

Ward TOD Metropolitan District Nos. 1-3

2021 Consolidated Annual Report

WARD TOD METROPOLITAN DISTRICT NOS. 1-3

2021 CONSOLIDATED ANNUAL REPORT TO THE CITY OF WHEAT RIDGE, COLORADO

Pursuant to the Amended and Restated Service Plan (the “**Service Plan**”) for Ward TOD Metropolitan District Nos. 1-3 (individually, “**District No. 1**,” “**District No. 2**” and “**District No. 3**” and collectively, the “**Districts**”), the Districts are required to submit an annual report to the City of Wheat Ridge, Colorado (the “**City**”) which reflects activity and financial events of the Districts through the preceding December 31 and includes the following:

For the year ending December 31, 2021 (the “Report Year”), the Districts make the following report:

A. A narrative summary of the progress of the District in implementing their service plan for the Report Year:

The Districts continue to implement the development schedule as contemplated in the Consolidated Service Plan. District Nos. 2 & 3 remain in inactive status.

B. Except when an exemption from audit has been granted for the Report Year under the Local Government Audit Law, the audited financial statements of the District for the Report Year including a statement of financial condition (i.e. balance sheet) as of December 31 of the Report Year and the statement of operations (i.e. revenues and expenditures) for the Report Year:

District Nos. 2 & 3 have been on inactive status since November 19, 2019 therefore an audit and audit exemption was not required to be completed. The District No. 1 2020 Audit is attached hereto as **Exhibit A**. District No. 1’s 2021 audit has not been completed and will be provided as a supplement to this report upon completion.

C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the Report Year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the Report Year:

During 2021, no capital expenditures were incurred by the Districts in development of public facilities. All capital improvements for the development are being construed by Toll Southwest LLC (“**Toll**”).

During 2021, District No. 1 reimbursed Toll for \$2,335,935.57 in capital expenditures for water, sanitation/storm, streets, park and recreation, and safety improvements. A copy of the acceptance resolutions for these capital expenditures are attached hereto as **Exhibit B**.

According to Toll, construction of the public improvements to serve Phase 1 of the development commenced in August 2019 and was completed and initially accepted by the City of Wheat Ridge in August 2020. Construction of the public improvements for Phase II of the development was completed in spring of 2021. All wet utilities, concrete and the bottom lift of pavement have been completed in Phase III and IV, all public improvements are expected to be completed in fall of 2022.

In the 5 years following the Report Year, it is expected that the Districts will finance the construction and acquisition of all or a part of the public improvements within their respective boundaries.

A copy of the District No. 1 2021 Budget is attached hereto as **Exhibit C**.

D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the Report Year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the Report Year, the amount of payment or retirement of existing indebtedness or long-term obligations issued in the Report Year, the total assessed valuation of all taxable properties within the District as of January 1 of the Report Year, and the current mill levy of the District pledged to debt retirement in the Report Year:

A summary of the financial obligations of the Districts at the end of 2021 are as follows:

- **Operation Funding Agreements.** On July 3, 2012 each District entered into an Operation Funding Agreement with IBC Denver II, LLC (“**IBC**”). On August 27, 2019, the Districts, Toll, and IBC entered into an Agreement Regarding Termination of Operating Funding Agreements whereby any amounts due and owing to IBC under Operation Funding Agreements are now due and owing to Toll under the Funding and Reimbursement Agreement (Operations and Maintenance).
- **Funding and Reimbursement Agreement (Operations and Maintenance).** District No. 1 and Toll entered into a Funding and Reimbursement dated August 27, 2019. The Funding and Reimbursement Agreement states that the Developer will make certain advances to District No. 1 for costs relating to the District No. 1’s general operation, administration, and maintenance expenses. As of December 31, 2021, \$171,394 in principal is outstanding under the Funding and Reimbursement Agreement.
- **Infrastructure Acquisition and Reimbursement Agreement.** District No. 1 and Toll entered into an Infrastructure Acquisition and Reimbursement Agreement on August 27, 2019. As set forth in the Infrastructure Acquisition and Reimbursement Agreement, District No. 1 and Toll have determined the terms and conditions under which District No. 1 may coordinate the: (i) reimbursement of Toll for “Certified District Eligible Costs” (meaning any and all costs of any kind related to the provision of public improvements that may be lawfully funded by District No. 1

under the Special District Act and the Service Plan with respect to which District No. 1 has issued an Acceptance Resolution) incurred by Toll for public improvements that is being dedicated to other governmental entities, and (ii) acquisition of certain public improvements that is to be owned by District No. 1, and to pay the Certified District Eligible Costs thereof. As of December 31, 2021, \$1,324,895 in principal is outstanding under the Infrastructure Acquisition and Reimbursement Agreement.

The amount of outstanding indebtedness for District No. 1 is disclosed in the 2021 audit which will be provided as a supplement to this report upon completion. District Nos. 2-3 do not have any outstanding indebtedness.

A summary of the assessed valuation and debt service mill levy for 2021 is as follows:

	Assessed Valuation	Debt Service Mill Levy
District No. 1	\$1,978,875	60.419
District No. 2	\$32,968	0.000
District No. 3	\$32,968	0.000

E. The Districts' budgets for the calendar year in which the annual report is submitted:

A copy of the 2022 budget for District No. 1 is attached hereto as **Exhibit D**. District Nos. 2 & 3 are currently on inactive status and therefore were not required to and did not adopt 2022 budgets.

F. A summary of residential and commercial development that has occurred within the District for the Report Year:

No commercial development occurred within the Districts during 2021.

For a summary of residential development occurring within District No. 1 during 2021, please see the response to Question C, above.

G. A summary of all fees, charges and assessments imposed by the District as of January 1 of the Report Year:

There are no fees, charges or assessments imposed by the Districts as of January 1, 2021.

H. The names, business addresses and phone numbers of all members of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the board:

Timothy Westbrook
Toll Brothers Real Estate, Inc.
10 Inverness Drive East, Suite 125

Englewood, CO 80112
303-708-0730

Christopher Ferguson
Toll Brothers Real Estate, Inc.
10 Inverness Drive East, Suite 125
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Matthew Foran
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10 Inverness Drive East, Suite 125
Englewood, CO 80112
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General Counsel:

Clint C. Waldron, Esq.
Megan J. Murphy, Esq.
White Bear Ankele Tanaka and Waldron, Attorneys at Law
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Telephone: (303) 858-1800

Regular Meetings:

Date: Third Wednesday of January, April, July and October
Place: via teleconference.
Time: 2:00pm

EXHIBIT A

2020 Audit (District No. 1)

**WARD TOD METROPOLITAN
DISTRICT NO. 1
Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020**

**WARD TOD METROPOLITAN DISTRICT NO. 1
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YEAR ENDED DECEMBER 31, 2020**

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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, 2020, 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, 2020, 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.

