Ward TOD Metropolitan District No. 1

2021 Supplemental Annual Report

EXHIBIT A
2021 Audit, No. 1

WARD TOD METROPOLITAN DISTRICT NO. 1
Jefferson County, Colorado

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

WARD TOD METROPOLITAN DISTRICT NO. 1
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Independent Auditor's Report

Members of the Board of Directors
Ward TOD Metropolitan District No. 1

Opinions
We have audited the accompanying financial statements of the governmental activities and each major fund of Ward TOD Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Ward TOD Metropolitan District No. 1, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ward TOD Metropolitan District No. 1 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ward TOD Metropolitan District No. 1's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ward TOD Metropolitan District No. 1's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ward TOD Metropolitan District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Ward TOD Metropolitan District No. 1's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

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

The Other Information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Haynie & Company

Littleton, Colorado
September 12th, 2022

BASIC FINANCIAL STATEMENTS

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Cash and Investments	$ 3,397
Cash and Investments - Restricted	830,174
Accounts Receivable - County Treasurer	591
Property Taxes Receivable	149,245
Capital Assets, Not Being Depreciated:	6,187,130
Total Assets	7,170,537
LIABILITIES	
Accounts Payable	16,339
Accrued Interest on Bonds	259,346
Noncurrent Liabilities:	
Due in More Than One Year	8,046,896
Total Liabilities	8,322,581
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	149,245
Total Deferred Inflows of Resources	149,245
NET POSITION	
Restricted for:	
Emergency Reserves	800
Unrestricted	(1,302,089)
Total Net Position	$ (1,301,289)

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 84,323	$ -	$ 102	$ -	$ (84,221)
Interest and Related Costs on Long-Term Debt	430,193	-	-	-	(430,193)
Total Governmental Activities	$ 514,516	$ -	$ 102	$ -	(514,414)
GENERAL REVENUES					
Property Taxes					118,463
Specific Ownership Taxes					9,476
Net Investment Income					554
TIF Reimbursement					5,325
Total General Revenues					133,818
CHANGE IN NET POSITION					(380,596)
Net Position - Beginning of Year					(920,693)
NET POSITION - END OF YEAR					$ (1,301,289)

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	$ 3,397	$ -	$ -	$ 3,397
Cash and Investments - Restricted	800	829,374	-	830,174
Accounts Receivable - County Treasurer	118	473	-	591
Property Taxes Receivable	29,683	119,562	-	149,245
Total Assets	$ 33,998	$ 949,409	$ -	$ 983,407
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 11,519	$ -	$ 4,820	$ 16,339
Total Liabilities	11,519	-	4,820	16,339
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	29,683	119,562	-	149,245
Total Deferred Inflows of Resources	29,683	119,562	-	149,245
FUND BALANCES				
Restricted for:				
Emergencies (TABOR)	800	-	-	800
Debt Service	-	829,847	-	829,847
Unassigned	(8,004)	-	(4,820)	(12,824)
Total Fund Balances	(7,204)	829,847	(4,820)	817,823
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 33,998	$ 949,409	$ -	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				6,187,130
Long-term liabilities, including Developer advances payable and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(6,453,000)
Accrued Interest Payable - Bonds				(259,346)
Developer Advance Payable				(1,496,289)
Accrued Interest Payable - Developer Advance				(97,607)
Net Position of Governmental Activities				$ (1,301,289)

