

**WESTWOOD METROPOLITAN DISTRICT  
ANNUAL REPORT FOR REPORT YEAR 2021  
CITY OF THORNTON, ADAMS COUNTY, COLORADO**

This annual report is submitted to the City of Thornton and Adams County consistent with Section VII of the Service Plan for the Westwood Metropolitan District (the “District”). The District was organized in May 2021, and therefore this report includes minimal District activity.

1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.

During the report year of 2021, the Board of Directors did not make or propose any changes to the boundaries of the District.

2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.

During the report year of 2021, The Board of Directors did not enter into any Intergovernmental Agreements with any other governmental entities.

3. Copies of the District’s rules and regulations, if any, as of December 31 of the prior year.

During the report year of 2021, the District did not make or propose any changes to its policies.

4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.

During the report year of 2021, the District was not involved in any litigation and is not currently involved in any litigation.

5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.

During the report year of 2021, the District did not construct any public improvements.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

During the report year of 2021, the District did not dedicate any facilities or improvements to the City.

7. The assessed valuation of the District for the current year.

The assessed valuation as certified by Adams County in 2021 was \$120,210.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

See attached Exhibit A.

9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

See attached Exhibit B.

10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

Not applicable.

11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

Not applicable.

12. A list of any and all filings made pursuant to SEC rule 15 c 2-12, together with copies of such filings.

Not applicable.

## EXHIBIT A

LETTER OF BUDGET TRANSMITTAL

Date: January 22, 2022

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2022 budget and budget message for WESTWOOD METROPOLITAN DISTRICT in Adams County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 29, 2021. If there are any questions on the budget, please contact:

Gavan Archibald  
Simmons & Wheeler  
304 Inverness Way S, Suite 490  
Englewood, CO 80112  
303-689-0833

I, Andrew Trietley, as President of the Westwood Metropolitan District, hereby certify that the attached is a true and correct copy of the 2022 budget.

By:  \_\_\_\_\_

**RESOLUTION  
TO ADOPT 2022 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
WESTWOOD METROPOLITAN DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2022 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE WESTWOOD METROPOLITAN DISTRICT, ADAMS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

WHEREAS, the Board of Directors of the Westwood Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 29, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$1,202; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$6,691; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of Adams County is \$120,210; and

WHEREAS, at an election held on May 5, 2020 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WESTWOOD METROPOLITAN DISTRICT OF ADAMS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Westwood Metropolitan District for calendar year 2022.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2022 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2022 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2021.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 55.664 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, to the Board of County Commissioners of Adams County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Adams County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2021 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

*[remainder of page intentionally left blank; signature page follows]*

ADOPTED this 29<sup>th</sup> day of October 2021.

WESTWOOD METROPOLITAN  
DISTRICT



---

President

ATTEST:

*Thomas M Clark*

---

Secretary



ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

**WESTWOOD METROPOLITAN DISTRICT**  
**2022**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2022 budget for the Westwood Metropolitan District.

The Westwood Metropolitan District has adopted budgets for three funds, a General Fund to provide for operating and maintenance expenditures; a Capital Projects Fund to provide for the regional improvements that are to be built for the benefit of the District and a Debt Service Fund to account for the repayment of principal and interest on the outstanding general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district in 2022 will be property taxes, and developer advances. The district intends to impose a 65.664 mill levy on property within the district for 2022, of which 10.000 mills will be dedicated to the General Fund and the balance of 55.664 mills will be allocated to the Debt Service Fund.