Other Matters

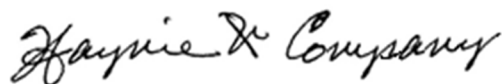
Required Supplementary Information

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 information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
September 23, 2021

BASIC FINANCIAL STATEMENTS

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 3,973
Cash and Investments - Restricted	2,025,156
Accounts Receivable - County Treasurer	370
Property Taxes Receivable	118,468
TIF Receivable	1,188
Capital Assets, Not Being Depreciated:	<u>3,837,306</u>
Total Assets	<u>5,986,461</u>
LIABILITIES	
Accounts Payable	23,814
Accrued Interest on Bonds	139,156
Noncurrent Liabilities:	
Due in More Than One Year	<u>6,625,716</u>
Total Liabilities	<u>6,788,686</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>118,468</u>
Total Deferred Inflows of Resources	<u>118,468</u>
NET POSITION	
Restricted for:	
Emergency Reserves	400
Unrestricted	<u>(921,093)</u>
Total Net Position	<u><u>\$ (920,693)</u></u>

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	<u>Expenses</u>				
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 57,520	\$ -	\$ -	\$ -	\$ (57,520)
Interest and Related Costs on Long-Term Debt	375,823	-	-	-	(375,823)
	<u>433,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(433,343)</u>
Total Governmental Activities	<u>\$ 433,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(433,343)</u>
GENERAL REVENUES					
Property Taxes					54,452
Specific Ownership Taxes					4,160
Net Investment Income					25,222
TIF Reimbursement					1,207
Other Income					12
Total General Revenues					<u>85,053</u>
CHANGE IN NET POSITION					(348,290)
Net Position - Beginning of Year					<u>(572,403)</u>
NET POSITION - END OF YEAR					<u>\$ (920,693)</u>

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 3,973	\$ -	\$ -	\$ 3,973
Cash and Investments - Restricted	400	989,645	1,035,111	2,025,156
Accounts Receivable - County Treasurer	74	296	-	370
Property Taxes Receivable	23,562	94,906	-	118,468
TIF Receivable	236	952	-	1,188
Total Assets	<u>\$ 28,245</u>	<u>\$ 1,085,799</u>	<u>\$ 1,035,111</u>	<u>\$ 2,149,155</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 15,655	\$ -	\$ 8,159	\$ 23,814
Total Liabilities	<u>15,655</u>	<u>-</u>	<u>8,159</u>	<u>23,814</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	<u>23,562</u>	<u>94,906</u>	<u>-</u>	<u>118,468</u>
Total Deferred Inflows of Resources	<u>23,562</u>	<u>94,906</u>	<u>-</u>	<u>118,468</u>
FUND BALANCES				
Restricted for:				
Emergencies (TABOR)	400	-	-	400
Debt Service	-	990,893	-	990,893
Capital Projects	-	-	1,026,952	1,026,952
Unassigned	(11,372)	-	-	(11,372)
Total Fund Balances	<u>(10,972)</u>	<u>990,893</u>	<u>1,026,952</u>	<u>2,006,873</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,245</u>	<u>\$ 1,085,799</u>	<u>\$ 1,035,111</u>	
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.				3,837,306
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				(139,156)
Developer Advance Payable				(118,362)
Accrued Interest Payable - Developer Advance				<u>(54,354)</u>
Net Position of Governmental Activities				<u>\$ (920,693)</u>

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 10,830	\$ 43,622	\$ -	\$ 54,452
Specific Ownership Taxes	827	3,333	-	4,160
Other Revenue	12	-	-	12
TIF Reimbursement	240	967	-	1,207
Net Investment Income	-	7,698	17,524	25,222
Total Revenues	11,909	55,620	17,524	85,053
EXPENDITURES				
General:				
Accounting	29,072	-	2,775	31,847
Audit	4,800	-	-	4,800
County Treasurer's Fees	166	669	-	835
Insurance	1,880	-	-	1,880
Legal	15,827	-	787	16,614
Election	1,244	-	-	1,244
Dues and Licenses	300	-	-	300
Debt Service:				
Bond Interest	-	254,392	-	254,392
Capital Projects:				
Capital Outlay	-	-	2,038,356	2,038,356
Total Expenditures	53,289	255,061	2,041,918	2,350,268
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(41,380)	(199,441)	(2,024,394)	(2,265,215)
OTHER FINANCING SOURCES (USES)				
Developer Advances	40,460	-	2,020,934	2,061,394
Repay Developer Advances	-	-	(2,020,934)	(2,020,934)
Total Other Financing Sources (Uses)	40,460	-	-	40,460
NET CHANGE IN FUND BALANCES	(920)	(199,441)	(2,024,394)	(2,224,755)
Fund Balances (Deficit) - Beginning of Year	(10,052)	1,190,334	3,051,346	4,231,628
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (10,972)</u>	<u>\$ 990,893</u>	<u>\$ 1,026,952</u>	<u>\$ 2,006,873</u>

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Governmental Funds \$ (2,224,755)

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 2,038,356

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 (40,460)

Developer Advance - Infrastructure (2,020,934)

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 2,020,934

Accrued Interest on Bonds - Change in Liability (112,480)

Accrued Interest on Developer Advance - Change in Liability (8,951)

Change in Net Position of Governmental Activities \$ (348,290)

**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, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 10,763	\$ 10,830	\$ 67
Specific Ownership Taxes	886	827	(59)
Net Investment Income	123	-	(123)
Other Revenue	-	12	12
TIF Reimbursement	302	240	(62)
Total Revenues	<u>12,074</u>	<u>11,909</u>	<u>(165)</u>
EXPENDITURES			
General:			
Accounting	20,000	29,072	(9,072)
Audit	5,000	4,800	200
County Treasurer's Fees	161	166	(5)
Insurance	1,500	1,880	(380)
Management Fees	5,000	-	5,000
Legal	12,500	15,827	(3,327)
Miscellaneous Expenses	200	-	200
Repairs and Maintenance	12,000	-	12,000
Dues and licenses	500	300	200
Election	3,000	1,244	1,756
Contingency	7,139	-	7,139
Total Expenditures	<u>67,000</u>	<u>53,289</u>	<u>13,711</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(54,926)	(41,380)	13,546
OTHER FINANCING SOURCES (USES)			
Developer Advances	50,000	40,460	(9,540)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>40,460</u>	<u>(9,540)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(4,926)	(920)	4,006
Fund Balance (Deficit) - Beginning of Year	<u>6,639</u>	<u>(10,052)</u>	<u>(16,691)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 1,713</u>	<u>\$ (10,972)</u>	<u>\$ (12,685)</u>

See accompanying Notes to Basic Financial Statements.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District 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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020.

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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 2020.

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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 reported a deficit in the fund financial statements as of December 31, 2020. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2021.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 3,973
Cash and Investments - Restricted	2,025,156
Total Cash and Investments	<u>\$ 2,029,129</u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 5,761
Investments	2,023,368
Total Cash and Investments	<u>\$ 2,029,129</u>

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, the District's cash deposits had a bank and a carrying balance of \$5,761.