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	$ 23,561	$ 94,902	$ -	$ 118,463
Specific Ownership Taxes	1,885	7,591	-	9,476
Water Reimbursement	102	-	-	102
TIF Reimbursement	1,059	4,266	-	5,325
Net Investment Income	-	369	185	554
Total Revenues	26,607	107,128	185	133,920
EXPENDITURES				
General:				
Accounting	23,987	-	2,192	26,179
Audit	4,900	-	-	4,900
County Treasurer's Fees	353	1,424	-	1,777
Landscaping	16,605	-	-	16,605
Insurance	4,046	-	-	4,046
Legal	15,294	-	4,836	20,130
Miscellaneous Expenses	1,400	-	-	1,400
Payroll Taxes	5,860	-	-	5,860
Water Utilities	3,106	-	-	3,106
Dues and Licenses	320	-	-	320
Debt Service:				
Paying Agent Fees	-	9,500	-	9,500
Bond Interest	-	257,250	-	257,250
Capital Projects:				
Capital Outlay	-	-	2,349,824	2,349,824
Total Expenditures	75,871	268,174	2,356,852	2,700,897
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(49,264)	(161,046)	(2,356,667)	(2,566,977)
OTHER FINANCING SOURCES (USES)				
Developer Advances	53,032	-	2,346,011	2,399,043
Repay Developer Advances	-	-	(1,021,116)	(1,021,116)
Total Other Financing Sources (Uses)	53,032	-	1,324,895	1,377,927
NET CHANGE IN FUND BALANCES	3,768	(161,046)	(1,031,772)	(1,189,050)
Fund Balances (Deficits) - Beginning of Year	(10,972)	990,893	1,026,952	2,006,873
FUND BALANCES (DEFICITS) - END OF YEAR	$ (7,204)	$ 829,847	$ (4,820)	$ 817,823

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balances - Governmental Funds	$ (1,189,050)
Amounts reported for governmental activities in the statement of activities are different because:	
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 asset over the estimated useful life of the asset. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:	
Capital Assets Acquired	2,349,824
The issuance of long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment 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.	
Developer Advance - O&M	(53,032)
Developer Advance - Infrastructure	(2,346,011)
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.	
Repayment of Developer Advances - Infrastructure	1,021,116
Accrued Interest on Bonds - Change in Liability	(120,190)
Accrued Interest on Developer Advance - Change in Liability	(43,253)
Change in Net Position of Governmental Activities	$ (380,596)

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	$ 23,562	$ 23,562	$ 23,561	$ (1)
Specific Ownership Taxes	1,649	1,649	1,885	236
TIF Reimbursement	500	500	1,059	559
Water Reimbursement	-	-	102	102
Total Revenues	25,711	25,711	26,607	896
EXPENDITURES				
General:				
Accounting	25,000	25,000	23,987	1,013
Audit	5,000	5,000	4,900	100
County Treasurer's Fees	353	353	353	-
Landscaping	-	10,000	16,605	(6,605)
Insurance	2,000	2,000	4,046	(2,046)
Legal	12,500	12,500	15,294	(2,794)
Miscellaneous Expenses	200	200	1,400	(1,200)
Snow Removal	-	-	5,860	(5,860)
Repairs and Maintenance	10,000	10,000	-	10,000
Dues and Licenses	500	500	320	180
Contingency	14,447	14,447	-	14,447
Water Utilities	-	-	3,106	(3,106)
Total Expenditures	70,000	80,000	75,871	4,129
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(44,289)	(54,289)	(49,264)	5,025
OTHER FINANCING SOURCES (USES)				
Developer Advances	50,000	65,261	53,032	(12,229)
Total Other Financing Sources (Uses)	50,000	65,261	53,032	(12,229)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,711	10,972	3,768	(7,204)
Fund Balance (Deficit) - Beginning of Year	1,226	(10,972)	(10,972)	-
FUND BALANCE (DEFICIT) - END OF YEAR	$ 6,937	$ -	$ (7,204)	$ (7,204)

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

Ward TOD Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the Jefferson County District Court on June 1, 2012, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan, along with Ward TOD Metropolitan District No. 2 (District No. 2) and Ward TOD Metropolitan District No. 3 (District No. 3) approved by the City of Wheat Ridge, Colorado (the City), on April 9. 2012. Such Service Plan was replaced in its entirety by an Amended and Restated Service Plan for Ward TOD Metropolitan District Nos. 1 – 3, which was approved by the City on May 13, 2019. The Districts were established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the public improvements and services, including streets, park and recreation, water, sanitation and storm sewer and safety protection.

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 sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

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 property taxes and intergovernmental revenues.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the 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 property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has 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 due.

The District reports the following major governmental funds:

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses 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 and investments.

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 property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable governmental activities column 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

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 on property that will remain assets of the District is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2021.

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. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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 General Fund and Capital Projects Fund reported deficits in the fund financial statements as of December 31, 2021. The deficits will be eliminated with the receipt of funds advanced by the Developer in 2022.

