

DENVER CONNECTION WEST METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032
<https://dewmd.colorado.gov/>

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Marc Robson	President	2023/May 2023
Jeff Hall	Treasurer	2025/May 2025
Tina Woodard	Assistant Secretary	2023/May 2023
Shawn Hampleton	Assistant Secretary	2025/May 2025
Vacant		2023/May 2023
Matt Cohrs	Secretary	

DATE: July 26, 2022
TIME: 6:00 P.M.
PLACE: Zoom Meeting

Join Zoom Meeting

<https://us02web.zoom.us/j/6464033676?pwd=bzJUOHBHNXNEQ2JYUTJkYkZ0b3B3Zz09>

Meeting ID: 646 403 3676

Passcode: 267458

Call In: 1-346-248-7799

I. ADMINISTRATIVE MATTERS

A. Present Conflict Disclosures and confirm quorum.

B. Approve Agenda, confirm location of the meeting and posting of meeting notice.

C. Review and approve Minutes of the June 28, 2022 Regular Meeting (enclosure).

D. Discuss Board vacancy and review Letters of Interest, if any, and consider appointment of District Eligible Elector to the Board. Administer Oath of Director.

II. PUBLIC COMMENT

A. Members of the public may express their views to the Board on matters that affect the District that are not otherwise on the agenda. Comments will be limited to three (3) minutes.

III. FINANCIAL MATTERS

- A. Review and consider ratification of payment of claims as follows (enclosure):

Fund	Period Ending July 31, 2022
General	\$ 59,291.20
Debt	\$ -0-
Capital	\$ 1,157.50
Special Revenue	\$ -0-
Total	\$ 60,448.70

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- B. Consider acceptance of the unaudited financial statements, dated June 30, 2022, property taxes reconciliation 2022, and the schedule of cash position for the period ending June 30, 2022, updated as of July 19, 2022 (enclosure).

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- C. Review and consider approval of 2021 Audit and authorize execution of Representations Letter (draft audit – enclosed).

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- D. Discuss timeline for completion of 2021 Audit and authorize request for extension of time to file audit (enclosure).

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- E. Review investments options and authorize necessary actions in connection therewith.

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- F. Discuss policy for payments in excess of line-item budget amounts.
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IV. LEGAL MATTERS

- A. Discuss status of Request for Proposals (“RFP”) for District Management Services.
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- B. Discuss status of matters related to the City Park.

1. Discuss status of Term Sheet for an Intergovernmental Agreement Regarding Construction, Funding, Reimbursement and Acquisition of City Park (Tract A, Avion at Denver Connection) with the City and County of Denver (the “City”).
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2. Review and consider approval of a Master Service Agreement for Design Services, and Task Order No. 1, with Harris Kocher Engineering Group, Inc., d/b/a Harris Kocher Smith.

3. Ratify approval of Task Order No. 2 under the Master Service Agreement for Design Services with Norris Design, Inc.

4. Ratify approval of Task Order No. 10 under the Master Service Agreement for Engineering Services with Independent District Engineering Services, LLC.

5. Discuss status of Letter Agreement with William Lyon Homes, Inc. regarding the construction and installation of public improvements on Tract A, Denver Connection West – Filing No. 1 (the City Park).

C. Discuss status of matters related to the District’s Acquisition of Certain Property from William Lyon Homes, Inc.

1. Discuss status of Satisfaction and Termination of Operation Funding and Capital Funding Agreements between the District and William Lyon Homes, Inc.

2. Discuss status of the Special Warranty Deed from William Lyon Homes, Inc. for Lot 1, Block 9; Tracts B through H, inclusive; Tracts J through N, inclusive; Tracts P through AA, inclusive; and Tract CC, Denver Connection West – Filing No. 1, City and County of Denver, State of Colorado.

V. OPERATIONS AND MAINTENANCE

A. HUB and pool operations and staffing.

1. Report on security services at the HUB and pool.

2. Review and consider approval of Service Agreement between the District and ETG Systems, Inc. for security system upgrades.

3. Rescind approval to terminate Service Agreement with Desouza Protective Services LLC.

4. Rescind approval of proposal from United States Protective Services, LLC.

5. Discuss the status of the signage for the pool.

B. Other.

VI. OTHER BUSINESS

- A. Discuss translation of District communications.

VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEUDLED FOR
SEPTEMBER 27, 2022, AT 6:00 P.M.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE DENVER CONNECTION WEST METROPOLITAN DISTRICT (THE “DISTRICT”) HELD JUNE 28, 2022

A Special Meeting of the Board of Directors of the District (referred to hereafter as the “Board”) was convened on Tuesday, June 28, 2022 at 6:00 p.m. This District Board meeting was held by Zoom. The meeting was open to the public via Zoom.

Directors In Attendance Were:

Marc Robson
Tina Woodard
Shawn Hampleton
Jeff Hall

Also In Attendance Were:

Matt Cohrs and Shana Jones; Special District Management Services, Inc. (“SDMS”)

Elisabeth A. Cortese, Esq. and Suzanne Meintzer, Esq.; McGeady Becher P.C. (for a portion of the meeting)

Jason Carroll; CliftonLarsonAllen LLP

Bryan Armstrong; ETG Systems, Inc.

Public In Attendance Were:

Bob Bongiovanni and Mikhail Vafeades

**DISCLOSURE OF
POTENTIAL
CONFLICTS OF
INTEREST**

The Board noted a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting. No disclosures were made, and it was noted that all Directors are residents of the District.

**ADMINISTRATIVE
MATTERS**

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

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Robson, seconded by Director Woodard and, upon vote, unanimously carried, the Board approved the Agenda, as amended.

Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, the Board noted this District Board meeting was held by Zoom. The Board further noted that notice of this meeting and the conference/video access was duly posted and that it had not received any objections to the format of the meeting or any requests that the meeting format be changed by taxpaying electors within the District's boundaries.

Minutes: The Board reviewed the Minutes of the May 24, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Robson, seconded by Director Woodard and, upon vote, unanimously carried, the Minutes of the May 24, 2022 Regular Meeting were approved.

PUBLIC COMMENTS

There were no public comments.

LEGAL MATTERS

Request for Proposals ("RFP") for District Management Services: Attorney Cortese reported to the Board that she had sent out RFPs and that responses were due on July 1, 2022 for District Management Services.

Service Agreement for Security Services with Desouza Protective Services LLC:
The Board: The Board entered into discussion regarding a Service Agreement for Security Services with Desouza Protective Services LLC and Change Order No. 1 to the Service Agreement.

Following discussion, upon motion duly made by Director Robson, seconded by Director Hall and, upon vote, carried with Directors Robson, Hall and Hampleton voting aye and Director Woodard voting nay, the Board ratified approval of the Service Agreement for Security Services with Desouza Protective Services LLC and Change Order No. 1 to the Service Agreement.

FINANCIAL MATTERS

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

RECORD OF PROCEEDINGS

Fund	Period Ending June 30, 2022
General	\$ 60,568.51
Debt	\$ -0-
Capital	\$ -0-
Special Revenue	\$ -0-
Total	\$ 60,568.51

Following discussion, upon motion duly made by Director Robson, seconded by Director Hall and, upon vote, unanimously carried, the Board ratified approval of the payment of claims.

Unaudited Financial Statements and Schedule of Cash Position: Mr. Carroll reviewed with the Board the unaudited financial statements, dated May 31, 2022 and the schedule of cash position, dated May 31, 2022, updated as of June 23, 2022.

Following discussion, upon motion duly made by Director Hall, seconded by Director Robson and, upon vote, unanimously carried, the Board accepted the unaudited financial statements, dated May 31, 2022 and the schedule of cash position, dated May 31, 2022, updated as of June 23, 2022.

2021 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2021 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.

Following review and discussion, Director Robson moved to adopt the Resolution to Amend 2021 Budget, Director Hall seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-06-01 to Amend the 2021 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

Investments Options: The Board deferred discussion.

Master Service Agreement with CliftonLarsonAllen LLP: The Board deferred discussion.

OPERATIONS AND MAINTENANCE

HUB and Pool Operations and Staffing: Mr. Armstrong presented to the Board a proposal for a security system for the HUB and pool.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Hall, seconded by Director Woodard and, upon vote, unanimously carried, the Board approved the engagement of ETG Systems, Inc. for security system upgrades, in an amount not to exceed \$50,000.

Security Services at the HUB and Pool: The Board entered into discussion regarding security services at the HUB and pool.

Following discussion, upon motion duly made by Director Hall, seconded by Director Woodard and, upon vote, unanimously carried, the Board approved the termination of the Service Agreement for Security Services between the District and Desouza Protective Services, LLC. The Board further approved the proposal from United States Protective Service, LLC for security services at the HUB and pool with hours as specified by the District.

Other: The Board entered into discussion regarding new HUB access key cards for new homeowners. No action was taken by the Board.