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

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2020, 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	<u>\$ 2,023,368</u>

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, 2020 follows:

	<u>Balance - December 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance - December 31, 2020</u>
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 1,798,950	\$ 2,038,356	\$ -	\$ 3,837,306
Total Capital Assets, Being Depreciated	<u>\$ 1,798,950</u>	<u>\$ 2,038,356</u>	<u>\$ -</u>	<u>\$ 3,837,306</u>

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020:

	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020	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	-
Subordinate - Series 2019B	3,488	46,535	-	50,023	-
Subtotal Bonds Payable	5,748,488	67,973	-	5,816,461	-
Notes from Direct Borrowings and Direct Payments:					
Junior Lien - Series 2019C	708,000	-	-	708,000	-
Accrued Interest on:					
Junior Lien - Series 2019C	3,894	63,801	-	67,695	-
Subtotal of Notes from Direct Borrowings and Direct Payments	711,894	63,801	-	775,695	-
Other Debts:					
Developer Advances - O&M	77,902	40,460	-	118,362	-
Developer Advances - Infrastructure	-	2,020,934	2,020,934	-	-
Accrued Interest on					
Developer Advances - O&M	41,604	8,508	-	50,112	-
Accrued Interest on					
Developer Advances - Infrastructure	3,799	443	-	4,242	-
Subtotal of Other Debts	123,305	2,070,345	2,020,934	172,716	-
Total	\$ 6,583,687	\$ 2,202,119	\$ 2,020,934	\$ 6,764,872	\$ -

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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020, is \$465,749.

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 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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds Debt Service

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 257,250	\$ 257,250
2022	-	257,250	257,250
2023	-	257,250	257,250
2024	-	257,250	257,250
2025	-	257,250	257,250
2026-2030	410,000	1,252,500	1,662,500
2031-2035	660,000	1,122,750	1,782,750
2036-2040	950,000	930,500	1,880,500
2041-2045	1,315,000	657,750	1,972,750
2046-2049	1,810,000	262,500	2,072,500
Total	<u>\$ 5,145,000</u>	<u>\$ 5,512,250</u>	<u>\$ 10,657,250</u>

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.

	<u>Authorized May 8, 2012 Election</u>	<u>Authorization Used, Series 2019 Bonds</u>	<u>Remaining at December 31, 2019</u>
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	<u>\$ 630,000,000</u>	<u>\$ 6,453,000</u>	<u>\$ 623,547,000</u>

At December 31, 2020, 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.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020, as follows:

Restricted Net Position:

Emergencies	\$ 400
Total Restricted Net Position	<u>\$ 400</u>

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.

**WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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.

Operation Funding Agreement with IBC Denver II, LLC

On July 3, 2012, the District entered into the Operation Funding Agreement (the IBC OFA) with IBC Denver II, LLC (IBC), pursuant to which IBC agrees to advance funds to the District for certain operation and maintenance expenses. The District agrees to repay these advances, together with accrued interest at the rate of 8% per annum accruing from the date of each advance. The IBC OFA was terminated in 2019 see details below.

Agreement Regarding Termination of Operation Funding Agreements

On August 27, 2019, the District entered into the Agreement Regarding Termination of Operation Funding Agreements (Termination Agreement) with IBC Denver II, LLC, Toll Southwest, LLC, Ward TOD Metropolitan District No. 2 and Ward TOD Metropolitan District No. 3. Pursuant to Termination Agreement, IBC and District agree to terminate the IC OFA. Upon the execution, any amounts due and owing to IBC under the IBC OFA are now due and owing to Toll Southwest, LLC in accordance with the Funding and Reimbursement Agreement (Operations and Maintenance) dated between the District and Toll Southwest, LLC.

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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 AGREEMENTS (CONTINUED)

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, and purchased the property on June 3, 2019 from IBC Denver II, LLC, the previous owner. 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.

WARD TOD METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 RISK MANAGEMENT (CONTINUED)

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, 2020**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 43,352	\$ 43,352	\$ 43,622	\$ 270
Specific Ownership Taxes	3,567	3,567	3,333	(234)
TIF Reimbursement	1,218	1,218	967	(251)
Other Revenue	-	744,958	-	(744,958)
Net Investment Income	14,859	14,859	7,698	(7,161)
Total Revenues	62,996	807,954	55,620	(752,334)
EXPENDITURES				
General:				
County Treasurer's Fees	650	650	669	(19)
Bond Interest	254,392	254,392	254,392	-
Contingency	-	744,958	-	744,958
Total Expenditures	255,042	1,000,000	255,061	744,939
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(192,046)	(192,046)	(199,441)	(7,395)
Fund Balance - Beginning of Year	1,188,750	1,188,750	1,190,334	1,584
FUND BALANCE - END OF YEAR	<u>\$ 996,704</u>	<u>\$ 996,704</u>	<u>\$ 990,893</u>	<u>\$ (5,811)</u>

**WARD TOD METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 19,067	\$ 17,524	\$ (1,543)
Total Revenues	<u>19,067</u>	<u>17,524</u>	<u>(1,543)</u>
EXPENDITURES			
General:			
Accounting	10,000	2,775	7,225
Legal	10,000	787	9,213
Capital Projects:			
Engineering	20,000	17,422	2,578
Capital Outlay	<u>3,029,738</u>	<u>2,020,934</u>	<u>1,008,804</u>
Total Expenditures	<u>3,069,738</u>	<u>2,041,918</u>	<u>1,027,820</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,050,671)	(2,024,394)	1,026,277
OTHER FINANCING SOURCES (USES)			
Developer Advances	3,029,738	2,020,934	(1,008,804)
Repay Developer Advances	<u>(3,029,738)</u>	<u>(2,020,934)</u>	<u>1,008,804</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,050,671)	(2,024,394)	1,026,277
Fund Balance - Beginning of Year	<u>3,050,671</u>	<u>3,051,346</u>	<u>675</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 1,026,952</u></u>	<u><u>\$ 1,026,952</u></u>

OTHER INFORMATION

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020

\$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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 257,250	\$ 257,250
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	<u>\$ 5,145,000</u>	<u>\$ 5,512,250</u>	<u>\$ 10,657,250</u>

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2016	\$ 416,730	5.000	\$ 2,084	\$ 2,052	98.46 %
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
Estimated for the Year Ending December 31, 2021	\$ 1,570,798	75.419	\$ 118,468		

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.