**Westwood Metropolitan District**  
**Adopted Budget**  
**General Fund**  
**For the Year Ending December 31, 2022**

<u>Expense</u>	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning Funds Balance	\$ -	\$ -	\$ -	\$ -	\$ 1,885
Revenue					
Property Taxes	-	4,340	2,094	2,100	1,202
Specific Ownership Taxes	-	304	-	-	84
Misc. Income	-		250	250	-
Developer Advances	<u>9,070</u>	<u>45,423</u>	<u>15,458</u>	<u>30,000</u>	<u>46,829</u>
Total Revenue	<u>9,070</u>	<u>50,067</u>	<u>17,802</u>	<u>32,350</u>	<u>48,115</u>
Total Funds Available	<u>9,070</u>	<u>50,067</u>	<u>17,802</u>	<u>32,350</u>	<u>50,000</u>
Expenditures					
Accounting / Audit	490	2,500	2,413	5,000	12,000
Engineering	-	10,000	-	-	-
Insurance/SDA Dues	-	2,500	200	200	3,500
Legal	8,580	15,000	12,199	25,000	20,000
Management	-	1,500	-	-	1,500
Misc. Expenses	-	2,000	135	200	-
Treasurer's Fees	-	65	-	65	18
Contingency	-	15,044	-	-	11,871
Emergency Reserve	<u>-</u>	<u>1,007</u>	<u>-</u>	<u>-</u>	<u>1,111</u>
Total Expenditures	<u>9,070</u>	<u>49,616</u>	<u>14,947</u>	<u>30,465</u>	<u>50,000</u>
Ending Funds Balance	<u>\$ -</u>	<u>\$ 451</u>	<u>\$ 2,855</u>	<u>\$ 1,885</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 72,330</u>			<u>\$ 120,210</u>
Mill Levy		<u>60.000</u>			<u>10.000</u>

**Westwood Metropolitan District**  
**Adopted Budget**  
**Capital Projects Fund**  
**For the Year Ending December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Developer advances	-	-	8,000	32,231	4,000,000
Bond proceeds	<u>-</u>	<u>5,000,000</u>	<u>-</u>	<u>8,567,769</u>	<u>-</u>
Total revenues	<u>-</u>	<u>5,000,000</u>	<u>8,000</u>	<u>8,600,000</u>	<u>4,000,000</u>
Total funds available	<u>-</u>	<u>5,000,000</u>	<u>8,000</u>	<u>8,600,000</u>	<u>4,000,000</u>
Expenditures:					
Issuance costs	-	200,000	8,000	368,804	-
Capital expenditures	-	3,825,000	-	6,647,196	4,000,000
Transfer to Debt Service	<u>-</u>	<u>825,000</u>	<u>-</u>	<u>1,584,000</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>4,850,000</u>	<u>8,000</u>	<u>8,600,000</u>	<u>4,000,000</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Westwood Metropolitan District**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year Ending December 31, 2022**

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 1,510,200
Revenues:					
Property taxes	-	-	-	-	6,691
Specific ownership taxes	-	-	-	-	468
Transfer from Capital Project Fund	-	825,000	-	1,584,000	-
Total revenues	-	825,000	-	1,584,000	7,159
Total funds available	-	825,000	-	1,584,000	1,517,359
Expenditures:					
Bond interest	-	275,000	-	73,800	324,000
Bond principal	-	-	-	-	-
Treasurer's fees	-	-	-	-	100
Trustee / paying agent fees	-	-	-	-	4,500
Total expenditures	-	275,000	-	73,800	328,600
Ending fund balance	\$ -	\$ 550,000	\$ -	\$ 1,510,200	\$ 1,188,759
Assessed valuation		\$ 72,330			\$ 120,210
Mill Levy		-			55.664
Total Mill Levy		60.000			65.664

## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of Adams County, Colorado.

On behalf of the Westwood Metro District,  
(taxing entity)<sup>A</sup>

the Board of Directors,  
(governing body)<sup>B</sup>

of the Westwood Metro District,  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 120,210 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 120,210 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/11/2021 for budget/fiscal year 2022.  
(not later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>10.000</u> mills	\$ <u>1,202</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>10.000</u> mills</b>	<b><u>\$ 1,202</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
4. Contractual Obligations <sup>K</sup>	<u>55.664</u> mills	\$ <u>6,691</u>
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	<b><u>65.664</u> mills</b>	<b><u>\$ 7,893</u></b>

Contact person: Diane K Wheeler Daytime phone: (303) 689-0833  
 (print)  
 Signed: *Diane K Wheeler* Title: District Accountant

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.*

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |    |                   |  |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>\$8,100,000 Limited Tax General Obligation Senior Bonds</u> |
|    | Series:           | <u>2021A(3)</u>  |
|    | Date of Issue:    | <u>September 9, 2021</u>                                       |
|    | Coupon Rate:      | <u>4.000%</u>  |
|    | Maturity Date:    | <u>December 1, 2051</u>  |
|    | Levy:             | <u>55.664</u>  |
|    | Revenue:          | <u>\$6,691</u>   |
|    |                   |  |
| 2. | Purpose of Issue: | _____  |
|    | Series:           | _____  |
|    | Date of Issue:    | _____  |
|    | Coupon Rate:      | _____  |
|    | Maturity Date:    | _____  |
|    | Levy:             | _____  |
|    | Revenue:          | _____  |