OTHER BUSINESS

Translation Services: The Board entered into a discussion regarding translating District communications and the engagement of translation services. Following discussion, the Board directed staff to obtain proposals for translation services.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

Denver Connection West Metropolitan District
July-22

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Altitude Community Law	1371	6/23/2022	6/23/2022	\$ 479.26	Covenant control - collection expenses-SRF(GF)	107803
Carriages of Colorado	Hay Ride- 09/2022	7/17/2022	7/17/2022	\$ 1,000.00	Social committee-SRF(GF)	107204
Colorado Quality Services	6	6/30/2022	7/17/2022	\$ 1,300.00	Repairs and maintenance-SRF(GF)	107592
Colorado Quality Services	7	6/30/2022	7/30/2022	\$ 200.00	Repairs and maintenance-SRF(GF)	107592
Colorado Quality Services	8	6/30/2022	7/30/2022	\$ 100.00	Repairs and maintenance-SRF(GF)	107592
Comcast	0916181 06-22	7/3/2022	7/28/2022	\$ 304.96	Clubhouse operations/supplies-SRF(GF)	107203
Denver Water	4746 06-22	6/16/2022	7/7/2022	\$ 2,423.26	Utility - water/sewer-SRF(GF)	107489
Denver Water	4690 06-22	6/15/2022	7/6/2022	\$ 366.22	Utility - water/sewer-SRF(GF)	107489
Denver Water	16093 06-22	6/16/2022	7/7/2022	\$ 697.98	Utility - water/sewer-SRF(GF)	107489
Denver Water	15898 06-22	6/16/2022	7/7/2022	\$ 887.26	Utility - water/sewer-SRF(GF)	107489
Denver Water	15891 06-22	6/16/2022	7/15/2022	\$ 371.45	Utility - water/sewer-SRF(GF)	107489
Desouza Protective Services, LLC	325	6/13/2022	6/26/2022	\$ 4,480.00	Security -SRF(GF)	107802
Desouza Protective Services, LLC	356	6/27/2022	7/10/2022	\$ 4,480.00	Security -SRF(GF)	107802
Dodge Data & Analytics	A40041559	6/28/2022	6/28/2022	\$ 59.16	Miscellaneous - GF	107480
IDES LLC	8758	5/31/2022	5/31/2022	\$ 1,157.50	Engineering - CPF	307584
Landtech Contractors, Inc.	594	7/6/2022	8/5/2022	\$ 1,931.00	Landscaping Maintenance-SRF(GF)	107587
Landtech Contractors, Inc.	607	6/30/2022	7/30/2022	\$ 408.64	Landscaping Maintenance-SRF(GF)	107587
Landtech Contractors, Inc.	414	6/21/2022	7/21/2022	\$ 1,346.11	Landscaping Maintenance-SRF(GF)	107587
Landtech Contractors, Inc.	499	7/1/2022	7/31/2022	\$ 7,815.00	Landscaping Maintenance-SRF(GF)	107587
Marc Robson	Reimbursement-7/14/22	7/14/2022	7/14/2022	\$ 378.69	Clubhouse operations/supplies-SRF(GF)	107203
Marc Robson	Reimbursement-7/14/22	7/14/2022	7/14/2022	\$ 138.63	Social committee-SRF(GF)	107204
Metro Pools Colorado	1326	5/31/2022	6/30/2022	\$ 6,063.81	Pool Maintenance-SRF(GF)	107590
Pet Scoop	413228	6/30/2022	7/15/2022	\$ 841.50	Dog park stations-SRF(GF)	107352
Plumblin Services	986040	6/30/2022	6/30/2022	\$ 93.00	Clubhouse operations/supplies-SRF(GF)	107203
Special Dist Management Svcs	Jun-22	6/30/2022	6/30/2022	\$ 2,516.00	Election - GF	107485
Special Dist Management Svcs	Jun-22	6/30/2022	6/30/2022	\$ 336.00	Repairs and maintenance-SRF(GF)	107592
Special Dist Management Svcs	Jun-22	6/30/2022	6/30/2022	\$ 7,715.27	Administrative management-SRF(GF)	107491
Special Dist Management Svcs	Jun-22	6/30/2022	6/30/2022	\$ 7,260.27	District management - GF	107440
T. Charles Wilson Insurance Se	15521615	7/5/2022	8/4/2022	\$ 2,000.00	Insurance and bonds-SRF(GF)	107361
UNCC	222060438	6/30/2022	6/30/2022	\$ 11.70	Miscellaneous - GF	107480
United States Protective Service LLC	2022-885	7/1/2022	7/11/2022	\$ 300.00	Security -SRF(GF)	107802
Waste Connections Of Colorado, Inc	6263061V311	7/31/2022	7/31/2022	\$ 218.93	Clubhouse operations/supplies-SRF(GF)	107203
Xcel Energy	786518455	7/15/2022	7/15/2022	\$ 2,767.10	Utility - electricity-SRF(GF)	107493
				\$60,448.70		

Denver Connection West Metropolitan District
July-22

	General	Debt	Capital	Special Revenue Fund	Totals
Disbursements	\$ 59,291.20		\$ 1,157.50		\$ 60,448.70
Xpress Bill Pay	\$	-			\$ -
Total Disbursements from Checking Acct	\$ 59,291.20	\$ -	\$ 1,157.50	\$ -	\$ 60,448.70

DENVER CONNECTION WEST METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2022

DENVER CONNECTION WEST METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Capital Projects Reserve</u>	<u>Total</u>
ASSETS						
Cash - Checking	\$ 356,889	\$ -	\$ 43,870	\$ 815	\$ 98,933	\$ 500,507
Petty Cash	1,000	-	-	-	-	1,000
Colotrust	54,862	-	55,585	-	-	110,447
UMB - COI Loan 2022	-	-	1,955	3,410	-	5,365
UMB Revenue - Loan 2022 A-1 & A-2	-	-	316,846	-	-	316,846
Accounts receivable	32,339	-	-	-	-	32,339
Receivable from County Treasurer	346,080	-	344,078	-	-	690,158
TOTAL ASSETS	<u>\$ 791,170</u>	<u>\$ -</u>	<u>\$ 762,334</u>	<u>\$ 4,225</u>	<u>\$ 98,933</u>	<u>\$ 1,656,662</u>
LIABILITIES AND FUND BALANCES						
CURRENT LIABILITIES						
Accounts payable	\$ 122,427	\$ -	\$ -	\$ 20,868	\$ -	\$ 143,295
Total Liabilities	<u>122,427</u>	<u>-</u>	<u>-</u>	<u>20,868</u>	<u>-</u>	<u>143,295</u>
FUND BALANCES						
Restricted	16,974	-	-	-	-	16,974
Unassigned	651,769	-	762,334	(16,643)	98,933	1,496,395
Total Fund Balances	<u>668,743</u>	<u>-</u>	<u>762,334</u>	<u>(16,643)</u>	<u>98,933</u>	<u>1,513,369</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 791,170</u>	<u>\$ -</u>	<u>\$ 762,334</u>	<u>\$ 4,225</u>	<u>\$ 98,933</u>	<u>\$ 1,656,662</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Closing fees	\$ 21,000	\$ 9,946	\$ (11,054)
Reimbursed expenditures	10,000	319	(9,681)
HUB deposit fees	1,000	4,500	3,500
Property taxes	839,331	829,454	(9,877)
Specific ownership tax	41,967	22,247	(19,720)
Interest income	75	183	108
TOTAL REVENUES	<u>913,373</u>	<u>866,649</u>	<u>(46,724)</u>
EXPENDITURES			
General and administrative			
Accounting	50,000	32,448	17,552
Dues and licenses	6,500	1,045	5,455
Auditing	5,200	-	5,200
County Treasurer's fee	8,393	8,291	102
District management	45,000	35,354	9,646
Legal services	65,000	49,671	15,329
Election	10,000	13,798	(3,798)
Contingency	6,907	-	6,907
General and administrative - HUB			
Accounting	4,000	1,999	2,001
Dues and licenses	3,000	3,000	-
Insurance and bonds	31,000	25,455	5,545
District Management	3,000	1,541	1,459
Legal	5,000	3,951	1,049
Miscellaneous	7,000	386	6,614
Administrative management	92,000	45,038	46,962
Contingency	101,950	-	101,950
Operations and maintenance - HUB			
Clubhouse operations/supplies	54,500	5,380	49,120
Social committee	20,000	7,127	12,873
Utility - water/sewer	28,000	9,003	18,997
Utility - electricity	15,000	5,417	9,583
Snow removal	60,000	57,236	2,764
Landscape maintenance	98,750	46,890	51,860
Security	40,000	20,352	19,648
Covenant control - collection expenses	12,000	5,076	6,924
Maintenance/repairs - HUB			
Dog park stations	15,000	5,043	9,957
Pool Maintenance	25,000	10,249	14,751
Repairs and maintenance	20,000	11,002	8,998
Landscape improvements	10,000	-	10,000
TOTAL EXPENDITURES	<u>842,200</u>	<u>404,752</u>	<u>437,448</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	71,173	461,897	390,724
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	70,622	174,542	103,920
Transfers to other fund	(51,972)	-	51,972
TOTAL OTHER FINANCING SOURCES (USES)	<u>18,650</u>	<u>174,542</u>	<u>155,892</u>
NET CHANGE IN FUND BALANCES	89,823	636,439	546,616
FUND BALANCES - BEGINNING	<u>30,212</u>	<u>32,304</u>	<u>2,092</u>
FUND BALANCES - ENDING	<u>\$ 120,035</u>	<u>\$ 668,743</u>	<u>\$ 548,708</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022**

SPECIAL REVENUE FUND

	<u>Annual Budget</u>	<u>Year to Date Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES				
TOTAL REVENUES				
EXPENDITURES				
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
OTHER FINANCING SOURCES (USES)				
Transfers to other fund	(177,464)	(177,464)	(174,542)	2,922
TOTAL OTHER FINANCING SOURCES (USES)	<u>(177,464)</u>	<u>(177,464)</u>	<u>(174,542)</u>	<u>2,922</u>
NET CHANGE IN FUND BALANCES	(177,464)	(177,464)	(174,542)	2,922
FUND BALANCES - BEGINNING	<u>177,464</u>	<u>177,464</u>	<u>174,542</u>	<u>(2,922)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SUPPLEMENTARY INFORMATION