EXHIBIT B

Acceptance Resolutions Pursuant to Infrastructure Acquisition and Reimbursement Agreement
(District No. 1)

**WARD TOD METROPOLITAN DISTRICT NO. 1
ACCEPTANCE RESOLUTION PURSUANT TO INFRASTRUCTURE ACQUISITION
AND REIMBURSEMENT AGREEMENT
(JANUARY 28, 2021)**

WHEREAS, WARD TOD Metropolitan District No. 1, in the City of Wheat Ridge, Jefferson County, State of Colorado (the “**District**”), is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under §§ 32-1-101, et seq., C.R.S. (the “**Special District Act**”); and

WHEREAS, the District has the power to provide certain public infrastructure, improvements, facilities and services (collectively, the “**Public Infrastructure**”), as described in the Special District Act, and as authorized in the Amended and Restated Service Plan for WARD TOD Metropolitan District Nos. 1-3 approved by the City Council May 13, 2019 (the “**Service Plan**”); and

WHEREAS, the District and Toll Southwest LLC (“**Toll Southwest**”) are parties to that certain Infrastructure Acquisition and Reimbursement Agreement dated August 27, 2019 (the “**Agreement**”); and

WHEREAS, capitalized terms used herein without definition shall have the meanings assigned to them in the Agreement; and

WHEREAS, the Agreement establishes the terms and conditions for the acquisition of certain Public Infrastructure financed and constructed or caused to be constructed by Toll Southwest that is to be owned by the District or such other applicable governmental entity, and the reimbursement of Certified District Eligible Costs incurred by Toll Southwest; and

WHEREAS, pursuant to the Agreement, Toll Southwest has submitted an Application for Acceptance of District Eligible Costs and Public Infrastructure and such additional information as the District may reasonably require; and

WHEREAS, the Board has received a satisfactory Engineer’s Cost Certification, and Accountant’s Cost Certification; and

WHEREAS, the Board desires to adopt this resolution declaring satisfaction of the conditions to acceptance as set forth in the Agreement, subject to any variances or waivers which the Board may allow in its sole and absolute discretion, and with any reasonable conditions the Board may specify (hereinafter, the “**Acceptance Resolution**”).

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT:

1. Incorporation of Recitals. The above recitals are hereby incorporated into and made a part of this Acceptance Resolution.

2. Acknowledgement of Documents Received. With respect to Public Infrastructure that is being dedicated to other governmental entities, Public Infrastructure to be acquired by the District, and funds advanced, the Board makes the following findings.

- a. The Board has received and reviewed the Application for Acceptance of District Eligible Costs and Public Infrastructure.
- b. Toll Southwest has submitted all of the information required under Schedule 1 of the Agreement with the exception of item (4) because the applicable governmental entities have not provided final, preliminary, or conditional acceptance.
- c. Toll Southwest is requesting reimbursement for Public Infrastructure that is being conveyed to other governmental entities, *without a final, preliminary, or conditional acceptance letter*. Pursuant to the Subdivision Improvement Agreement dated August 5, 2019 between the City of Wheat Ridge, Colorado (the “City”), Toll Southwest, and WARD TOD Metropolitan District Nos. 1-3 (the “SIA”). Pursuant to Section 7 of the SIA, Toll Southwest is required to install and complete all storm sewer lines, drainage structures, paved streets, curb, gutter, sidewalk, amenity zones, street and pedestrian lighting, shared access drives, the undergrounding of all overhead utilities, and necessary appurtenances as shown on the subdivision plat and the associated construction documents as approved by the City’s Director of Public Works or designee. In order to secure the installation and construction of the improvements under the SIA, Toll Southwest has furnished an irrevocable letter of credit for each phase in the amount of 125% of the estimated costs of the improvements. The Board has determined to waive the additional requirements under Schedule 2, numbered 4-10 because the improvements are not substantially complete.
- d. Toll Southwest has submitted all of the information required under Schedule 3 of the Agreement.
- e. Independent District Engineering Services, LLC has reviewed the invoices and other material presented to substantiate the District Eligible Costs and issued an Engineer Cost Certification, attached hereto as **Exhibit A**, declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition and/or reimbursement, and that such costs are reasonable and appropriate for the type of Public Infrastructure being constructed.
- f. CliftonLarsonAllen LLP has reviewed the Engineer’s Cost Certification and invoices and other material presented to substantiate the District Eligible Costs and has issued an Accountant Cost Certification, attached hereto as **Exhibit B**, declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition/and or reimbursement.

3. Acceptance of Certified District Eligible Costs. The Board, having reviewed the Application for Acceptance of District Eligible Costs and Public Infrastructure, Engineer’s Cost Certification, Accountant’s Cost Certification, and all other information as deemed necessary and

appropriate, finds and determines that the Certified District Eligible Costs to be accepted pursuant to this Acceptance Resolution is \$424,485.75. Based on the documentation received, the Board further finds that the applicable requirements set forth in the Agreement have been satisfied, and that the Certified District Eligible Costs are hereby approved for reimbursement by the District subject to the terms of the Agreement.

4. Retainage Amount. The Agreement provides that the District may, in its sole discretion, retain up to 5% of the District Eligible Costs for Public Infrastructure that is being conveyed to other governmental entities when Toll Southwest is unable to provide a final, preliminary or conditional acceptance letter from the applicable governmental entity. The Board hereby determines to retain 0% of the District Eligible Costs because, pursuant to the SIA, Toll Southwest is required to install and complete the improvements and has provided an irrevocable letter of credit to the City to guarantee the installation and completion of the improvements.

5. Subject to Annual Appropriations. The obligations of the District pursuant to this Acceptance Resolution are subject to annual appropriation and shall not be deemed to be multiple fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution, and may not exceed amounts permitted by the District's electoral authorization and Service Plan.

[Signature Page Follows.]


ADOPTED this 28th day of January, 2021.

DISTRICT:
WARD TOD METROPOLITAN DISTRICT NO.
1, a quasi-municipal corporation and political
subdivision of the State of Colorado

By: 
Chris Ferguson (Feb 23, 2021 09:59 MST)

Officer of the District

Attest:


Matt Foran (Feb 23, 2021 08:01 MST)
By: _____
Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON

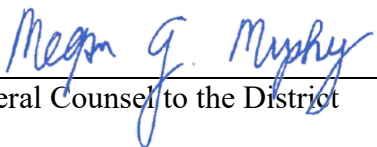

General Counsel to the District

Exhibit A

IDES Engineer Cost Certification

Ward TOD

Metropolitan District Nos. 1-3

Cost Certification Report



Report #5
January 2021

Ward TOD Metropolitan District Nos. 1-3

Cost Certification Report

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Cost Certification Report #5

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January 29, 2021

Ward TOD Metropolitan District Board
C/o Megan Murphy
White Bear Ankele Tanaka & Waldron
2154 E Commons Ave #2000
Centennial, CO 80122

WARD TOD METROPOLITAN DISTRICT COST CERTIFICATION REPORT #5

INTRODUCTION

Independent District Engineering Services, LLC (Engineer) was hired by the Ward TOD Metropolitan District (District) to provide review of expenditures paid by Toll Southwest, LLC (Developer). This is to summarize and report the expenditures for The Ridge at Ward Station Development located in the City of Wheat Ridge, Colorado (Project). This Cost Certification Report (Report) summarizes the Engineer's approach and findings for the Project.

The expenditures for public improvements discussed in this Report were paid for by the Developer and are being certified as District eligible in the amount of **\$424,485.75**.

This Report generally covers the areas shown on Attachment A. The expenditures reviewed in this Report generally cover expenditures for materials testing, BMP's, civil engineering services, surveying, legal services, grading, sanitary, landscape, lighting, paving, sanitary, storm, and water improvements.