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	$	3,397
Cash and Investments - Restricted		830,174
Total Cash and Investments	$	833,571

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

Deposits with Financial Institutions	$	5,519
Investments		828,052
Total Cash and Investments	$	833,571

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District's cash deposits had a bank and a carrying balance of $5,519.

Investments

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

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

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

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	$ 828,052

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAm by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2020	Increases	Decreases	Balance - December 31, 2021
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 3,837,306	$ 2,349,824	$ -	$ 6,187,130
Total Capital Assets, Being Depreciated	$ 3,837,306	$ 2,349,824	$ -	$ 6,187,130

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021	Due Within One Year
Limited Tax General Obligation Bonds:					
Senior - Series 2019A	$ 5,145,000	$ -	$ -	$ 5,145,000	$ -
Subordinate - Series 2019B	600,000	-	-	600,000	-
Accrued Interest on:					
Senior - Series 2019A	21,438	21,438	21,438	21,438	-
Subordinate - Series 2019B	50,023	50,377	-	100,400	-
Subtotal Bonds Payable	5,816,461	71,815	-	5,866,838	-
Notes from Direct Borrowings and Direct Payments:					
Junior Lien - Series 2019C	708,000	-	-	708,000	-
Accrued Interest on:					
Junior Lien - Series 2019C	67,695	69,813	-	137,508	-
Subtotal of Notes from Direct Borrowings and Direct Payments	775,695	69,813	-	845,508	-
Other Debts:					
Developer Advances - O&M	118,362	53,032	-	171,394	-
Developer Advances - Infrastructure	-	2,346,011	1,021,116	1,324,895	-
Accrued Interest on Developer Advances - O&M	50,112	11,923	-	62,035	-
Accrued Interest on Developer Advances - Infrastructure	4,242	31,330	-	35,572	-
Subtotal of Other Debts	172,716	2,442,296	1,021,116	1,593,896	-
Total	$ 6,764,872	$ 2,583,924	$ 1,021,116	$ 8,306,242	$ -

The details of the District's general obligation bonds outstanding during 2020 are as follows:

Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2019A (the Senior Bonds), **Subordinate Limited Tax General Obligation Bonds, Series 2019B** (the Subordinate Bonds), and **Junior Lien Limited Tax General Obligation Bonds, Series 2019C** (the Junior Lien Bonds, and together with the Senior Bonds and the Subordinate Bonds, the Bonds)

Bond Proceeds

The District issued the Bonds on December 5, 2019, in the par amounts of $5,145,000 for the Senior Bonds, $600,000 for the Subordinate Bonds, and on December 10, 2019 $708,000 for the Junior Lien Bonds. Proceeds of the Senior Bonds were used to: (i) pay project costs; (ii) fund capitalized interest for the Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay other costs in connection with the issuance of the Bonds. Proceeds of the Subordinate Bonds were applied to pay project costs. The Junior Lien Bonds were issued to pay a portion of amounts due and payable to the Developer under the Acquisition and Reimbursement Agreement.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Details

The Senior Bonds bear interest at 5.000% per annum, payable semiannually on June 1 and December 1 of each year commencing June 1, 2020, and mature on December 1, 2049.

Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026.

To the extent the principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid subject to the discharge date of December 1, 2059, of the Senior Bonds. To the extent interest on any Senior Bond is not paid when due, such interest shall compound semiannually on each June 1 and December 1 at the interest rate then borne by the Senior Bond until the total repayment obligation of the District for the Senior Bonds equals the amount permitted by law and the Election in repayment of the Senior Bonds. In the event that any amount of principal of or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2059, the Senior Bonds and the lien of the Senior Indenture shall be deemed discharged.

Senior Bonds Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024, 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:

Date of Redemption	Redemption Premium
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

Senior Bonds Pledged Revenue

The Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, as follows: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Capital Fees, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

“Senior Property Tax Revenues” are generally defined as all moneys derived from imposition by the District of the Senior Required Mill Levy, whether received by the District directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Senior Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Senior Property Tax Revenues do not include Senior Specific Ownership Tax Revenues.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Pledged Revenue (Continued)

"Senior Specific Ownership Tax Revenues" mean the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy.