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022**

DEBT SERVICE FUND

	<u>Amended Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 834,478	\$ 824,658	\$ (9,820)
Specific ownership tax	41,724	22,118	(19,606)
Interest income	1,800	776	(1,024)
TOTAL REVENUES	<u>878,002</u>	<u>847,552</u>	<u>(30,450)</u>
EXPENDITURES			
Cost of issuance - Loan 2022	157,045	151,340	5,705
Loan interest - Series 2022 A-1	298,379	78,775	219,604
Loan principal - Series 2022 A-1	230,000	-	230,000
Loan interest - Series 2022 A-2	29,674	658	29,016
Loan principal - Series 2022 A-2	27,000	-	27,000
Transfer to Refunding Escrow	13,114,180	13,114,180	-
County Treasurer's fee	8,345	8,244	101
Paying agent fees	5,500	7,417	(1,917)
Contingency	9,877	-	9,877
TOTAL EXPENDITURES	<u>13,880,000</u>	<u>13,360,614</u>	<u>519,386</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,001,998)	(12,513,062)	488,936
OTHER FINANCING SOURCES (USES)			
Loan issuance - Series 2022 A-1	11,350,000	11,350,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>11,350,000</u>	<u>11,350,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,651,998)	(1,163,062)	488,936
FUND BALANCES - BEGINNING	<u>1,925,395</u>	<u>1,925,397</u>	<u>2</u>
FUND BALANCES - ENDING	<u>\$ 273,397</u>	<u>\$ 762,335</u>	<u>\$ 488,938</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022**

CAPITAL PROJECTS FUND

	<u>Amended Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Reimbursed expenditures	\$ -	\$ 37,939	\$ 37,939
TOTAL REVENUES	<u>-</u>	<u>37,939</u>	<u>37,939</u>
EXPENDITURES			
Engineering	50,000	9,303	40,697
Cost of issuance - Loan 2022	105,000	101,590	3,410
Public art	250,000	-	250,000
Parks and Landscaping	6,341,174	-	6,341,174
Cost of issuance - Loan 2022 B	104,670	-	104,670
Contingency	50,000	-	50,000
Legal services	50,000	11,708	38,292
TOTAL EXPENDITURES	<u>6,950,844</u>	<u>122,601</u>	<u>6,828,243</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,950,844)	(84,662)	6,866,182
OTHER FINANCING SOURCES (USES)			
Developer advance	2,100,000	-	(2,100,000)
Loan issuance - Series 2022 A-1	105,000	105,000	-
Loan issuance - Series 2022 A-2	1,295,000	-	(1,295,000)
Loan issuance - Series 2022 B	3,489,000	-	(3,489,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,989,000</u>	<u>105,000</u>	<u>(6,884,000)</u>
NET CHANGE IN FUND BALANCES	38,156	20,338	(17,818)
FUND BALANCES - BEGINNING	<u>(38,156)</u>	<u>(36,982)</u>	<u>1,174</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ (16,644)</u>	<u>\$ (16,644)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022**

CAPITAL PROJECTS RESERVE FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
TOTAL REVENUES	-	-	-
EXPENDITURES			
TOTAL EXPENDITURES	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	51,972	-	(51,972)
TOTAL OTHER FINANCING SOURCES (USES)	51,972	-	(51,972)
NET CHANGE IN FUND BALANCES	51,972	-	(51,972)
FUND BALANCES - BEGINNING	98,935	98,935	-
FUND BALANCES - ENDING	<u>\$ 150,907</u>	<u>\$ 98,935</u>	<u>\$ (51,972)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in 2016. The formation of the District was approved by the City and County of Denver, Colorado. The District was organized to provide the public improvements and the operation and maintenance of the District. The District's service area includes 115.66 acres generally to the southeast corner of Green Valley Ranch Blvd and Chambers Road.

On November 8, 2016, the District's electors authorized debt in the amount of \$140,000,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, and traffic and safety control. \$60,000,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements. The District is authorized to increase taxes \$20,000,000 annually to pay the operations and administrative costs of the District, without limitation. Additionally, the Service Plan limits (except for a Gallagher adjustment) the District's total mill levy to 50.000 mills.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District's maximum Required Mill Levy is 55.664 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund]. As of December 31, 2022, the adjusted maximum mill levy for debt service is 44.531 mills and for the general fund mill levy is 44.790.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5.00% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

Administrative Fee

The District imposes Administrative Fee associated with a transfer of ownership of any dwelling unit located within the Property in the amount of \$100 per unit. The fee is due and payable at the time of sale, transfer or re-sale of any unit constructed on a lot which has a certificate of occupancy. The District's Board of Directors has approved and increase to the District's rate structure effective January 1, 2021. The transfer fee increased from \$100 to \$250 per unit. It is anticipated that in 2022 the District will have 84 dwelling units.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, dues, and other administrative expenditures. Estimated expenditures related to clubhouse maintenance, operations and management are included in the Special Revenue Fund budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1% of property tax collections.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2017A Bonds and Series 2017B Bonds (discussed under Debt and Leases).

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

In August 2017, the District issued \$9,690,000 in Series 2017A Limited Tax (convertible to unlimited tax) General Obligation Bonds with interest of 5.375%. The Bonds are subject to redemption prior to maturity at the option of the District and due on August 1, 2047.

The bonds are secured by and payable from Senior Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) all Senior Property Tax Revenues, (2) all Senior Specific Ownership Tax Revenues, (3) all Capital Fees and any other legally available monies which the District determines to be treated as Pledged Revenue. The Bonds are also secured by amounts held by the Trustee in the Reserve Fund in the amount of \$793,518.76. The Reserve Fund was created for the purpose of paying, if necessary, the principal of, premium, and interest on the Bonds. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the bonds as the same become due and payable and to make up deficiencies in the Reserve Fund.

The maximum Required Mill Levy is 40.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2022, the adjusted maximum mill levy is 44.531.

In August 2017, the District issued \$2,539,000 in Series 2017B Subordinate Bonds. The Bonds are special limited obligations of the District secured by and payable from the Subordinate pledged revenues, subject in all respects to the prior lien in favor of the Senior Bonds. The Series 2017B Subordinate Bonds are term bonds due on August 1, 2047 at an interest rate of 8.00%.

Proceeds of the Bonds were used to finance and reimburse the costs of public improvements necessary for development within the District and with respect to the proceeds of the 2017A Bonds only, fund capitalized interest account on the 2017A Bonds, fund the Senior Reserve Fund and pay the costs of issuing the Bonds.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debts and Leases (continued)

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
G.O. Bonds - Series 2017A	\$ 9,690,000	\$ -	\$ -	\$ 9,690,000	\$ -
G.O. Subordinate Bonds - Series 2017B	2,523,000	-	75,000	2,448,000	-
Accrued Interest - 2017B					
Subordinate Bonds	8,970	201,840	201,840	8,970	-
Developer Advances - General	110,576	-	-	110,576	-
Interest on Developer Advances - General	24,781	8,846	-	33,627	-
Developer Advances - Capital	15,807,524	69,131	-	15,876,655	-
Interest on Developer Advances - Capital	2,993,240	1,264,602	-	4,257,842	-
Total	<u>\$ 31,158,091</u>	<u>\$ 1,544,419</u>	<u>\$ 276,840</u>	<u>\$ 32,425,670</u>	<u>\$ -</u>

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
G.O. Bonds - Series 2017A	\$ 9,690,000	\$ -	\$ -	\$ 9,690,000	\$ 80,000
G.O. Subordinate Bonds - Series 2017B	2,448,000	-	150,000	2,298,000	-
Accrued Interest - 2017B					
Subordinate Bonds	8,970	195,840	195,840	8,970	-
Developer Advances - General	110,576	-	-	110,576	-
Interest on Developer Advances - General	33,627	8,846	-	42,473	-
Developer Advances - Capital	15,876,655	2,500,000	-	18,376,655	-
Interest on Developer Advances - Capital	4,257,842	1,270,132	-	5,527,974	-
Total	<u>\$ 32,425,670</u>	<u>\$ 3,974,818</u>	<u>\$ 345,840</u>	<u>\$ 36,054,648</u>	<u>\$ 80,000</u>

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of fiscal year spending as defined under TABOR. Such emergency reserve is an integral part of Ending Funds Available.

Debt Service Reserves

The District maintains a Debt Service Reserve as required with the issuance of the 2017A Bonds.

DENVER CONNECTION WEST METROPOLITAN DISTRICT
Schedule of Cash Deposits & Investments
June 30, 2022
Updated as of July 19, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Capital Projects Reserve Fund	Total
<u>1st Bank - Checking account</u>						
Balance as of 06/30/22	\$ 356,889.19	\$ -	\$ 43,870.00	\$ 815.00	\$ 98,933.00	\$ 500,507.19
Subsequent activities:						
07/01/22 Comcast payment - EFT	(304.57)	-	-	-	-	(304.57)
07/05/22 Paymentech fees	(30.00)	-	-	-	-	(30.00)
07/05/22 Payment, bill.com	(48,262.44)	-	-	-	-	(48,262.44)
07/06/22 Payment, bill.com	(1,905.00)	-	-	-	-	(1,905.00)
07/08/22 Payment, bill.com	(6,511.13)	-	-	-	-	(6,511.13)
07/10/22 Denver Water pmnt - EFT	(4,746.17)	-	-	-	-	(4,746.17)
07/15/22 Deposit - Closing fees; Operation and Maintenance & HUB rentals	1,000.00	-	-	-	-	1,000.00
07/18/22 Pledged revenue transfer	-	-	(43,870.00)	-	-	(43,870.00)
<i>Anticipated check run - July</i>	(53,400.00)	-	-	-	-	(53,400.00)
<i>Anticipated transfer to Colotrust</i>	(240,000.00)	-	-	-	(98,933.00)	(338,933.00)
<i>Anticipated Balance</i>	<u>2,729.88</u>	<u>-</u>	<u>-</u>	<u>815.00</u>	<u>-</u>	<u>3,544.88</u>
 <u>INVESTMENTS</u>						
<u>Colotrust Plus</u>						
Balance as of 06/30/22	54,861.61	-	55,584.93	-	-	110,446.54
Subsequent activities: (none)						
07/10/22 Property Tax - June	346,079.72	-	344,078.47	-	-	690,158.19
<i>Anticipated pledged revenue transfer</i>	-	-	(55,500.86)	-	-	(55,500.86)
<i>Anticipated transfer from 1st Bank</i>	240,000.00	-	-	-	98,933.00	338,933.00
<i>Anticipated pledged revenue transfer</i>	-	-	(344,160.00)	-	-	(344,160.00)
<i>Anticipated Balance</i>	<u>640,941.33</u>	<u>-</u>	<u>2.54</u>	<u>-</u>	<u>98,933.00</u>	<u>739,876.87</u>
***** Reserved for Capital Improvements	-	-	-	-	(98,933.00)	(98,933.00)
 <u>UMB - 2022 Loan, Cost of Issuance</u>						
Balance as of 06/30/22	-	-	1,954.84	3,409.76	-	5,364.60
Subsequent activities: (none)						
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>1,954.84</u>	<u>3,409.76</u>	<u>-</u>	<u>5,364.60</u>
 <u>UMB Revenue - 2022 A-1 & A-2 Loan</u>						
Balance as of 06/30/22	-	-	316,846.46	-	-	316,846.46
<i>Anticipated pledged revenue transfer</i>	-	-	388,030.00	-	-	388,030.00
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>704,876.46</u>	<u>-</u>	<u>-</u>	<u>704,876.46</u>
 <u>UMB - 2022 A-1 & A-2 Loan</u>						
Balance as of 06/30/22	-	-	-	-	-	-
Subsequent activities: (none)						
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Anticipated Balances by fund</i>	<u>\$ 643,671.21</u>	<u>\$ -</u>	<u>\$ 706,833.84</u>	<u>\$ 4,224.76</u>	<u>\$ -</u>	<u>\$ 1,354,729.81</u>