**CONTRACTS<sup>K</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

## EXHIBIT B



# DRAFT 6-11-2022

WESTWOOD METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2021

with

Independent Auditor's Report

# DRAFT 6-11-2022

## CONTENTS

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Debt Service Fund	17
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Capital Projects Fund	18
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	19

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

### BALANCE SHEET/STATEMENT OF NET POSITION

#### GOVERNMENTAL FUNDS

December 31, 2021

	<u>General</u>	Debt <u>Service</u>	Capital <u>Projects</u>	<u>Total</u>	<u>Adjustments</u>	Statement of <u>Net Position</u>
<b>ASSETS</b>						
Cash and investments	\$ 17,773	\$ -	\$ -	\$ 17,773	\$ -	\$ 17,773
Cash and investments - restricted	1,111	1,510,200	2,317,112	3,828,423	-	3,828,423
Taxes due from County	4,340	-	-	4,340	-	4,340
Accounts receivable - developer	6,150	-	-	6,150	(6,150)	-
Property taxes receivable	1,202	6,961	-	8,163	-	8,163
Capital assets not being depreciated	-	-	-	-	3,816,522	3,816,522
Total Assets	<u>\$ 30,576</u>	<u>\$ 1,517,161</u>	<u>\$ 2,317,112</u>	<u>\$ 3,864,849</u>	<u>3,810,372</u>	<u>7,675,221</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 29,374	\$ -	\$ -	\$ 29,374	-	29,374
Accrued interest on bonds	-	-	-	-	27,000	27,000
Long-term liabilities:						
Due in more than one year	-	-	-	-	8,209,597	8,209,597
Total Liabilities	<u>29,374</u>	<u>-</u>	<u>-</u>	<u>29,374</u>	<u>8,236,597</u>	<u>8,265,971</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property taxes	1,202	6,961	-	8,163	-	8,163
Total Deferred Inflows of Resources	<u>1,202</u>	<u>6,961</u>	<u>-</u>	<u>8,163</u>	<u>-</u>	<u>8,163</u>
<b>FUND BALANCES/NET POSITION</b>						
Fund balances:						
Restricted:						
Emergencies	1,111	-	-	1,111	(1,111)	-
Debt service	-	1,510,200	-	1,510,200	(1,510,200)	-
Capital	-	-	2,317,112	2,317,112	(2,317,112)	-
Unassigned	(1,111)	-	-	(1,111)	1,111	-
Total Fund Balances	<u>-</u>	<u>1,510,200</u>	<u>2,317,112</u>	<u>3,827,312</u>	<u>(3,827,312)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 30,576</u>	<u>\$ 1,517,161</u>	<u>\$ 2,317,112</u>	<u>\$ 3,864,849</u>		
Net Position:						
Net investment in capital assets					(4,393,075)	(4,393,075)
Restricted for:						
Emergencies					1,111	1,111
Debt service					1,510,200	1,510,200
Capital projects					2,317,112	2,317,112
Unrestricted					(34,261)	(34,261)
Total Net Position (Deficit)					<u>\$ (598,913)</u>	<u>\$ (598,913)</u>