"Capital Fees" are defined as all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District. Capital Fees do not include any other fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

Senior Required Mill Levy

Prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount that generates Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due (less any amounts then on deposit in the Senior Surplus Fund), but not in excess of 60 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2018). For so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount, the Senior Required Mill Levy shall be equal to 60 mills (subject to adjustment) or such lesser amount that generates Senior Property Tax Revenues (A) sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due, and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Surplus Fund, will pay the Senior Bonds in full in the year such levy is collected.

On and after the Conversion Date, the District has covenanted to impose an ad valorem mill levy on all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds when due (less any amounts then on deposit in the Senior Surplus Fund). On and after the Conversion Date, the definition of Senior Required Mill Levy shall be determined exclusively by this paragraph regardless of any subsequent increase in the Senior Debt to Assessed Ratio.

The Conversion Date is the first date on which both of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less; and (b) no amounts of principal or interest on the Senior Bonds are due but unpaid. The Senior Debt to Assessed Ratio means the ratio derived by dividing the then-outstanding principal amount of all Senior Debt by the most recent certified assessed valuation of the District.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Additional Security for Senior Bonds

The Senior Bonds are additionally secured by capitalized interest which was funded from proceeds of the Bonds in the amount of $771,750 and by amounts in the Senior Surplus Fund (if any). The Senior Surplus Fund was partially funded in the amount of the Initial Deposit of $417,000 on the date of issuance of the Senior Bonds. The Senior Surplus Fund will be further funded from Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds (if any) in any year up to the Maximum Surplus Amount of $1,029,000. Promptly after the Conversion Date, all amounts then on deposit in the Senior Surplus Fund in excess of the amount of the Initial Deposit shall be released to the District for application to any lawful purpose.

If on the Conversion Date, the amount on deposit in the Senior Surplus Fund is less than the amount of the Initial Deposit, then no moneys shall be released to the District from the Senior Surplus Fund. After the Conversion Date, the District shall have no obligation to replenish or fund the Senior Surplus Fund in the event it is drawn upon. Amounts on deposit in the Senior Surplus Fund (if any) on the final maturity date of the Senior Bonds are to be applied to the payment of the Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in the levy year prior to the final maturity of the Senior Bonds. The balance in the Senior Surplus Fund as of December 31, 2021, is $561,833.

Subordinate Bonds Details

The Subordinate Bonds bear interest at 7.750% and mature on December 15, 2049. The Subordinate Bonds constitute subordinate “cash flow” bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Subordinate Pledged Revenue is available for payment. Principal and interest payments are due on the Subordinate Bonds on each December 15, beginning December 15, 2020, through December 15, 2049, only to the extent of available Subordinate Pledged Revenue.

In the event that Subordinate Pledged Revenue is insufficient to pay the Subordinate Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the Subordinate Bonds equals the amount permitted by law and the Election in repayment of the Subordinate Bonds. In the event that any amount of principal of or interest on the Subordinate Bonds remains unpaid after the application of all available Subordinate Pledged Revenue on December 15, 2059, the Subordinate Bonds shall be deemed discharged and shall no longer be due and outstanding.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Bonds Optional Redemption

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024, 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:

Date of Redemption	Redemption Premiun
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

Subordinate Bonds Pledged Revenue

The Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, net of any costs of collection, as follows: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) all Subordinate Capital Fee Revenue, if any; (d) any amounts released from the Senior Surplus Fund pursuant to the Senior Indenture; and (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

"Subordinate Property Tax Revenues" are defined as all moneys derived from imposition by the District of the Subordinate Required Mill Levy, whether received directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Subordinate Property Tax Revenues do not include Subordinate Specific Ownership Tax Revenues.

"Subordinate Specific Ownership Tax Revenues" mean the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy.

"Subordinate Capital Fee Revenue" means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations.