Yield information @ 06/30/22
CT Plus - 1.1707%

DENVER CONNECTION WEST METROPOLITAN DISTRICT
Property Taxes Reconciliation
2022

	Current Year						Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 8,359.52	\$ -	\$ 8,230.82	\$ -	\$ (83.58)	\$ 16,506.76	0.50%	0.50%	19,930.78	1.87%	1.87%
February	686,083.51	-	7,378.22	4.41	(6,850.45)	686,615.69	40.99%	41.49%	350,239.74	39.82%	41.69%
March	97,369.25	-	9,013.28	29.76	(973.98)	105,438.31	5.82%	47.31%	53,039.23	5.65%	47.34%
April	67,393.75	-	7,450.24	32.24	(674.26)	74,201.97	4.03%	51.33%	49,323.75	5.19%	52.54%
May	103,777.26	-	6,664.15	2.36	(1,037.81)	109,405.96	6.20%	57.53%	71,621.76	7.82%	60.36%
June	691,128.58	-	5,627.77	316.30	(6,914.46)	690,158.19	41.29%	98.82%	328,005.21	37.26%	97.61%
July	-	-	-	-	-	-	0.00%	98.82%	21,399.02	1.94%	99.55%
August	-	-	-	-	-	-	0.00%	98.82%	7,596.41	0.30%	99.86%
September	-	-	-	-	-	-	0.00%	98.82%	3,946.47	0.00%	99.86%
October	-	-	-	-	-	-	0.00%	98.82%	4,044.30	0.00%	99.86%
November	-	-	-	-	-	-	0.00%	98.82%	5,029.48	0.06%	99.92%
December (accrued)	-	-	-	-	-	-	0.00%	98.82%	3,282.13	0.00%	99.92%
	\$ 1,654,111.87	\$ -	\$ 44,364.48	\$ 385.07	\$ (16,534.54)	\$ 1,682,326.88	98.82%	98.82%	\$ 917,458.28	99.92%	99.92%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
\$ 839,331	50.14%	\$ 829,453.88	98.82%
834,478	49.86%	824,657.99	98.82%
\$ 1,673,809	100.00%	\$ 1,654,111.87	98.82%

Mills Levied	Assessed Value
44.790	\$ 18,739,250
44.531	
89.321	

Property Tax

General Fund	\$ 839,331	50.14%	\$ 829,453.88	98.82%
Debt Service Fund	834,478	49.86%	824,657.99	98.82%
Total	\$ 1,673,809	100.00%	\$ 1,654,111.87	98.82%

Specific Ownership Tax

General Fund	\$ 41,967	50.15%	\$ 22,246.65	53.01%
Debt Service Fund	41,724	49.85%	22,117.83	53.01%
Total	\$ 83,691	100.00%	\$ 44,364.48	53.01%

Treasurer's Fees

General Fund	\$ 8,393	50.14%	\$ 8,290.98	98.78%
Debt Service Fund	8,345	49.86%	8,243.56	98.78%
Total	\$ 16,738	100.00%	\$ 16,534.54	98.78%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**DENVER CONNECTION WEST
METROPOLITAN DISTRICT
CITY AND COUNTY OF DENVER, COLORADO**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
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INSERT INDEPENDENT AUDITOR'S REPORT

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

BASIC FINANCIAL STATEMENTS

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 296,876
Cash and Investments - Restricted	1,942,304
Prepaid Expense	3,667
Accounts Receivable	62,670
Accounts Receivable - Administrative Fees	1,500
Accounts Receivable - Other	965
Property Taxes Receivable	1,673,809
Receivable from County Treasurer	3,282
Capital Assets Not Being Depreciated	4,836,344
Capital Assets Being Depreciated	4,851,483
Total Assets	<u>13,672,900</u>
LIABILITIES	
Accounts Payable	109,657
Accrued Interest Payable	43,403
Noncurrent Liabilities:	
Due Within One Year	80,000
Due in More Than One Year	32,294,039
Total Liabilities	<u>32,534,510</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	1,673,809
Total Deferred Inflows of Resources	<u>1,673,809</u>
NET POSITION	
Restricted for:	
Emergency Reserves	23,200
Debt Service	1,079,746
Unrestricted	<u>(21,638,365)</u>
Total Net Position	<u><u>\$ (20,535,419)</u></u>

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Government Activities:					
General Government	\$ 745,032	\$ 581,291	\$ -	\$ -	\$ (163,741)
Interest and Related Costs on Long-Term Debt	2,003,393	-	-	-	(2,003,393)
Total Governmental Activities	\$ 2,748,425	\$ 581,291	\$ -	\$ -	(2,167,134)
 GENERAL REVENUES					
Property Taxes					878,510
Specific Ownership Taxes					47,403
Miscellaneous Income					2,966
Interest Income					991
Total General Revenues					929,870
 CHANGES IN NET POSITION					(1,237,264)
Net Position - Beginning of Year					(19,298,155)
 NET POSITION - END OF YEAR					\$ (20,535,419)

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Special Revenue	Debt Service	Capital Projects	Capital Projects Reserve	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 68,913	\$ 127,056	\$ -	\$ 1,972	\$ 98,935	\$ 296,876
Cash and Investments - Restricted	5,600	17,600	1,919,104	-	-	1,942,304
Accounts Receivable	-	62,670	-	-	-	62,670
Accounts Receivable - Administrative Fees	-	1,500	-	-	-	1,500
Accounts Receivable - Other	-	965	-	-	-	965
Prepaid Expense	-	-	3,667	-	-	3,667
Receivable from County Treasurer	656	-	2,626	-	-	3,282
Property Taxes Receivable	839,331	-	834,478	-	-	1,673,809
	\$ 914,500	\$ 209,791	\$ 2,759,875	\$ 1,972	\$ 98,935	\$ 3,985,073
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 42,865	\$ 27,838	\$ -	\$ 38,954	\$ -	\$ 109,657
Prepaid Assessments	-	7,411	-	-	-	7,411
Total Liabilities	42,865	35,249	-	38,954	-	117,068
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	839,331	-	834,478	-	-	1,673,809
Total Deferred Inflows of Resources	839,331	-	834,478	-	-	1,673,809
FUND BALANCES						
Nonspendable:						
Prepaid Expenses	-	-	3,667	-	-	3,667
Restricted for:						
Emergency Reserves	5,600	17,600	-	-	-	23,200
Bond Reserve Funds	-	-	794,569	-	-	794,569
Debt Service	-	-	1,127,161	-	-	1,127,161
Assigned to:						
Capital Projects	-	-	-	-	98,935	98,935
Committed to:						
Special Revenue	-	156,942	-	-	-	156,942
Unassigned	26,704	-	-	(36,982)	-	(10,278)
Total Fund Balances (Deficit)	32,304	174,542	1,925,397	(36,982)	98,935	2,194,196
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 914,500	\$ 209,791	\$ 2,759,875	\$ 1,972	\$ 98,935	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets are recorded as assets on the statement of net position, but are recorded as expenditures in the funds.		
Capital Assets, Net		9,687,827
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable		(9,690,000)
Subordinate Bonds Payable		(2,448,000)
Accrued Interest on Bonds Payable-2017A		(43,403)
Accrued Interest on Bonds Payable-2017B		(8,704)
Developer Advance Payable - Accrued Interest		(4,291,968)
Developer Advance Payable		(15,935,367)
Net Position of Governmental Activities		\$ (20,535,419)