GOVERNING DOCUMENTS

The following governing documents were used in determining recommendations for District eligible expenses:

- Amended and Restated Service Plan for Ward TOD Metropolitan District, prepared by White Bear Ankele Tanaka & Waldron, dated May 13, 2019.
- Infrastructure Acquisition and Reimbursement Agreement, by and between Toll Southwest and Ward TOD Metropolitan District No. 1, dated August 27th, 2019.

The Engineer used the above governing documents only as a general guideline for eligibility in certification of costs.

ACTIVITIES CONDUCTED

For this report, the following activities were performed:

- Governing documents provided by the District and the Developer were reviewed as the basis for recommendation for this report.
- Invoices provided by the Developer were reviewed. A summary was created and is attached as Attachment C.
- A site visit was conducted. Project improvements were photographed.
- Contact was made with Developer to verify knowledge of the work or services performed.
- Some contract unit items were compared to other projects constructed in the Denver Metropolitan Area.

ASSUMPTIONS

Due to the specific scope authorized for this report, the following assumptions were made:

- It is assumed that geotechnical pavement designs have been performed and followed. It is assumed materials testing was performed during construction.

- It is our understanding that the Developer will be responsible for all Storm Water Management Practice (SWMP) activities until the conditions of State and Local permits are met. No SWMP inspections or recommendations were conducted as part of this Report.
- It is assumed that the contractors have obtained all SWMP permitting in the name of the Developer.
- It is our understanding that all local jurisdiction acceptance will be completed by the Developer as required by the Infrastructure Acquisition and Reimbursement Agreement. The District shall have no obligations for local jurisdiction acceptance of infrastructure acquired by the District.
- It is assumed that the Developer has obtained or will obtain final unconditional lien waivers from all contractors performing work or consultants providing services for the Project. It is our recommendation these lien waivers be provided to the District.
- Costs presented do not represent the entire contract value, but rather the portion of costs that are attributable to public improvements as defined in the Service Plan. Percentages of Expenditures that pertain to both District land and private lots are based on land percentage area for the Project Area. See Attachment C for the percentages. These percentages were used for work such as Earthwork, SWMP activities, and planning activities.
- Expenditures that did not have enough information to be verified with this Report may be verified in a future Report.
- Nothing in this Report shall be construed as acceptance of any public infrastructure by any governmental entity, including but not limited to the District. The Developer remains responsible for completing public improvements according to plan and obtain the proper acceptance by any applicable governmental entity.

DISCUSSION

This report consists of expenditures provided between April 2018 and December 2020. The improvements reviewed are generally represented in Attachments A and C.

Vendor Participation

All contractors, consultants, and vendors whose invoice information was submitted, were evaluated for their participation on the Project and services performed, materials provided, or work completed. A summary of vendor participation is included as Attachment B.

Review of Invoices and Summary of Expenditures

To provide a cost certification of District improvements, invoices provided by the Developer were reviewed. Invoice costs were allocated as District or Non-District and a summary is included as Attachment C. Invoices provided were reviewed to determine that the work and cost value were appropriated correctly, and that proof of payment was provided.

SUMMARY OF EXPENDITURES BY CATEGORY AND SERVICE PLAN DIVISION

The table below provides a summary of expenditures by category and Service Plan division. The major elements of the improvements were allocated across these specific categories.

District Improvements	Cost	Percent of Total Cost
Water	\$84,130.89	19.82%
Sanitation/Storm	\$112,717.53	26.55%
TV Relay	\$0.00	0.00%
Streets	\$198,410.81	46.74%
Transportation	\$0.00	0.00%
Parks & Recreation	\$29,226.52	6.89%
Safety	\$0.00	0.00%
TOTAL	\$424,485.75	100.00%

FIELD INVESTIGATION RESULTS

A field investigation was conducted in January 2021. Photos were taken of the Project to memorialize the construction of infrastructure and are included in Attachment D. From our visual inspection, it appears the completed improvements were constructed in a quality manner consistent with other similar projects and meeting generally accepted construction requirements.

RECOMMENDATION

In our professional opinion the expenditures for the improvements were reviewed and found to be reasonable. The costs of improvements are comparable to other similar projects in Colorado. At this time and based on the information provided, the Engineer certifies the expenditures provided by the Developer as District eligible expenditures as shown in Attachment C and subject to the level of review presented in this report. These expenditures are certified in the amount of **\$424,485.75**.

Should you have any questions or require further information please feel free to contact me.

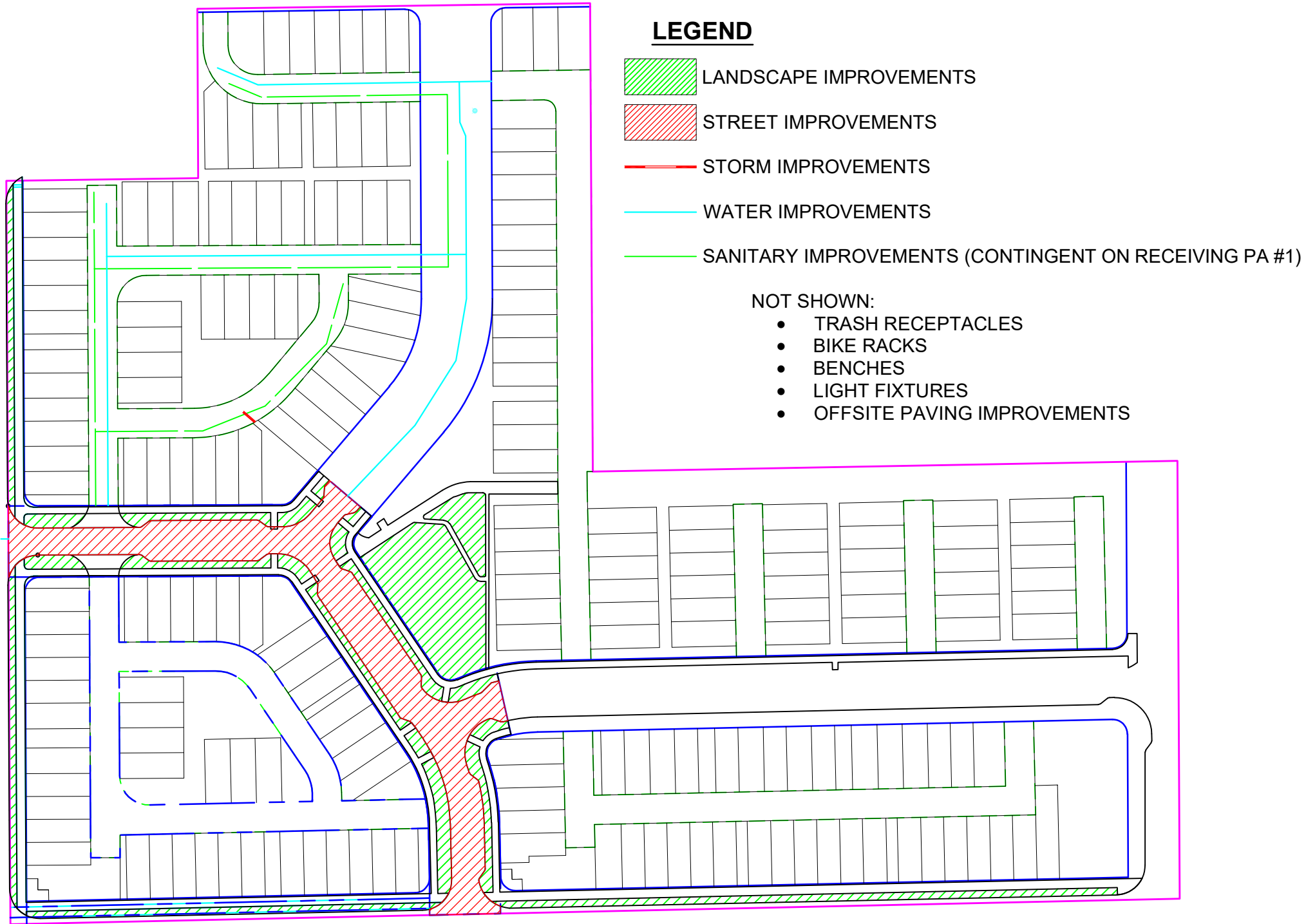
Respectfully Submitted,
Independent District Engineering Services, LLC