Subordinate Required Mill Levy

The District has covenanted to impose a Subordinate Required Mill Levy on all taxable property of the District each year in an amount equal to (i) 60 mills (as adjusted) less the Senior Obligation Mill Levy, or (ii) such lesser amount, which if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Subordinate Bonds in full in the year such levy is collected. The Senior Obligation Mill Levy is the sum of the Senior Required Mill Levy and any other mill levy required to be imposed for the payment of Senior Obligations.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Junior Lien Bonds Details

The Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2024, 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:

Date of Redemption	Redemption Premium
December 1, 2024, to November 30, 2025	3.00%
December 1, 2025, to November 30, 2026	2.00
December 1, 2026, to November 30, 2027	1.00
December 1, 2027, and thereafter	0.00

Junior Lien Bonds Pledged Revenue

The Junior Lien Bonds are payable solely from and to the extent of the Junior Lien Pledged Revenue, net costs of collection, as follows: (a) all Junior Lien Property Tax Revenues; (b) all Junior Lien Specific Ownership Tax Revenues; (c) all Junior Lien Capital Fee Revenue, if any; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

"Junior Lien Property Tax Revenues" are defined as all moneys derived from imposition by the District of the Junior Lien Required Mill Levy, whether received by the District directly from the County Treasurer or from the Authority pursuant to the Cooperation Agreement. Junior Lien Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County. Junior Lien Property Tax Revenues do not include Junior Lien Specific Ownership Tax Revenues.

"Junior Lien Specific Ownership Tax Revenues" mean the specific ownership taxes remitted to the District as a result of its imposition of the Junior Lien Required Mill Levy.

"Junior Lien Capital Fee Revenue" means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior/Subordinate Obligations.

Junior Lien Required Mill Levy

The District has covenanted to impose a Junior Lien Required Mill Levy on all taxable property of the District each year in an amount equal to (i) 60 mills (as adjusted) less the Senior/Subordinate Required Mill Levy (which is defined as the sum of the Senior Required Mill Levy, the Subordinate Required Mill Levy, and any other ad valorem property tax levy required to be imposed by the District for the payment of other Senior/Subordinate Obligations), or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Junior Lien Property Tax Revenues which, when combined with moneys then on deposit in the Junior Lien Bond Fund, will pay the Junior Lien Bonds in full in the year such levy is collected.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Debt Service

The outstanding principal and interest of the Senior Bonds are due as follows:

Year Ending December 31,	Principal	Interest	Total
2022	$ -	$ 257,250	$ 257,250
2023	-	257,250	257,250
2024	-	257,250	257,250
2025	-	257,250	257,250
2026	40,000	257,250	297,250
2027-2031	480,000	1,232,000	1,712,000
2032-2036	715,000	1,089,750	1,804,750
2037-2041	1,015,000	883,000	1,898,000
2042-2046	1,405,000	592,000	1,997,000
2047-2049	1,490,000	172,000	1,662,000
Total	$ 5,145,000	$ 5,255,000	$ 10,400,000

The annual debt service requirements on the Subordinate Bonds and Junior Lien Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue and Junior Lien Pledged Revenue, respectively.

Authorized Debt

At an election held May 8, 2012, a majority of the qualified electors of the District who voted in the elections authorized the issuance of general obligation indebtedness in an amount not to exceed $630,000,000 for providing public improvements and refunding of previously issued indebtedness.

	Authorized May 8, 2012 Election	Authorization Used, Series 2019 Bonds	Remaining at December 31, 2019
Streets	$ 65,000,000	$ 1,802,427	$ 63,197,573
Sanitary Sewer and Storm	65,000,000	2,817,590	62,182,410
Water	65,000,000	1,164,338	63,835,662
Parks and Recreation	65,000,000	568,344	64,431,656
Safety Protection	65,000,000	100,301	64,899,699
Operations and Maintenance	65,000,000	-	65,000,000
Refunding of Debt	120,000,000	-	120,000,000
Intergovernmental Agreements	120,000,000	-	120,000,000
Total	$ 630,000,000	$ 6,453,000	$ 623,547,000

At December 31, 2021, with the issuance of the Series 2019 Bonds, The District had authorized but unissued indebtedness remaining in the amount of $623,547,000 for public improvements and refunding.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt on behalf of the Districts for purposes of providing public improvements to support development as it occurs within the Districts' service areas. The Service Plans for the Districts limit the aggregate amount of debt that they may issue together with any debt issued by the Districts to $25,000,000.

Developer Advances

The District entered into Funding and Reimbursement Agreement and Infrastructure Acquisition and Reimbursement Funding Agreement with Toll Southwest, LLC (the Developer), in 2019, for the purpose of funding certain operation and maintenance expenses and construction and acquisition of public improvements (see Note 7).