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	General	Special Revenue	Debt Service	Capital Projects	Capital Projects Reserve	Total Governmental Funds
REVENUES						
General:						
Property Taxes	\$ 175,705	\$ -	\$ 702,805	\$ -	\$ -	\$ 878,510
Specific Ownership Tax	9,480	-	37,923	-	-	47,403
Administrative Fees	-	21,536	-	-	-	21,536
Miscellaneous Income	-	2,966	-	-	-	2,966
Operations and Maintenance Fee	-	559,755	-	-	-	559,755
Interest Income	77	-	914	-	-	991
Total Revenues	<u>185,262</u>	<u>584,257</u>	<u>741,642</u>	<u>-</u>	<u>-</u>	<u>1,511,161</u>
EXPENDITURES						
General:						
Accounting	46,749	-	-	-	-	46,749
County Treasurer's Fee	1,767	-	-	-	-	1,767
Auditing	4,900	-	-	-	-	4,900
Dues and Licenses	5,880	-	-	-	-	5,880
District Management	35,515	-	-	-	-	35,515
Legal Services	65,560	-	-	-	-	65,560
Miscellaneous	1,080	-	-	-	-	1,080
Special Revenue:						
Accounting	-	3,000	-	-	-	3,000
Administrative Management	-	74,106	-	-	-	74,106
Clubhouse Operations/Supplies	-	15,592	-	-	-	15,592
Covenant Control	-	15,647	-	-	-	15,647
District Management	-	15,058	-	-	-	15,058
Dog Park Maintenance	-	10,051	-	-	-	10,051
Insurance and Bonds	-	27,124	-	-	-	27,124
Landscape Maintenance	-	85,965	-	-	-	85,965
Legal Services	-	3,200	-	-	-	3,200
Miscellaneous	-	5,011	-	-	-	5,011
Pool Maintenance	-	18,825	-	-	-	18,825
Repairs and Maintenance	-	31,159	-	-	-	31,159
Security	-	30,675	-	-	-	30,675
Snow Removal	-	49,927	-	-	-	49,927
Social Committee	-	2,381	-	-	-	2,381
Utility - Electricity	-	12,775	-	-	-	12,775
Utility - Water	-	19,965	-	-	-	19,965
Debt Service:						
Bond Interest - Series 2017A	-	-	520,838	-	-	520,838
Bond Interest - Series 2017B	-	-	201,840	-	-	201,840
Bond Principal - Series 2017B	-	-	75,000	-	-	75,000
County Treasurer's Fee	-	-	7,034	-	-	7,034
Paying Agent Fees	-	-	5,500	-	-	5,500
Capital Outlay:						
Engineering	-	-	-	30,085	-	30,085
Legal Services	-	-	-	25,033	-	25,033
Reserve for Capital Improvements - Reserve Study	-	-	-	-	1,429	1,429
Total Expenditures	<u>161,451</u>	<u>420,461</u>	<u>810,212</u>	<u>55,118</u>	<u>1,429</u>	<u>1,448,671</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,811	163,796	(68,570)	(55,118)	(1,429)	62,490
OTHER FINANCING SOURCES (USES)						
Developer Advance	-	-	-	17,267	-	17,267
Transfers to/from Other Fund	-	(51,972)	-	-	51,972	-
Total Other Financing Sources	<u>-</u>	<u>(51,972)</u>	<u>-</u>	<u>17,267</u>	<u>51,972</u>	<u>17,267</u>
NET CHANGE IN FUND BALANCES	23,811	111,824	(68,570)	(37,851)	50,543	79,757
Fund Balances - Beginning of Year	<u>8,493</u>	<u>62,718</u>	<u>1,993,967</u>	<u>869</u>	<u>48,392</u>	<u>2,114,439</u>
FUND BALANCES (DEFICITS)-END OF YEAR	<u>\$ 32,304</u>	<u>\$ 174,542</u>	<u>\$ 1,925,397</u>	<u>\$ (36,982)</u>	<u>\$ 98,935</u>	<u>\$ 2,194,196</u>

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Changes in Fund Balances - Total Governmental Funds	\$	79,757
<p>Amounts reported for governmental activities in the statement of net activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable assets over the estimated useful life of the asset. During the current period, this is the net amount of capital outlay.</p>		
Depreciation Expense		(101,073)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Current Year Bond Principal Payment		75,000
<p>The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:</p>		
Developer Advances		(17,267)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued Interest on Bonds - Change in Liability		266
Accrued Interest on Developer Advances - Change in Liability		(1,273,947)
		(1,273,947)
Change in Net Position of Governmental Activities	\$	(1,237,264)

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 175,847	\$ 175,847	\$ 175,705	\$ (142)
Specific Ownership Tax	8,792	8,792	9,480	688
Interest Income	20	80	77	(3)
Total Revenues	<u>184,659</u>	<u>184,719</u>	<u>185,262</u>	<u>543</u>
EXPENDITURES				
General and Administrative				
Accounting	32,000	45,000	46,749	(1,749)
Auditing	5,200	4,900	4,900	-
Contingency	3,042	115	-	115
County Treasurer's Fee	1,758	1,758	1,767	(9)
District Management	43,000	43,000	35,515	7,485
Dues and Licenses	4,000	5,227	5,880	(653)
Legal Services	53,000	60,000	65,560	(5,560)
Miscellaneous	3,000	3,000	1,080	1,920
Total Expenditures	<u>145,000</u>	<u>163,000</u>	<u>161,451</u>	<u>1,549</u>
NET CHANGE IN FUND BALANCES	39,659	21,719	23,811	2,092
Fund Balances - Beginning of Year	<u>4,664</u>	<u>8,493</u>	<u>8,493</u>	<u>-</u>
FUND BALANCES (DEFICIT) END OF YEAR	<u>\$ 44,323</u>	<u>\$ 30,212</u>	<u>\$ 32,304</u>	<u>\$ 2,092</u>

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Administrative Fees	\$ 21,000	\$ 21,536	\$ 536
Operations and Maintenance Fee	548,372	559,755	- 11,383
Reimbursed Expenditures	10,000	-	- (10,000)
Other revenue	1,000	2,966	1,966
Total Revenues	<u>580,372</u>	<u>584,257</u>	<u>3,885</u>
EXPENDITURES			
Accounting	3,000	3,000	-
Clubhouse Operations/Supplies	50,000	15,592	34,408
Social Committee	-	2,381	(2,381)
Dog Park Maintenance	10,000	10,051	(51)
Insurance and Bonds	31,000	27,124	3,876
District Management	3,000	15,058	(12,058)
Legal Services	5,000	3,200	1,800
Miscellaneous	3,000	5,011	(2,011)
Administrative Management	91,000	74,106	16,894
Pool Maintenance	30,000	18,825	11,175
Repairs and Maintenance	10,000	31,159	(21,159)
Landscape Maintenance	187,560	85,965	101,595
Landscape Improvements	10,000	-	10,000
Security	14,000	30,675	(16,675)
Covenant Control	5,000	15,647	(10,647)
Contingency	812	-	812
Utility - Water	25,000	19,965	5,035
Utility - Electricity	10,000	12,775	(2,775)
Snow Removal	40,000	49,927	(9,927)
Total Expenditures	<u>528,372</u>	<u>420,461</u>	<u>107,911</u>
EXCESS OF REVENUES OVER EXPENDITURES	52,000	163,796	111,796
OTHER FINANCING SOURCES			
Transfer to Other Funds	(51,972)	(51,972)	-
Total Other Financing Uses	<u>(51,972)</u>	<u>(51,972)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	28	111,824	111,796
Fund Balances - Beginning of Year	<u>130,521</u>	<u>62,718</u>	<u>(67,803)</u>
FUND BALANCES END OF YEAR	<u><u>\$ 130,549</u></u>	<u><u>\$ 174,542</u></u>	<u><u>\$ 43,993</u></u>

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court for the City and County of Denver and recorder on December 1, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City and County of Denver, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements and services, including streets, water, storm, sanitation, safety protection, and parks and recreation facilities, transportation, mosquito control, and covenant enforcement.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set 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 District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct 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.

Separate financial statements are provided for governmental funds. 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 related cash flows.

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 major sources of revenue susceptible to accrual are District property taxes and interest. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with operations and maintenance of the District.

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

The Capital Projects Reserve Fund is used to account for financial resources to be used for replacing and/or maintain community center and capital improvements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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 appropriation is at the total fund expenditures level and lapses at year-end. 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 District has amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

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 single bank account. 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.

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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

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 or business-type 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings and Improvements	50 Years
----------------------------	----------

Facilities Fees

On December 9, 2016 the District's Board of Directors approved and adopted the Denver Connection West Metropolitan District Facilities Fee Resolution, as recorded on February 10, 2017, for the imposition of a one-time Facilities Fee for the use of the District service system.

The Facilities Fee is charged against each residential building located within the property (Dwelling Unit) and imposes a rate of \$3,000 per Equivalent Unit, defined as the right to use the District service system for one dwelling unit (Equivalent Unit). The Facilities Fee is payable on or before the date of issuance of a building permit.

District Fees

On May 23, 2017 the District's Board of Directors approved and adopted the Resolution of the Board of Directors of the Denver Connection West Metropolitan District Regarding the Imposition of District Fees, as recorded on July 27, 2017, for the imposition of an operations and maintenance fee (O&M Fee), and an administrative fee (Administrative Fee, collectively with the O&M Fee, the District Fees).

The District imposes the O&M Fee to offset the costs associated with the operation and maintenance of the District improvements. The O&M Fee is charged against each residential building located within the property and imposes a rate of \$168 per quarter for each single family residential unit, \$183 per quarter for each rear-loaded single family residential dwelling unit, and \$183 per quarter for each townhome unit. The O&M Fee are due payable on January 25, April 25, July 25 and October 25. On November 24, 2020, the District adopted an Amended and Restated Resolution Regarding the Imposition of District Fees and imposes a rate of \$177 per quarter for each single family unit, \$212 per quarter to each rear-loaded single family residential dwelling unit, and \$196 per quarter for each townhome unit.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District Fees (Continued)

The District imposes the Administrative Fee to offset the administrative costs associated with the transfer of ownership of any dwelling unit located within the property. The Administrative Fee is charged against any dwelling unit located within the property to which ownership will be transferred and imposes a rate of \$100.00 per residential unit. The Administrative Fee is due and payable at the time of any sale, transfer, or re-sale of any unit constructed on a lot which has a certificate of occupancy. Effective November 24, 2020 the District imposes a rate of \$250 per unit.