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

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>						
Accounting/audit/management	\$ 4,861	\$ -	\$ -	\$ 4,861	\$ -	\$ 4,861
Insurance	200	-	-	200	-	200
Legal	28,811	-	-	28,811	-	28,811
Miscellaneous	213	-	-	213	-	213
Bond interest	-	73,800	-	73,800	26,329	100,129
Capital improvements	-	-	3,816,522	3,816,522	(3,816,522)	-
Cost of issuance	-	-	359,804	359,804	-	359,804
Developer interest	-	-	99,331	99,331	1,085	100,416
<b>Total Expenditures</b>	<u>34,085</u>	<u>73,800</u>	<u>4,275,657</u>	<u>4,383,542</u>	<u>(3,789,108)</u>	<u>594,434</u>
<b>GENERAL REVENUES</b>						
Property taxes	4,340	-	-	4,340	-	4,340
Miscellaneous income	250	-	-	250	-	250
<b>Total General Revenues</b>	<u>4,590</u>	<u>-</u>	<u>-</u>	<u>4,590</u>	<u>-</u>	<u>4,590</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(29,495)	(73,800)	(4,275,657)	(4,378,952)	3,789,108	(589,844)
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds	-	-	8,100,000	8,100,000	(8,100,000)	-
Bond premium	-	-	68,769	68,769	(68,769)	-
Developer advances	29,495	-	8,000	37,495	(37,495)	-
Transfer to/from other funds	-	1,584,000	(1,584,000)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>29,495</u>	<u>1,584,000</u>	<u>6,592,769</u>	<u>8,206,264</u>	<u>(8,206,264)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	-	1,510,200	2,317,112	3,827,312	(3,827,312)	
<b>CHANGES IN NET POSITION</b>					(589,844)	(589,844)
<b>FUND BALANCES/NET POSITION</b>						
BEGINNING OF YEAR	-	-	-	-	(9,069)	(9,069)
END OF YEAR	<u>\$ -</u>	<u>\$ 1,510,200</u>	<u>\$ 2,317,112</u>	<u>\$ 3,827,312</u>	<u>\$ (4,426,225)</u>	<u>\$ (598,913)</u>

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

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 4,340	\$ 4,340	\$ -
Specific ownership taxes	304	-	(304)
Miscellaneous income	<u>-</u>	<u>250</u>	<u>250</u>
Total Revenues	<u>4,644</u>	<u>4,590</u>	<u>(54)</u>
<b>EXPENDITURES</b>			
Accounting/audit/management	2,500	4,861	(2,361)
Engineering	10,000	-	10,000
Insurance	2,500	200	2,300
Legal	15,000	28,811	(13,811)
Management	1,500	-	1,500
Miscellaneous	2,000	213	1,787
Treasurer fees	65	-	65
Contingency	15,044	-	15,044
Emergency Reserve	<u>1,458</u>	<u>-</u>	<u>1,458</u>
Total Expenditures	<u>50,067</u>	<u>34,085</u>	<u>15,982</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,423)	(29,495)	15,928
<b>OTHER FINANCING SOURCES</b>			
Developer advances	<u>45,423</u>	<u>29,495</u>	<u>(15,928)</u>
Total Other Financing Sources	<u>45,423</u>	<u>29,495</u>	<u>(15,928)</u>
NET CHANGE IN FUND BALANCE	-	-	-
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## WESTWOOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2021

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Westwood Metropolitan District, located in Adams County, Colorado, 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

Westwood Metropolitan District (“the District”) was organized on May 20, 2020, as quasi-municipal corporations established under the State of Colorado Special District Act. The District was established to provide a part of or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The District is also expected to provide for the ongoing operations and maintenance of park and recreation services. The District's primary source of revenues is property taxes. 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.

Basis of Presentation

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

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

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.

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

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.

During 2021, the District amended its total appropriations in the Capital Projects Fund from \$4,850,000 to \$8,208,000 primarily due to additional costs of issuing the Series 2021A Bonds.

#### Assets, Liabilities and Net Position

##### Fair Value of Financial Instruments

The District's financial instruments include cash investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2021, 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 short-term investments with maturities of three months or less from the date of acquisition are considered to be cash on hand. Investments for the government are reported at fair value.



## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

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 type of item that qualifies for reporting in this category. This item is deferred property taxes. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### 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 acquisition value at the date of donation. 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 capital 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.

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

#### 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 30 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.

#### Original Issue Premium

Original issue premium from the Series 2021A Bonds are being amortized over the term of the bonds using the interest method. Accumulated amortization of original issue premium amounted to \$671 at December 31, 2021.

#### 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.

#### 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.

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

#### 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 \$1,111 of the General Fund balance has been reserved in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$1,510,200 is restricted for the payment of the debt service costs (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$2,317,112 is restricted for the payment of the costs for capital improvements within the District.

#### 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 funds can report negative amounts.

#### 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 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 or resources related to those assets.

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

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, 2021, cash and investments is classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 17,773
Cash and investments - restricted	<u>3,828,423</u>
Total	\$ <u>3,846,196</u>

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

Deposits with financial institutions	\$ 18,884
Investments – Federated Hermes Treasury SS	<u>3,827,312</u>
	\$ <u>3,846,196</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 follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

#### Investments

##### Credit Risk

The District has elected to follow state statutes for 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.