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position consists of 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 a restricted net position as of December 31, 2021, as follows:

Restricted Net Position:		
Emergencies	$	800
Total Restricted Net Position	$	800

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, of which a significant portion of these improvements will be conveyed to other governmental entities and which costs will be removed from the District's financial records.

NOTE 7 AGREEMENTS

Intergovernmental Agreement between Districts and the City of Wheat Ridge

On May 13, 2019, the District entered into the Intergovernmental Agreement (the IGA) with the City of Wheat Ridge (the City), Ward TOD Metropolitan District No. 2 and Ward TOD Metropolitan District No. 3. Pursuant to the IGA, the District agrees to dedicate the public improvements to the City or other appropriate jurisdiction in a manner contemplated under the approved development plan and other rules and regulations of the City and applicable provisions of the City Code. The Districts are authorized, but not obligated, to own, operate and maintain public improvements not otherwise dedicated to the City or other public entity.

NOTE 7 AGREEMENTS (CONTINUED)

Cooperation Agreement with Wheat Ridge Urban Renewal Authority dba: Renewal Wheat Ridge

On October 1, 2019, the District entered into a Cooperation Agreement with Wheat Ridge Urban Renewal Authority dba: Renewal Wheat Ridge (the Authority). Under the terms of the Cooperation Agreement, the Authority and the District agreed that, in consideration for the District undertaking certain improvements and activities within the District pursuant to the Service Plan, the portion of revenues that the Authority receives as a result of certain incremental increases in property taxes which are attributable to all of the property tax revenues calculated, produced, allocated and paid to the Authority as a result of all ad valorem property tax levies of the District upon taxable property described in the I-70/Kipling Corridors Urban Renewal Plan (the Urban Renewal Plan), the (Tax Increment Revenues), shall be segregated upon receipt and shall be remitted by the Authority to the District on each April 15 and October 15. The terms of the Cooperation Agreement are in effect until the expiration of the TIF authorization granted pursuant to the Urban Renewal Plan, December 13, 2040.

Funding and Reimbursement Agreement (Operations and Maintenance) with Toll Southwest, LLC

On August 27, 2019, the District entered into the Funding and Reimbursement Agreement (Operations and Maintenance) (the O&M Agreement) with Toll Southwest, LLC (the Developer). Pursuant to the O&M Agreement, the Developer agrees to advance funds to the District, for operation and maintenance expenses, one or more sums of money, not exceed the aggregate of $50,000 per annum for fiscal years 2019 through 2020. The maximum amount to be advanced for Operations and Maintenance Expenses pursuant to this agreement is one hundred thousand dollars ($100,000). The District agrees to repay these advances together with accrued interest at the rate of 8% per annum accruing from the date any such advance is made. The term of repayment under the O&M Agreement shall not extend beyond 20 years from the date of the O&M Agreement.

Infrastructure Acquisition and Reimbursement Agreement with Toll Southwest, LLC

On August 27, 2019, the District entered into the Infrastructure Acquisition and Reimbursement Agreement (the Agreement) with the Developer, pursuant to which the Developer agrees to make advances to the District the purpose of the acquisition, financing, construction, and installation of the public improvements. The District, upon the execution of the Agreement, the District agrees to acquire certain public infrastructure constructed or caused to be constructed by the Developer to be owned by the District or other governmental entities. The District agrees to repay these advances and reimburse the developer for the certified District eligible costs, together with accrued simple interest at the rate of 8% per annum from the date of payment or the date of the related acceptance resolution.

NOTE 8 RELATED PARTIES

The Developer of the property within the District is Toll Southwest, LLC. The Developer has advanced funds to the District. The members of the Board of Directors of the District and the Districts hold direct or indirect ownership interests in the Toll Southwest, LLC or are otherwise associated with Toll Southwest, LLC and may have conflicts of interest in dealing with the District. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

NOTE 9 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay for most of its operational and certain capital expenditures. Until an independent revenue base is established, continuation of the District's operation and financing of certain capital improvements are dependent upon Developer advances.

NOTE 10 RISK MANAGEMENT

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

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

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

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On May 8, 2012, a majority of the District's electors authorized the District to increase property taxes $15,000,000 annually; increase fees $15,000,000 annually and increase property taxes for intergovernmental agreements $15,000,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

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.