On November 21, 2021 the District's Board of Directors approved and adopted the Resolution of the Board of Directors of the Denver Connection West Metropolitan District Regarding the Imposition of Operations and Maintenance Mill Levy, to generate the same revenue as it was generated by O&M fees.

In 2022, the District's major source of revenue is Property Taxes.

Deferred Inflows of Resources

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

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

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

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

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

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

Deficits

The Capital Projects Fund reported a deficit in the fund financial statements as of December 31, 2021. The deficit will be eliminated with the receipt of developer advances in 2021.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	\$ 296,876
Cash and Investments - Restricted	1,942,304
Total Cash and Investments	<u>\$ 2,239,180</u>

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

Deposits with Financial Institutions	\$ 348,189
Investments	<u>1,890,991</u>
Total Cash and Investments	<u><u>\$ 2,239,180</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

At December 31, 2021, the District's cash deposit had a bank balance of \$347,189 and a carrying balance of \$347,189.

Investments

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

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 682
Colorado Surplus Asset Fund Trust Investment (CSAFE)	Weighted Average Maturity Under 60 Days	1,890,309
Total Investments		<u>\$ 1,890,991</u>

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's and COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement.

The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in capital assets for the year ended December 31, 2021:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Capital Assets, Not Being Depreciated:				
Construction in Progress				
Parks and Open Space	\$ 4,836,344	\$ -	\$ -	\$ 4,836,344
Total Capital Assets Not Being Depreciated	4,836,344	-	-	4,836,344
Capital Assets, Being Depreciated:				
Community Center - HUB	5,053,629	-	-	5,053,629
Total Capital Assets Being Depreciated	5,053,629	-	-	5,053,629
Less Accumulated Depreciation for:				
Community Center - HUB	(101,073)	(101,073)	-	(202,146)
Total Accumulated Depreciation	(101,073)	(101,073)	-	(202,146)
Total Capital Assets, Being Depreciated, Net	4,952,556	(101,073)	-	4,851,483
Governmental Activities - Capital Assets, Net	<u>\$ 9,788,900</u>	<u>\$ (101,073)</u>	<u>\$ -</u>	<u>\$ 9,687,827</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	<u>\$ 101,073</u>

Certain assets, primarily the Community Center, are remaining with the District for ownership and maintenance.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
G.O. Bonds - Series 2017A	\$ 9,690,000	\$ -	\$ -	\$ 9,690,000	\$ 80,000
G.O. Subordinate Bonds - Series 2017B	2,523,000	-	75,000	2,448,000	-
Accrued Interest - 2017B Subordinate Bonds	8,970	201,574	201,840	8,704	-
Developer Advances - General	110,576	-	-	110,576	-
Interest on Developer Advances - General	24,781	8,846	-	33,627	-
Developer Advances - Capital	15,807,524	17,267	-	15,824,791	-
Interest on Developer Advances - Capital	2,993,240	1,265,101	-	4,258,341	-
Total	<u>\$ 31,158,091</u>	<u>\$ 1,492,788</u>	<u>\$ 276,840</u>	<u>\$ 32,374,039</u>	<u>\$ 80,000</u>

On August 23, 2017, the District issued \$9,690,000 in Series 2017A Limited Tax (convertible to unlimited tax) General Obligation Bonds with interest of 5.375% (2017A Bonds). The 2017A Bonds are subject to redemption prior to maturity at the option of the District and due on August 1, 2047. In addition, the 2017A bonds are subject to mandatory sinking fund redemption beginning December 1, 2022.

The 2017A Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2022, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2022, to November 30, 2023	3.00%
December 1, 2023, to November 30, 2024	2.00
December 1, 2024, to November 30, 2025	1.00
December 1, 2025, and thereafter	0.00

The 2017A Bonds are secured by and payable from Senior Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) all Senior Property Tax Revenues, (2) all Senior Specific Ownership Tax Revenues, (3) all Capital Fees and (4) any other legally available monies which the District determines to credit to the Senior Bond Fund.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The 2017A Bonds are also secured by amounts held by the Trustee in the Reserve Fund in the amount of \$794,569. The Reserve Fund was created for the purpose of paying, if necessary, the principal of, premium, if any, and interest on the 2017A Bonds. Senior Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the 2017A Bonds as the same become due and payable and to make up deficiencies in the Reserve Fund.

The maximum Senior Required Mill Levy is 40.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District.

On August 23, 2017, the District issued \$2,539,000 in Series 2017B Subordinate Bonds ("2017B Bonds", together with the 2017A Bonds, the "Bonds"). The 2017B Bonds are special limited obligations of the District secured by and payable from the 2017B Subordinate pledged revenues, subject in all respects to the prior lien in favor of the 2017A Bonds. The Series 2017B Bonds are term bonds due on August 1, 2047 at an interest rate of 8.00%. The 2017B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2017B Bonds compounds annually on each December 15. In the event any amount of principal or interest on the 2017B Bonds remains unpaid after the application of all Subordinate Pledged Revenue on December 15, 2057, the 2017B Bonds shall be deemed discharged.

Proceeds of the Bonds are being used to finance and reimburse the costs of public improvements necessary for development within the District. In addition, the proceeds of the 2017A Bonds were used to fund the capitalized interest account on the 2017A Bonds, fund the Senior Reserve Fund and pay the costs of issuing the Bonds.

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 80,000	\$ 520,838	\$ 600,838
2023	110,000	516,538	626,538
2024	125,000	510,625	635,625
2025	135,000	503,906	638,906
2026	155,000	496,650	651,650
2027-2031	990,000	2,344,576	3,334,576
2032-2036	1,485,000	2,027,988	3,512,988
2037-2041	2,115,000	1,564,663	3,679,663
2042-2046	2,965,000	909,987	3,874,987
2047	1,530,000	54,824	1,584,824
Total	<u>\$ 9,690,000</u>	<u>\$ 9,450,595</u>	<u>\$ 19,140,595</u>

The amounts of principal and interest payments to be made in future years on the 2017B Subordinate Bonds will depend on pledged revenue collected and cannot be predicted with certainty.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 8, 2016, a majority of the qualified electors of the District who voted in the election authorized the issuance of District indebtedness in an amount not to exceed \$200,000,000. At December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized 2016 Election	Authorization Used for Series 2017A Bonds	Authorization Used for Series 2017B Bonds	Authorized But Unissued
Capital Improvements	\$ 140,000,000	\$ 9,690,000	\$ 2,539,000	\$ 127,771,000
Operations and Maintenance	20,000,000	-	-	20,000,000
Intergovernmental Agreements	20,000,000	-	-	20,000,000
Refunding	20,000,000	-	-	20,000,000
Total	<u>\$ 200,000,000</u>	<u>\$ 9,690,000</u>	<u>\$ 2,539,000</u>	<u>\$ 187,771,000</u>

NOTE 6 NET POSITION

The District's net position consists of two components – restricted and unrestricted.

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021 as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserves	\$ 23,200
Debt Service	1,079,746
Total Restricted Net Position	<u>\$ 1,102,946</u>

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets. The District has a deficit in unrestricted net position.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 AGREEMENTS

Operation Funding Agreement

The District and the Developer (William Lyon Homes, Inc.) entered into an Operation Funding Agreement on January 30, 2017, with an effective date of December 1, 2016, as amended by the first Amendment dated July 27, 2017 (Agreement).

Pursuant to the authority granted to the District by its Service Plan, as approved by the City Council of the City and County of Denver on September 12, 2016, as it may be amended from time to time (the Service Plan), the District intends to construct and/or acquire certain public improvements and provide certain services to benefit properties within its boundaries and/or service area (the District Services). In order for the public improvements to be constructed and/or acquired it is necessary for the District to be able to pay its ongoing operations and maintenance expenses which enable it to provide the District Services.

In order to enable the District to provide District Services, Developer is willing to advance funds to the District or to pay consultants directly for operations and maintenance expenses pursuant to the terms of this Agreement.

The District anticipates a shortfall in revenues available for operations and maintenance expenses to be incurred for fiscal years 2016 and 2019 in an aggregate amount of \$184,000 (the Shortfall Amount). The Developer shall advance funds necessary to fund, or shall directly pay, the District's operations and maintenance expenses on a periodic basis as needed for the fiscal years 2016 through 2019 up to the Shortfall Amount. The District shall, from time to time, provide written notice to the Developer that an advance of all or part of the Shortfall Amount is required.

Simple interest shall accrue on each Developer Advance from the date of deposit into the District's account or from the date of direct payment by Developer, until paid, at the rate of 8% per annum. Payments to reimburse the Developer shall be made on December 2 of each year and shall be applied as follows: first to the accrued and unpaid interest and then to the principal amount due pursuant to this Agreement.

The term of this Agreement commenced on December 1, 2016 and shall expire on December 31, 2019, unless terminated earlier by the mutual agreement of the Parties. Any obligation of Developer to advance funds will expire upon advance to the District of amounts sufficient to pay expenses incurred in 2016 through 2019, not to exceed the Shortfall Amount. Any obligation of District to reimburse Developer shall expire on December 31, 2059. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to this Agreement on or before December 31, 2059, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

As of December 31, 2021, outstanding advances under the Agreement totaled \$110,576 and accrued interest totaled \$33,327.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 AGREEMENTS (CONTINUED)

Facilities Funding and Acquisition Agreement

The District and the Developer entered into a Facilities Funding and Acquisition Agreement on January 30, 2017, with an effective date of December 1, 2016 (the Acquisition Agreement). Pursuant to the Acquisition Agreement, the Developer has agreed to advance funds to the District (each an "Advance") in the amount necessary to fund the costs of designing, testing, engineering, and construction of the public improvements, together with related consultant and management fees, as needed, up to \$20,000,000 (unless otherwise approved by the Developer), for the fiscal years 2016 through 2026. Alternatively, the Developer may design, construct, and complete certain public improvements and the District may acquire such improvements.