Barrett Marrocco
Barrett Marrocco, P.E.

Attachments

Attachment A

Site Map



Attachment B

Vendor Participation

Attachment B

Vendor Participation

Following is a summary of the contractors, consultants and vendor participation in work and services for the report.

APC Play Commercial playground equipment supplier providing installation and delivery of the fitness equipment in tract W.

Autumn Landscaping Installed landscape improvements in phase 1 for The Ridge at Ward Station. Since the contractor had installed landscaping improvements in both District owned tracts and HOA owned tracts, a land area percentage was used on eligible items.

CMS Environmental Solutions Performed required bi-weekly post storm inspections for the District.

CTL Thompson Served as the geotechnical engineer, performing asphalt, compaction, and concrete testing.

Custom Fence & Supply Fencing contractor providing temporary construction fencing for the Development. Since the fencing spans over district owned tracts and HOA owned tracts, a land area percentage was used on eligible items.

CVL, a Westwood Team Served as the engineering Designer of Record for the project. Overall costs and staking were calculated using the land percentage area to determine eligibility. Dry utilities are not considered eligible for District funding.

DTJ Provided construction administration services in relation to initial acceptance of landscape improvements for the Development.

Fox Rothschild, LLP Legal services firm providing consulting services for the Development.

Fruitdale Sanitation District Charged the District fees for sanitary stub-in connections.

G R Marolt & Associates LLC Site amenity supplier providing delivery and installation of trash receptacles and benches for the District.

GRC Consulting, Inc. Land management consultant supplying equipment and providing small grading tasks for the Development.

Kellyrock Electric Provided the phase 2 lighting materials for the Development.

Keystone Ridge Designs Site amenity supplier providing delivery of bike racks for the District.

Martin Marietta Paving contractor providing asphalt paving for phase 1 and Ward Road.

ProSystems Professional Electrical Systems Provided and installed street and tract lighting for phase 1, Ridge Road, and Ward Road.

Scott Contracting, Inc. General contractor for phase 2 of the Project. Provided water, storm, and sanitary improvements to the Development.

Simkiss & Block Provided surety bonding services for Fruitdale Sanitation District.

Attachment C

Expenditure Data

Attachment C
Ward TOD Metro District
Engineer's Summary for Cost Certification Report #5

Invoice ID	Invoice Date	Invoice Provided	Check Date	Check Number	Description	Invoiced Amount	District Eligible Expenses	Non- Eligible Expenses	Notes
APC Play									
062013829-1	8/14/20	Yes	11/13/20	501687	Fitness Equipment	\$3,229.00	\$3,229.00	\$0.00	
062013829	9/10/20	Yes	11/2/20	499382	Fitness Equipment Installation	\$2,231.00	\$2,231.00	\$0.00	
Subtotal APC Play						\$5,460.00	\$5,460.00	\$0.00	
Autumn Landscaping, Inc.									
104596	10/21/20	Yes	11/6/20	500516	Landscape Maintenance	\$10,500.00	\$0.00	\$10,500.00	O&M
104787	10/21/20	Yes	11/6/20	500516	Landscape Install	\$21,694.21	\$12,860.28	\$8,833.93	Phase 1 Landscape Site % Applied
Subtotal Autumn Landscaping, Inc.						\$32,194.21	\$12,860.28	\$19,333.93	
CMS Environmental Solutions, LLC									
109699	10/1/20	Yes	10/16/20	1524165	Stormwater Inspections	\$375.00	\$375.00	\$0.00	
111037	11/1/20	Yes	11/20/20	1532242	Stormwater Inspections	\$375.00	\$375.00	\$0.00	
112377	12/1/20	Yes	12/18/20	1537755	Stormwater Inspections	\$375.00	\$375.00	\$0.00	
Subtotal CMS Environmental Solutions, LLC						\$1,125.00	\$1,125.00	\$0.00	
CTL Thompson, Inc.									
554376	8/31/20	Yes	9/25/20	492970	Geotechnical Engineering	\$553.00	\$553.00	\$0.00	
557288	9/30/20	Yes	11/2/20	499422	Geotechnical Engineering	\$352.00	\$352.00	\$0.00	
559918	10/31/20	Yes	12/4/20	504191	Geotechnical Engineering	\$605.00	\$605.00	\$0.00	
559919	10/31/20	Yes	12/4/20	504191	Geotechnical Engineering	\$1,210.00	\$1,210.00	\$0.00	
560211	10/31/20	Yes	12/4/20	504191	Geotechnical Engineering	\$720.00	\$0.00	\$720.00	Not Eligible
562544	11/30/20	Yes	12/18/20	506738	Geotechnical Engineering	\$372.00	\$372.00	\$0.00	
562555	11/30/20	Yes	12/18/20	506738	Geotechnical Engineering	\$4,396.50	\$4,396.50	\$0.00	
Subtotal CTL Thompson, Inc.						\$8,208.50	\$7,488.50	\$720.00	
Custom Fence & Supply									
1483	10/1/19	Yes	12/13/19	2624474	Temporary Fencing	\$6,415.20	\$3,047.86	\$3,367.34	Site Percentage Applied
1586	1/20/20	Yes	2/28/20	2637257	Temporary Fencing	\$412.16	\$195.82	\$216.34	Site Percentage Applied
Subtotal Custom Fence & Supply						\$6,827.36	\$3,243.68	\$3,583.68	
CVL, a Westwood Team									
28325	8/26/20	Yes	9/25/20	492974	Surveying	\$4,425.00	\$1,311.28	\$3,113.72	
1200900478	9/14/20	Yes	10/23/20	1525270	Staking	\$1,940.00	\$849.49	\$1,090.51	Site Percentage Applied
1200900455	9/28/20	Yes	10/23/20	1525270	Civil Engineering	\$2,495.00	\$330.19	\$2,164.81	Site Percentage Applied
1201000603	10/20/20	Yes	11/20/20	1532361	Legal Description	\$4,050.00	\$1,924.16	\$2,125.84	Site Percentage Applied
1201000778	10/20/20	Yes	11/13/20	1530508	Staking	\$3,350.00	\$3,350.00	\$0.00	
1201100561	11/16/20	Yes	12/11/20	1535861	Legal Description	\$1,455.00	\$691.27	\$763.73	Site Percentage Applied
1201100757	11/17/20	Yes	12/11/20	1535861	Staking	\$3,855.50	\$2,683.00	\$1,172.50	
1201200564	12/14/20	Yes	1/8/21	1541610	Legal Description	\$3,445.00	\$1,636.72	\$1,808.28	
1201200725	12/14/20	Yes	1/8/21	1541610	Staking	\$11,220.00	\$1,553.02	\$9,666.98	
Subtotal CVL, a Westwood Team						\$36,235.50	\$14,329.13	\$21,906.37	
DTJ Design, Inc.									
61623	12/9/20	Yes	12/31/20	508031	Landscape Construction Administration	\$769.51	\$468.68	\$300.83	
Subtotal DTJ Design, Inc.						\$769.51	\$468.68	\$300.83	
Fox Rothschild, LLP									
2436387	10/8/19	Yes	11/8/19	438160	Legal Services	\$4,566.50	\$0.00	\$4,566.50	
2531122	4/9/20	Yes	5/8/20	469032	Legal Services	\$7,339.50	\$0.00	\$7,339.50	
Subtotal Fox Rothschild, LLP						\$11,906.00	\$0.00	\$11,906.00	
Fruitdale Sanitation District									
RWPH200	8/28/20	Yes	9/1/20	3749	Stub In Fees	\$8,250.00	\$0.00	\$8,250.00	Not Eligible
Subtotal Fruitdale Sanitation District						\$8,250.00	\$0.00	\$8,250.00	
G R Marolt & Associates LLC									
4158	10/15/20	Yes	Need	Need	Landscape Amenities	\$7,103.00	\$0.00	\$7,103.00	Certify after install
4153 Revised	10/23/20	Yes	11/13/20	1530554	Landscape Amenity Installation	\$7,000.00	\$7,000.00	\$0.00	
Subtotal G R Marolt & Associates LLC						\$14,103.00	\$7,000.00	\$7,103.00	
GRC Consulting, Inc.									
7201 Revised	7/13/20	Yes	9/25/20	1518171	Grading	\$1,995.00	\$0.00	\$1,995.00	Lot Grading not Eligible
Subtotal GRC Consulting, Inc.						\$1,995.00	\$0.00	\$1,995.00	
Kellyrock Electric									
1313	10/28/20	Yes	11/20/20	491401	Lighting	\$58,546.80	\$0.00	\$58,546.80	Certify after install

