditures.

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 \$829 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 \$671 is restricted for the payment of the debt service costs (see Note 3).

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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

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 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 can report up to 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.

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.

The District has a deficit in unrestricted net position as of December 31, 2022. This deficit amount is the result of the District being responsible for the payment of debt issued for public improvements that were conveyed to other governmental entities and which costs were removed from the District's financial records.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

Note 2: Cash and Investments

As of December 31, 2022, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 8
Cash and investments - Restricted	<u>1,317</u>
Total	<u>\$ 1,325</u>

Cash and investments as of December 31, 2022 consist of the following:

Deposits with financial institutions	\$ 453
Investments - COLOTRUST	<u>872</u>
	<u>\$ 1,325</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.

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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements December 31, 2022

As of December 31, 2022, 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 venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. On December 31, 2022, the District had \$872 invested in COLOTRUST Plus+.

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.

Interest Rate Risk

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

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

Note 3: Long-Term Debt

The following is an analysis of changes in long-term debt for the year ending December 31, 2022:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022	Current Portion
<u>General Obligation Bonds</u>					
Limited Tax Bonds - Series 2010	\$ 4,666,625	\$ -	\$ -	\$ 4,666,625	\$ -
Accrued interest - Series 2010 Bonds	4,269,852	625,367	(60,770)	4,834,449	-
Total	8,936,477	625,367	(60,770)	9,501,074	-
<u>Other</u>					
Developer advances - operations	111,801	17,667	-	129,468	-
Accrued interest - operations	35,143	10,751	-	45,894	-
Developer advances - capital projects	58,119	-	-	58,119	-
Accrued interest - capital projects	28,670	4,649	-	33,319	-
Total	233,733	33,067	-	266,800	-
	\$ 9,170,210	\$ 658,434	\$ (60,770)	\$ 9,767,874	\$ -

A description of the long-term obligations as of December 31, 2022, 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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

Due to the uncertainty of the timing of the principal and interest payments on the Bonds, a schedule of the estimated timing of these payments is not available. There was one interest payment in 2022 in the amount of \$60,770.

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 6). 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, 2022, there was no balance outstanding.

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.

Note 4: Debt Authorization

As of December 31, 2022, 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 2023.

Note 5: 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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

Note 6: 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, 2022, the District had \$91,438 of developer advances payable under the Acquisition Agreement, which includes \$33,319 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.

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. On November 17, 2020, (Effective January 1,

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements December 31, 2022

2013), this agreement was further amended to increase the shortfall amount to \$120,000, and to extend the funding obligation through fiscal year 2021. On November 17, 2021, (Effective January 1, 2013), this agreement was further amended to extend the funding obligation through fiscal year 2022. On November 22, 2022, (Effective January 1, 2013), this agreement was further amended to increase the shortfall amount to \$150,000 and extend the funding obligation through fiscal year 2023. At December 31, 2022, the District had \$175,362 of developer advances payable under the agreement, which includes \$45,894 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, 2022, no Fees have been paid to the District.

Agreement of Acknowledgement of Satisfaction of Obligations of District No. 1 related to Great Western Park, LLC Operation Funding Agreement and Acknowledgement of Ongoing Obligations of District Nos. 2 and 3 – On November 26, 2019, effective December 31, 2019, the District, District No. 1, District No. 2 and the Developer entered into an Agreement of Acknowledgement of Satisfaction of Obligations of District No. 1 related to Great Western Park, LLC Operation Funding Agreement and Acknowledgement of Ongoing Obligations of District Nos. 2 and 3 whereby the District acknowledged that the Developer has previously expended funds pursuant to an operation funding agreement between District No. 1 and the Developer (the “District No. 1 Operation Funding Agreement”). There was no financial impact to the District in regards to this Agreement.

Note 7: 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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

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.

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 8: 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 9: 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) 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.

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

Notes to Financial Statements
December 31, 2022

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 interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 2) governmental funds report developer advances as revenue; and,
- 3) 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 6-19-2023

SUPPLEMENTAL INFORMATION

DRAFT 6-19-2023

GREAT WESTERN PARK METROPOLITAN DISTRICT NO. 3

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

For the Year Ended December 31, 2022

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 58,908	\$ 58,907	\$ (1)
Specific ownership taxes	<u>4,124</u>	<u>2,921</u>	<u>(1,203)</u>
Total Revenues	<u>63,032</u>	<u>61,828</u>	<u>(1,204)</u>
EXPENDITURES			
Treasurers fees	1,767	884	883
Interest expense	<u>61,265</u>	<u>60,770</u>	<u>495</u>
Total Expenditures	<u>63,032</u>	<u>61,654</u>	<u>1,378</u>
NET CHANGE IN FUND BALANCE	-	174	174
FUND BALANCE:			
BEGINNING OF YEAR	<u>-</u>	<u>497</u>	<u>497</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 671</u>	<u>\$ 671</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, 2022

<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>		Percent Collected to Levied
		<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%
2020	\$ 1,152,185	7.475	50.000	\$ 66,222	\$ 66,222	100.00%
2021	\$ 1,190,180	7.475	50.000	\$ 68,406	\$ 68,406	100.00%
2022	\$ 1,178,160	7.475	50.000	\$ 67,715	\$ 67,714	100.00%
Estimated for year ending December 31, 2023	\$ 1,231,990	7.475	50.000	\$ 70,809		

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.