Subject to availability of funding, the District agrees to repay the Developer for advances made for organization expenses of the District and advances for construction related expenses with simple interest accruing thereon at the rate of 8% per annum. In the event the District has not repaid the Developer by December 31, 2057, any amount of principal and accrued interest outstanding on such date is to be deemed discharged and satisfied in full. The Acquisition Agreement does not constitute a debt or multiple fiscal year financial obligation of the District and the making of any reimbursement thereunder is subject to annual appropriation.

As of December 31, 2021, outstanding advances under the agreement totaled \$15,824,791 and accrued interest totaled \$4,258,341.

Gateway Improvement Funding Agreement

The District and the City and County of Denver, Colorado (City) entered into the Gateway Improvements Funding Agreement (Denver Connection West) dated September 19, 2019 (Gateway IGA). The Gateway IGA recognizes that the District is located within the Gateway Impact Fee Assessment Area (Assessment Area), as defined in the City's Gateway Impact Fee Ordinance 863, Series 2000 (Impact Fee Ordinance). The Impact Fee Ordinance provides for the collection of an Impact Fee to finance regional infrastructure within the Assessment Area. Under the Gateway IGA, the District intends to exercise its authority to construct, provide for or finance certain regional infrastructure for the Green Valley Ranch Boulevard expansion improvements and the Memphis Street traffic signal improvements (collectively, the Gateway Improvements), both of which are impact fee projects. The City shall reimburse the District for certain funds expended by the District for the purpose of undertaking construction of the Gateway Improvements, in an amount not to exceed \$1,543,979.67. Once the City has accepted the Gateway Improvements, the District will convey the Gateway Improvements to the City for ownership and maintenance.

NOTE 8 INTERFUND AND OPERATING TRANSFERS

The transfer from the Special Revenue Fund to Capital Project Reserve Fund was done to accumulate funds in the Capital Project Reserve Fund.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, workers' compensation, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

At the election on November 8, 2016, voters of the District approved an election question allowing the District to collect and expend each year all revenues without regard to the revenue and spending limitations of TABOR.

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.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 SUBSEQUENT EVENT

On March 29, 2022 the District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan, Series 2022A-1, in the original aggregate principal amount of \$11,350,000 (the "Series 2022A Loan") and Limited Tax (Convertible to Unlimited Tax) General Obligation Improvement Loan, Series 2022A-2 in the original aggregate principal amount of up to \$1,400,000 (the "Series 2022A-2 Loan" and together with the 2022A Loan, the Loans"). The 2022A-2 Loan has been incurred on the date hereof in the initial amount of \$105,000 ("Initial Advance") pursuant to Loan Agreement.

The Series 2022A-1 Loan is being issued for the purpose of (i) refunding the Refunded Bonds; and (ii) paying the costs related to the issuance of the Series 2022A-1 Loan. The issuance of the Series 2022A-1 Loan reduces interest costs relating to the Refunded Bonds or effects other economies and, accordingly, the Series 2022A-1 Loan is being issued pursuant to Part 13 of Article 1 of Title 32, C.R.S. In addition, the refunding of the Refunded Bonds with proceeds of the Series 2022A-1 Loan constitutes a refinancing of District bonded debt at a lower interest rate and Article X, Section 20 of the Colorado Constitution provides that voter approval in advance is not required for refinancing district bonded debt at a lower interest rate.

The Series 2022A-2 Loan is being issued for the purpose of (i) financing and refinancing the costs of certain public improvements, and (ii) paying the costs related to the issuance of Series 2022A-2 Loan.

The District has amended its annual budget for the year ended December 31, 2022.

SUPPLEMENTARY INFORMATION

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 703,372	\$ 703,372	\$ 702,805	\$ (567)
Specific Ownership Tax	35,169	35,169	37,923	2,754
Interest Income	19,000	1,400	914	(486)
Total Revenues	<u>757,541</u>	<u>739,941</u>	<u>741,642</u>	<u>1,701</u>
EXPENDITURES				
County Treasurer's Fees	7,034	7,034	7,034	-
Paying Agent Fees	5,500	5,500	5,500	-
Bond Interest - Series 2017 A	520,838	520,838	520,838	-
Bond Interest - Series 2017 B	212,147	201,840	201,840	-
Bond Principal Series 2017B	50,000	75,000	75,000	-
Total Expenditures	<u>795,519</u>	<u>810,212</u>	<u>810,212</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(37,978)	(70,271)	(68,570)	1,701
Fund Balances - Beginning of Year	<u>1,991,522</u>	<u>1,993,967</u>	<u>1,993,967</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,953,544</u></u>	<u><u>\$ 1,923,696</u></u>	<u><u>\$ 1,925,397</u></u>	<u><u>\$ 1,701</u></u>

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Engineering	13,400	30,085	(16,685)
Public art	250,000	-	250,000
Contingency	11,600	-	11,600
Legal	-	25,033	(25,033)
Total Expenditures	275,000	55,118	219,882
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(275,000)	(55,118)	219,882
OTHER FINANCING SOURCES (USES)			
Developer Advance	275,000	17,267	(257,733)
Total Other Financing Sources (Uses)	275,000	17,267	(257,733)
NET CHANGE IN FUND BALANCES	-	(37,851)	(37,851)
Fund Balances - Beginning of Year	-	869	869
FUND BALANCES (DEFICIT) END OF YEAR	\$ -	\$ (36,982)	\$ (36,982)

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
CAPITAL PROJECTS RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Reserve for Capital Improvements - Reserve Study	-	1,429	1,429	-
Contingency	-	71	-	71
Total Expenditures	-	1,500	1,429	71
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(1,500)	(1,429)	(71)
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	51,972	51,972	51,972	-
Total Other Financing Sources (Uses)	51,972	51,972	51,972	-
NET CHANGE IN FUND BALANCE				
	51,972	50,472	50,543	(71)
Fund Balance - Beginning of Year	44,812	48,392	48,392	-
FUND BALANCE - END OF YEAR	<u>\$ 96,784</u>	<u>\$ 98,864</u>	<u>\$ 98,935</u>	<u>\$ (71)</u>

OTHER INFORMATION

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021**

Year Ended December 31,	Principal	Interest	Total
2022	\$ 80,000	\$ 520,838	\$ 600,838
2023	110,000	516,538	626,538
2024	125,000	510,625	635,625
2025	135,000	503,906	638,906
2026	155,000	496,650	651,650
2027	160,000	488,319	648,319
2028	185,000	479,719	664,719
2029	195,000	469,775	664,775
2030	220,000	459,294	679,294
2031	230,000	447,469	677,469
2032	255,000	435,106	690,106
2033	270,000	421,400	691,400
2034	300,000	406,888	706,888
2035	315,000	390,763	705,763
2036	345,000	373,831	718,831
2037	365,000	355,287	720,287
2038	395,000	335,669	730,669
2039	420,000	314,438	734,438
2040	455,000	291,863	746,863
2041	480,000	267,406	747,406
2042	520,000	241,605	761,605
2043	550,000	213,656	763,656
2044	595,000	184,094	779,094
2045	625,000	152,113	777,113
2046	675,000	118,519	793,519
2047	1,530,000	54,824	1,584,824
Total	\$ 9,690,000	\$ 9,450,595	\$ 19,140,595

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2017	\$ 6,460	50.000	0.000	\$ 323	\$ 323	100.00 %
2018	3,158,300	10.000	40.000	157,915	157,915	100.00
2019	4,230,150	11.055	44.222	233,830	163,776 (A)	70.04
2020	10,862,230	11.133	44.531	604,635	604,635	100.00
2021	15,795,120	11.133	44.531	879,219	878,510	99.92
Estimated for Year Ending December 31, 2022	\$ 18,739,250	44.790	44.531	\$ 1,673,809		

NOTES:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

(A) Includes a rebate of \$70,345 to taxpayers in 2019.



OFFICE OF THE STATE AUDITOR - LOCAL GOVERNMENT AUDIT DIVISION
KERRI L. HUNTER, CPA • STATE AUDITOR

Request for Extension of Time to File Audit for Year End December 31, 2021 ONLY

If someone other than an elected board member submitted an extension request, this form should be signed by a member of the elected governing body and submitted with the audit by September 30, 2022.

Requests may be submitted via internet portal: <https://apps.leg.co.gov/osa/lg>.

Government Name:	Denver Connection West Metropolitan District
Name of Contact:	Jason Carroll
Address:	8390 E Crescent Pkwy #300
City/Zip Code	Greenwood Village, 80111
Phone Number:	303-779-5710
Fax Number:	303-779-0348
E-mail	Jason.Carroll@claconnect.com
Fiscal Year Ending (mm/dd/yyyy):	12/31/2021
Amount of Time Requested (in days): (Not to exceed 60 calendar days)	60 days Audit Due: September 30, 2022
Comments (optional):	

I understand that if the audit is not submitted within the approved extension of time, the government named in the extension request will be considered in default without further notice, and the State Auditor shall take further action as prescribed by Section 29-1-606(5)(b), C.R.S.

Must be signed by a member of the governing board.

Signature _____
Printed Name: _____
Title: _____
Date: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

May 11, 2022

Board of Directors
Denver Connection West Metro District
8390 E. Crescent Pkwy., Ste. 300
Greenwood Village, CO 80111

Dear Board of Directors:

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for Denver Connection West Metro District (“you,” “your,” “board of directors” or “the district”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

Scope of professional services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

Board of director responsibilities

The board of directors of the district acknowledge and understand that our role is to provide the services identified in one or more SOWs issued per this MSA and that the board of directors of the district has certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its role in management of the district.