##### 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, 2021, the District had the following investments:

##### Federated Hermes Treasury SS

The District's funds that were included in the trust accounts at BOK Bank were invested in the Federated Hermes Treasury SS ("Portfolio"). This Portfolio is a money market fund and each share is equal in value to \$1.00. All investments within the Portfolio are recorded at fair value and the District records its investment in the Portfolio at NAV. The Portfolio is AAAM rated and invests exclusively in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. The maturity of the underlying securities is 397 days or less. As of December 31, 2021, the District has \$3,827,312 invested in the Portfolio.

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

#### Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ -	\$ 3,816,522	\$ -	\$ 3,816,522
Government type assets, net	\$ -	\$ 3,816,522	\$ -	\$ 3,816,522

#### Note 4: Long-Term Debt

The following is an analysis of changes in long-term debt for the year ending December 31, 2021:

	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2021</u>	<u>Current Portion</u>
<b><u>General Obligation Bonds:</u></b>					
Series 2021A Bonds	\$ -	\$ 8,100,000	\$ -	\$ 8,100,000	\$ -
	-	8,100,000	-	8,100,000	-
<b><u>Other:</u></b>					
Developer advances	-	40,414	-	40,414	-
Developer advance - interest	-	1,085	-	1,085	-
Premium on Series 2021A Bonds	-	68,769	671	68,098	-
	\$ -	\$ 8,210,268	\$ 671	\$ 8,209,597	\$ -

A description of the long-term obligations as of December 31, 2021, is as follows:

#### Funding and Reimbursement Agreement (Operations)

On June 29, 2020, the District entered into a Funding and Reimbursement Agreement (“O&M Agreement”) with Westwood Holdings, LLC (the “Developer”) pursuant to which the Developer is to provide monetary advances to the District for administrative and operational expenses of the District, including but not limited to management fees, legal fees, financial consulting fees, engineering fees and general operations and maintenance costs related to the public purposes of the District. The District’s obligations under the O&M Agreement remain in full force and effect until December 31, 2020, and is to be automatically renewed for successive one year periods unless terminated by one of the parties to the agreement. The O&M agreement has automatically renewed for an additional one year period and is in effect until December 31, 2021. Interest of 7% shall accrue on any outstanding balance. As of December 31, 2021 \$41,499 is owing under this agreement.

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

#### Facilities Funding and Acquisition Agreement

On June 29, 2020, the District and the Developer entered into a Facilities Funding and Acquisition Agreement (the “FFAA”) pursuant to which the Developer is to provide monetary advances to the District for the acquisition, construction or installation of the Public Improvements. The reimbursement obligation under this agreement will bear interest of 7%. No amounts are due under this agreement at December 31, 2021.

#### \$8,100,000 Limited Tax General Obligation Senior Bonds, Series 2021A(3)

On September 9, 2021, the District issued \$8,100,000 of Limited Tax General Obligation Senior Bonds, Series 2021A(3) (“Series 2021A Bonds”) for the purpose of financing or reimbursing a portion of the costs of acquiring, construction, and/or installing certain public infrastructure to serve the Development, funding the Initial Deposit to the Surplus Fund, funding a portion of the interest to accrue on the Bonds and paying for the costs of issuance of the Bonds. The Series 2021A Bonds bear interest at 4.0% payable semiannually on June 1 and December 1 commencing on December 1, 2021 and mature on December 1, 2051. The 2021A Bonds are subject to early redemption at the option of the District commencing September 1, 2026, with a redemption premium until September 1, 2029. The 2021A Bonds are limited tax general obligations of the District secured by and payable solely from and to the extent of the Pledged Revenue, consisting of moneys derived by the District from the following sources: the Property Tax Revenues, the portion of Specific Ownership Tax related to the Property Tax Revenues, Capital Fees, and any other moneys determined by the District.

Events of Default as defined in the Series 2021A Bond Indenture are 1) the failure of the District to impose the Required Mill levy, 2) the failure of the District to apply the Pledged Revenue as required by the Indenture, 3) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture or 4) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2021A Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2021A Bonds is not an available remedy for an Event of Default.