SUPPLEMENTARY INFORMATION

WARD TOD METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 94,906	$ 94,906	$ 94,902	$ (4)
Specific Ownership Taxes	6,643	6,643	7,591	948
TIF Reimbursement	1,500	1,500	4,266	2,766
Net Investment Income	12,459	12,459	369	(12,090)
Total Revenues	115,508	115,508	107,128	(8,380)
EXPENDITURES				
General:				
County Treasurer's Fees	1,424	1,424	1,424	-
Paying Agent Fees	-	9,500	9,500	-
Bond Interest	257,250	257,250	257,250	-
Contingency	-	11,826	-	11,826
Total Expenditures	258,674	280,000	268,174	11,826
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(143,166)	(164,492)	(161,046)	3,446
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(143,166)	(164,492)	(161,046)	3,446
Fund Balance - Beginning of Year	996,746	990,893	990,893	-
FUND BALANCE - END OF YEAR	$ 853,580	$ 826,401	$ 829,847	$ 3,446

WARD TOD METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT)– BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Net Investment Income	$ 25,582	$ 25,582	$ 185	$ (25,397)
Total Revenues	25,582	25,582	185	(25,397)
EXPENDITURES				
General:				
Accounting	10,000	5,271	2,192	3,079
Legal	5,000	5,000	4,836	164
Capital Projects:				
Engineering	15,000	15,000	13,888	1,112
Capital Outlay	1,037,338	2,335,936	2,335,936	-
Total Expenditures	1,067,338	2,361,207	2,356,852	4,355
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,041,756)	(2,335,625)	(2,356,667)	(21,042)
OTHER FINANCING SOURCES (USES)				
Developer Advances	1,037,338	2,346,011	2,346,011	-
Repay Developer Advances	(1,037,338)	(1,037,338)	(1,021,116)	16,222
Total Other Financing Sources (Uses)	-	1,308,673	1,324,895	16,222
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,041,756)	(1,026,952)	(1,031,772)	(4,820)
Fund Balance - Beginning of Year	1,041,756	1,026,952	1,026,952	-
FUND BALANCE (DEFICIT) - END OF YEAR	$ -	$ -	$ (4,820)	$ (4,820)

OTHER INFORMATION

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2021

	$5,145,000 Senior Limited Tax General Obligation Bonds Series 2019A Dated December 5, 2019 Interest Rate 5.00% Payable June 1 and December 1 Principal Due December 1		
Year Ending December 31,	Principal	Interest	Total
2022	$ -	$ 257,250	$ 257,250
2023	-	257,250	257,250
2024	-	257,250	257,250
2025	-	257,250	257,250
2026	40,000	257,250	297,250
2027	80,000	255,250	335,250
2028	90,000	251,250	341,250
2029	95,000	246,750	341,750
2030	105,000	242,000	347,000
2031	110,000	236,750	346,750
2032	125,000	231,250	356,250
2033	130,000	225,000	355,000
2034	145,000	218,500	363,500
2035	150,000	211,250	361,250
2036	165,000	203,750	368,750
2037	175,000	195,500	370,500
2038	190,000	186,750	376,750
2039	200,000	177,250	377,250
2040	220,000	167,250	387,250
2041	230,000	156,250	386,250
2042	250,000	144,750	394,750
2043	260,000	132,250	392,250
2044	280,000	119,250	399,250
2045	295,000	105,250	400,250
2046	320,000	90,500	410,500
2047	335,000	74,500	409,500
2048	360,000	57,750	417,750
2049	795,000	39,750	834,750
Total	$ 5,145,000	$ 5,255,000	$ 10,400,000

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes Levied	Total Property Taxes Collected	Percent Collected to Levied
2017	$ 416,730	5.000	$ 2,084	$ 2,084	100.00%
2018	694,589	5.000	3,473	3,473	100.00
2019	693,402	10.000	6,934	6,946	100.17
2020	717,523	75.419	54,115	54,452	100.62
2021	1,570,798	75.419	118,468	118,463	100.00
Estimated for the Year Ending December 31, 2022	$ 1,978,875	75.419	$ 149,245		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.