Attachment C
Ward TOD Metro District
Engineer's Summary for Cost Certification Report #5

Invoice ID	Invoice Date	Invoice Provided	Check Date	Check Number	Description	Invoiced Amount	District Eligible Expenses	Non- Eligible Expenses	Notes
Subtotal Kellyrock Electric						\$58,546.80	\$0.00	\$58,546.80	
Keystone Ridge Designs									
040933-00	6/24/20	Yes	6/26/20	474605758	Landscape Amenities	\$2,194.00	\$2,194.00	\$0.00	
Subtotal Keystone Ridge Designs						\$2,194.00	\$2,194.00	\$0.00	
Martin Marietta									
29495316	7/30/20	Yes	9/25/20	1518173	Paving	\$74,189.27	\$74,189.27	\$0.00	
Subtotal Martin Marietta						\$74,189.27	\$74,189.27	\$0.00	
ProSystems Professional Electrical Systems, Inc.									
39995	8/31/20	Yes	12/31/20	1539518	Street Lights	\$307,468.35	\$115,713.69	\$191,754.66	HOA-owned light costs, associated freight and shipping costs, and tax excluded
Subtotal ProSystems Professional Electrical Systems, Inc.						\$307,468.35	\$115,713.69	\$191,754.66	
Scott Contracting, Inc									
Pay Application 1	9/25/20	Yes	12/11/20	505615	General Contractor	\$50,386.50	\$40,162.50	\$10,224.00	
Pay Application 2	10/20/20	Yes	12/31/20	508172	General Contractor	\$295,502.63	\$140,251.02	\$155,251.61	Services not Eligible
Subtotal Scott Contracting, Inc						\$345,889.13	\$180,413.52	\$165,475.61	
Simkiss & Block									
42	9/9/20	Yes	10/23/20	498750	Fruitdale Sanitation District	\$1,140.00	\$0.00	\$1,140.00	
Subtotal Simkiss & Block						\$1,140.00	\$0.00	\$1,140.00	
Total						\$916,501.63	\$424,485.75	\$492,015.88	

"District Eligible Expenses" is the amount being recommended for reimbursement from the District

"Non Eligible Expenses" is the difference between the Invoiced Amount and the District Portion

These amounts do not include interest

Assumptions		
Filing 1 Const + Grading is	86.88%	percent District Eligible
Of that Eligible amount,	25%	is water
	35%	is sanitary and storm
	40%	is streets
Filing 1 Overall is	47.51%	Eligible
Grading is split between		
Streets	86.22%	
& Parks & Rec	13.78%	
Phase 1 (Autumn) Landscape	60.91%	(Does not include area from
Overall Open Space/LS Site %	41.72%	treelawns even though they're in ROW)
Retaining Wall	39.71%	is in the ROA

Attachment D

Project Photos

Ward Metropolitan District Site Photos



Phase 1 facing NE



Phase 1 facing SE



Phase 2 facing South



Phase 2 facing West



Tract W



Phase 4 Stockpile



Tract W



Phase 1 Street Lights



Phase 2 Street Improvements



Phase 2 Street Improvements



Phase 2 Street Improvements



Phase 2 Street Improvements

Exhibit B

Accountant Cost Certification



CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
303-779-5710 | fax 303-779-0348
CLAconnect.com

January 28, 2021

Board of Directors
Ward TOD Metropolitan District No. 1
Jefferson, Colorado

Re: **Ward TOD Metropolitan District No. 1 - Developer Reimbursement for Filing 1**

This report summarizes the results of procedures performed related to the Ward TOD Metropolitan District No. 1 (“the District”) Developer Reimbursement. Specifically, we read invoices to determine if amounts expended supported the assertion that the costs are eligible district costs.

We did not evaluate quantity and quality measurements, which would be covered by an Engineer’s report.

We were not engaged to, and did not, conduct an examination in accordance with generally accepted auditing standards, the objective of which would be the expression of an opinion on the financial statements of the Ward TOD Metropolitan District No. 1. Accordingly, we do not express such an opinion. We performed our engagement as a consulting service under the AICPA Statement of Standards for Consulting Services. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Developer Reimbursement

The District engaged CliftonLarsonAllen LLP to read invoices that support infrastructure costs paid by Toll Southwest LLC. (“Developer”) and to determine which costs are eligible for reimbursement by the Developer.