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 324,000	\$ 324,000
2023	-	324,000	324,000
2024	-	324,000	324,000
2025	-	324,000	324,000
2026	15,000	324,000	339,000
2027 - 2031	345,000	1,595,400	1,940,400
2032 - 2036	765,000	1,494,800	2,259,800
2037 - 2041	1,305,000	1,300,600	2,605,600
2042 - 2046	2,060,000	982,800	3,042,800
2047 - 2051	<u>3,610,000</u>	<u>500,000</u>	<u>4,110,000</u>
Total	<u>\$ 8,100,000</u>	<u>\$ 7,493,600</u>	<u>\$ 15,593,600</u>

#### Debt Authorization

On May 5, 2020, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$147,600,000. After the issuance of the 2021A(3) Bonds, the remaining authorization is \$139,101,000. Per the District Service Plan, the District cannot issue debt in excess of \$12,300,000. \$3,801,000 of the Service Plan authorization remains as of December 31, 2021.

#### Note 5: Other Agreements

##### Intergovernmental Agreement

On June 29, 2020, the District and the City of Thornton (“the City”) entered into the Intergovernmental Agreement (“City IGA”) which provides contractual enforcement rights to the City with respect to certain restrictions set forth in the Service Plan regarding the construction, ownership, operations and maintenance of Public Improvements needed for the District.

##### Completion and Turnover Agreement

On February 18, 2021, the District, the Developer, and KB Home Colorado (as builder) entered into a Completion and Turnover Agreement which sets forth the respective rights, obligations and procedures with respect to the Developer’s construction of certain improvements within the development in accordance with the Development Plan and the District’s acquisition from KB Home of such Public Improvements.



## WESTWOOD METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2021

Note 6: Related Parties

All of the Board members are owners or members of or are otherwise associated with the Developer. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 7: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“6G 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.

On May 5, 2020, 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 (“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.

## WESTWOOD METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2021

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: Interfund Transfers

The transfer of \$1,584,000 from the Capital Projects Fund to Debt Service Fund was transferred for the purpose of transferring funds for a reserve fund and capitalized interest fund in the debt service fund. (See Note 4)

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 and developer advances payable and accrued interest payable 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;
- 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 and/or bond proceeds 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 6-11-2022

SUPPLEMENTAL INFORMATION

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Interest income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Bond interest	275,000	73,800	201,200
Total Expenditures	275,000	73,800	201,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(275,000)	(73,800)	201,200
OTHER FINANCING SOURCES (USES)			
Transfer to/from other funds	825,000	1,584,000	759,000
Total Other Financing Sources (Uses)	825,000	1,584,000	759,000
NET CHANGE IN FUND BALANCE	550,000	1,510,200	960,200
FUND BALANCE:			
BEGINNING OF YEAR	-	-	-
END OF YEAR	\$ 550,000	\$ 1,510,200	\$ 960,200

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

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital improvements	3,825,000	6,058,000	3,816,522	2,241,478
Cost of issuance	200,000	450,000	359,804	90,196
Developer interest	<u>-</u>	<u>100,000</u>	<u>99,331</u>	<u>669</u>
Total Expenditures	<u>4,025,000</u>	<u>6,608,000</u>	<u>4,275,657</u>	<u>2,332,343</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(4,025,000)	(6,608,000)	(4,275,657)	2,332,343
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	5,000,000	8,200,000	8,100,000	(100,000)
Bond premium	-	-	68,769	68,769
Developer advances	-	8,000	8,000	-
Transfer to/from other funds	<u>(825,000)</u>	<u>(1,600,000)</u>	<u>(1,584,000)</u>	<u>16,000</u>
Total Other Financing Sources (Uses)	<u>4,175,000</u>	<u>6,608,000</u>	<u>6,592,769</u>	<u>(15,231)</u>
<b>NET CHANGE IN FUND BALANCE</b>	150,000	-	2,317,112	2,317,112
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 2,317,112</u>	<u>\$ 2,317,112</u>

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

# DRAFT 6-11-2022

## WESTWOOD METROPOLITAN DISTRICT

### SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED December 31, 2021

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>			<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Levied</u>	<u>Collected</u>	
2021	\$ 72,330	60.000	0.000	60.000	\$ 4,340	\$ 4,340	100.00%
Estimated for year ending December 31, 2022	\$ 120,210	10.000	55.664	65.664	\$ 7,893		

#### NOTE

prior years. Information received from the County Treasurer does not permit identification of specific year assessment.