Responsibilities and limitations related to nonattest services

For all nonattest services we may provide to you, you agree to oversee all management services; evaluate the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services.

Fees and terms

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures permitted by this MSA through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one percent (1.00%), which is an annual percentage rate of 12%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable if and as provided by Colorado law.

Limitation of remedies

You agree that in no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages related to CLA's acts or omissions in performance of our duties under the terms of this MSA or any SOW issued under this MSA.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. Any legal or equitable action brought by the district to recover on a dispute shall be commenced within the applicable statute of limitations under Colorado state statutes and case law.

CLA shall be authorized to the following cash access services:

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
 - Paper checks – we will prepare the checks for your approval and wet ink signature.
 - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments.

- ACH/Wire – we will use this method as needed/as requested, with your approval.

We understand that you will designate one or more members of the board of directors to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately.
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank that include cash.
- If applicable, have access to cash-in-kind assets, such as coupons.
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function.

Board of Directors' responsibilities relevant to CLA's access to your cash

All members of your board of directors are responsible for the processes below; however, we understand that you will designate one or more board of directors to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve non-recurring wires to external parties.
- Pre-approve for recurring wires, then board of directors will ratify approval.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid.
- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off.
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations.

Other provisions

Except as expressly permitted by the "Consent" section of this agreement, CLA shall not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from

disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by the Colorado Open Records Act, Section 24-72-200.1 *et seq.*, C.R.S. (“CORA”).

Insurance:

CLA shall acquire and maintain in full force and effect, during the entire term of the MSA, the insurance coverages set forth in below in order to protect the district including its board of directors, and CLA from claims that arise out of or result from the operations under this MSA by the CLA or its affiliates or by anyone acting on their behalf or for which they may be liable. Failure to maintain the insurance policies shall be a material breach of this MSA and the district may request certificates of insurance reflecting the coverages outlined below.

- A. Workers’ Compensation Insurance.
- B. Commercial General Liability Insurance.
- C. Commercial Automobile Liability Insurance
- D. General Professional Liability.
- E. Network Security (Cyber) Liability Insurance.
- F. Excess/Umbrella Liability Coverage.

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district’s assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will assume fiduciary responsibility on the district’s behalf during the course of this agreement only if provided in SOWs issued under this MSA; and the parties, in entering into this MSA, do not intend to create an overarching fiduciary relationship.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted



by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

Annual Appropriation and Budget

The district does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. CLA expressly understands and agrees that the district's obligations under this MSA shall extend only to monies appropriated for the purposes of this MSA by the board of directors and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this MSA shall be construed or interpreted as a delegation of governmental powers by the district, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the district or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. No provision of this MSA shall be construed to pledge or to create a lien on any class or source of district funds. The district's obligations under this MSA exist subject to annual budgeting and appropriations, and shall remain subject to the same for the entire term of this MSA.

Governmental Immunity

Nothing in this MSA shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the district, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the district and, in particular, governmental immunity afforded or available to the district pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

No Third-Party Beneficiaries

It is expressly understood and agreed that enforcement of the terms and conditions of this MSA, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this MSA shall give or allow any such claim or right of action by any third party. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this MSA shall be deemed to be an incidental beneficiary only.

Personal Identifying Information

During the performance of this MSA, the district may disclose Personal Identifying Information to CLA. "Personal Identifying Information" means a social security number; a personal identification number; a password; a pass code; an official state or government-issued driver's license or identification card number; a government passport number; biometric data, as defined in § 24-73-103(1)(a), C.R.S.; an employer, student, or military identification number; or a financial transaction device, as defined in § 18-5-701(3), C.R.S. In compliance with § 24-73-102, C.R.S., CLA agrees to implement and maintain reasonable security procedures and practices that are: (i) appropriate to the nature of the Personal Identifying Information disclosed to CLA; and (ii) reasonably designed to help protect the Personal Identifying Information from unauthorized access, use, modification, disclosure, or destruction.

CLA agrees to report within twenty-four (24) hours to the district's board of directors any Data Security Incidents that may result in the unauthorized disclosure of Personal Identifying Information. For the purposes of this MSA "Data Security Incident" is defined to mean any actual or reasonably suspected: (a) unauthorized use of, or unauthorized access to, CLA systems; (b) inability to access business and other proprietary information, data, or the CLA systems due to a malicious use, attack, or exploit of such business and other proprietary information or systems; (c) unauthorized access to, theft of, or loss of business and other proprietary information, or of storage devices that could reasonably contain such information; (d) unauthorized use of business and other proprietary information or data for purposes of actual or reasonably suspected theft, fraud, or identity theft; (e) unauthorized disclosure of business and other proprietary information or data.

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of Denver Connection West Metro District information, excluding Personal Identifying Information, in these cost comparison, performance indicator, and/or benchmarking reports.

Technology

CLA may, at times, use third-party software applications to perform services under this agreement. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

Counterpart Execution

This MSA may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Electronic Signatures

The parties consent to the use of electronic signatures pursuant to the Uniform Electronic Transactions Act, Sections 24-71.3-101, et seq., Colorado Revised Statutes, as may be amended from time to time. The MSA, and any other documents requiring a signature hereunder, may be signed electronically by the parties in a manner acceptable to the district. The parties agree not to deny the legal effect or enforceability of the MSA solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of the MSA in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

MSA Modification

The MSA may not be amended, altered, or otherwise changed except by a written agreement signed by authorized representatives of the parties.

Termination of MSA

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

Sincerely,

CliftonLarsonAllen LLP



Jason Carroll, CPA
Principal
Jason.Carroll@CLAconnect.com

Response:

This agreement correctly sets forth the understanding of Denver Connection West Metro District.

APPROVED:

Signature

Title

Date



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Special Districts Preparation SOW

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Denver Connection West Metro District (“you” and “your”) dated May 11, 2022. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of professional services

Jason Carroll, CPA, is responsible for the performance of the preparation engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

Ongoing normal accounting services:

- Outsourced accounting activities
 - For each fund of the district, CLA will generally prepare and maintain the following accounting records:
 - Cash receipts journal
 - Cash disbursements journal
 - General ledger
 - Accounts receivable journals and ledgers
 - Deposits with banks and financial institutions
 - Schedule of disbursements
 - Bank account reconciliations
 - Investment records
 - Detailed development fee records
 - Process accounts payable including the preparation and issuance of checks for approval by a designated individual
 - Prepare billings, record billings, enter cash receipts, and track revenues
 - Reconcile certain accounts regularly and prepare journal entries
 - Prepare depreciation schedules



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details.

- Prepare monthly/quarterly/as requested financial statements and supplementary information, but not perform a compilation with respect to those financial statements. Additional information is provided below.
- Prepare a schedule of cash position to manage the district’s cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district’s board of directors.
- Prepare the annual budget and assist with the filing of the annual budget – additional information is provided below.
- Assist the district’s board of directors in monitoring actual expenditures against appropriation/budget.
- If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district’s auditors.
- If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below.
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required.
- Review claims for reimbursement from related parties prior to the board of directors’ review and approval.
- Read supporting documentation related to the district’s acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness. Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW. These procedures may not satisfy district policies, procedures, and agreements’ requirements. Note: our procedures should not be relied upon as the final authorization for this transaction.
- Attend board meetings as requested.
- Be available during the year to consult with you on any accounting matters related to the district.
- Review and approve monthly reconciliations and journal entries prepared by staff
- Reconcile complex accounts monthly and prepare journal entries
- Analyze financial statements and present to management and the board of directors.
- Develop and track key business metrics as requested and review periodically with the board of directors.
- Document accounting processes and procedures
- Continue process and procedure improvement implementation

- Report and manage cash flows
- Assist with bank communications.
- Perform other nonattest services.

Compilation services

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

Preparation services – financial statements

We will prepare the monthly/quarterly/as requested financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

Preparation services - annual

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district’s auditors.

Preparation services – prospective financial information (i.e., unexpired budget information)

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management’s knowledge and belief, the entity’s expected financial position, results of operations, and cash flows for the forecast period. It is based on management’s assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast.

References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

- a. Prepare monthly/quarterly/as requested financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP identified above, based on information provided by you and information generated through our outsourced accounting services.
- b. As requested, apply accounting and financial reporting expertise to assist you in the presentation of your monthly/quarterly/as requested financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c. Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d. Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.
- e. If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f. If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the monthly/quarterly/as requested financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the

Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

Our report

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party and may not be suitable for another purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation, the Application for Exemption from Audit (if an audit is not required), we will not issue reports on budget, the Application for Exemption from Audit as a result of this engagement.

No assurance statements

The monthly/quarterly/as requested financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: “No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For best business type activities the Statement of Cash Flows has been omitted”.

If an audit is required, the year-end financial statements prepared for use by the district’s auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from

Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management's responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district's operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b. The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c. The presentation of the supplementary information.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h. To provide us with the following:
 - i. Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
 - ii. Additional information that may be requested for the purpose of the engagement.
 - iii. Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the Board Treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$425
Chief Financial Officer	\$200 - \$385
Controller	\$180 - \$250
Senior	\$140 - \$180
Staff	\$ 80 - \$150
Administrative support	\$ 80 - \$120

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

Use of financial statements, the annual budget, the Application for Exemption from Audit

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute

information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)

Unlawful employees, contractors, and subcontractors

We shall not knowingly employ or contract with a worker without authorization to perform work under this contract. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contract. [CRS 8-17.5-102(2)(a)(I) and (II)]

Verification regarding workers without authorization

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ and contract workers without authorization.

Limitation regarding E-Verify Program and the Department Program

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

Duty to terminate a subcontractor and exceptions

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with a worker without authorization, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (1) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (2) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

Duty to comply with state investigation

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP



Jason Carroll, CPA
Principal
Jason.Carroll@CLAconnect.com

APPROVED:

Signature

Title

Date