The Developer submitted documentation for \$916,501.63 of expenses incurred for the period April 2018 through December 2020. Of the total submitted, \$424,485.75 was considered eligible and related to soft costs and capital outlay infrastructure improvements.

Following the electoral authorization these expenditures can be categorized as follows -

Streets	\$ 198,410.81
Sanitation/Storm Sewer	112,717.53
Water	84,130.89
Parks and Recreation	29,226.52
Traffic and Safety	<u>0.00</u>
Total	<u>\$ 424,485.75</u>

For additional detail on the costs incurred by the Developer, please refer to Exhibit A.

This report is intended solely for your use and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP". The signature is fluid and stylized, with the letters "L" and "A" being particularly prominent.

CLIFTONLARSONALLEN LLP
Greenwood Village, Colorado

Exhibit A

Attachment C
Ward TOD Metro District
Engineer's Summary for Cost Certification Report #5

Invoice ID	Invoice Date	Invoice Provided	Check Date	Check Number	Description	Invoiced Amount	District Eligible Expenses	Non- Eligible Expenses	Notes
APC Play									
062013829-1	8/14/20	Yes	11/13/20	501687	Fitness Equipment	\$3,229.00	\$3,229.00	\$0.00	
062013829	9/10/20	Yes	11/2/20	499382	Fitness Equipment Installation	\$2,231.00	\$2,231.00	\$0.00	
Subtotal APC Play						\$5,460.00	\$5,460.00	\$0.00	
Autumn Landscaping, Inc.									
104596	10/21/20	Yes	11/6/20	500516	Landscape Maintenance	\$10,500.00	\$0.00	\$10,500.00	O&M
104787	10/21/20	Yes	11/6/20	500516	Landscape Install	\$21,694.21	\$12,860.28	\$8,833.93	Phase 1 Landscape Site % Applied
Subtotal Autumn Landscaping, Inc.						\$32,194.21	\$12,860.28	\$19,333.93	
CMS Environmental Solutions, LLC									
109699	10/1/20	Yes	10/16/20	1524165	Stormwater Inspections	\$375.00	\$375.00	\$0.00	
111037	11/1/20	Yes	11/20/20	1532242	Stormwater Inspections	\$375.00	\$375.00	\$0.00	
112377	12/1/20	Yes	12/18/20	1537755	Stormwater Inspections	\$375.00	\$375.00	\$0.00	
Subtotal CMS Environmental Solutions, LLC						\$1,125.00	\$1,125.00	\$0.00	
CTL Thompson, Inc.									
554376	8/31/20	Yes	9/25/20	492970	Geotechnical Engineering	\$553.00	\$553.00	\$0.00	
557288	9/30/20	Yes	11/2/20	499422	Geotechnical Engineering	\$352.00	\$352.00	\$0.00	
559918	10/31/20	Yes	12/4/20	504191	Geotechnical Engineering	\$605.00	\$605.00	\$0.00	
559919	10/31/20	Yes	12/4/20	504191	Geotechnical Engineering	\$1,210.00	\$1,210.00	\$0.00	
560211	10/31/20	Yes	12/4/20	504191	Geotechnical Engineering	\$720.00	\$0.00	\$720.00	Not Eligible
562544	11/30/20	Yes	12/18/20	506738	Geotechnical Engineering	\$372.00	\$372.00	\$0.00	
562555	11/30/20	Yes	12/18/20	506738	Geotechnical Engineering	\$4,396.50	\$4,396.50	\$0.00	
Subtotal CTL Thompson, Inc.						\$8,208.50	\$7,488.50	\$720.00	
Custom Fence & Supply									
1483	10/1/19	Yes	12/13/19	2624474	Temporary Fencing	\$6,415.20	\$3,047.86	\$3,367.34	Site Percentage Applied
1586	1/20/20	Yes	2/28/20	2637257	Temporary Fencing	\$412.16	\$195.82	\$216.34	Site Percentage Applied
Subtotal Custom Fence & Supply						\$6,827.36	\$3,243.68	\$3,583.68	
CVL, a Westwood Team									
28325	8/26/20	Yes	9/25/20	492974	Surveying	\$4,425.00	\$1,311.28	\$3,113.72	
1200900478	9/14/20	Yes	10/23/20	1525270	Staking	\$1,940.00	\$849.49	\$1,090.51	Site Percentage Applied
1200900455	9/28/20	Yes	10/23/20	1525270	Civil Engineering	\$2,495.00	\$330.19	\$2,164.81	Site Percentage Applied
1201000603	10/20/20	Yes	11/20/20	1532361	Legal Description	\$4,050.00	\$1,924.16	\$2,125.84	Site Percentage Applied
1201000778	10/20/20	Yes	11/13/20	1530508	Staking	\$3,350.00	\$3,350.00	\$0.00	
1201100561	11/16/20	Yes	12/11/20	1535861	Legal Description	\$1,455.00	\$691.27	\$763.73	Site Percentage Applied
1201100757	11/17/20	Yes	12/11/20	1535861	Staking	\$3,855.50	\$2,683.00	\$1,172.50	
1201200564	12/14/20	Yes	1/8/21	1541610	Legal Description	\$3,445.00	\$1,636.72	\$1,808.28	
1201200725	12/14/20	Yes	1/8/21	1541610	Staking	\$11,220.00	\$1,553.02	\$9,666.98	
Subtotal CVL, a Westwood Team						\$36,235.50	\$14,329.13	\$21,906.37	
DTJ Design, Inc.									
61623	12/9/20	Yes	12/31/20	508031	Landscape Construction Administration	\$769.51	\$468.68	\$300.83	
Subtotal DTJ Design, Inc.						\$769.51	\$468.68	\$300.83	
Fox Rothschild, LLP									
2436387	10/8/19	Yes	11/8/19	438160	Legal Services	\$4,566.50	\$0.00	\$4,566.50	
2531122	4/9/20	Yes	5/8/20	469032	Legal Services	\$7,339.50	\$0.00	\$7,339.50	
Subtotal Fox Rothschild, LLP						\$11,906.00	\$0.00	\$11,906.00	
Fruitdale Sanitation District									
RWPH200	8/28/20	Yes	9/1/20	3749	Stub In Fees	\$8,250.00	\$0.00	\$8,250.00	Not Eligible
Subtotal Fruitdale Sanitation District						\$8,250.00	\$0.00	\$8,250.00	
G R Marolt & Associates LLC									
4158	10/15/20	Yes	Need	Need	Landscape Amenities	\$7,103.00	\$0.00	\$7,103.00	Certify after install
4153 Revised	10/23/20	Yes	11/13/20	1530554	Landscape Amenity Installation	\$7,000.00	\$7,000.00	\$0.00	
Subtotal G R Marolt & Associates LLC						\$14,103.00	\$7,000.00	\$7,103.00	
GRC Consulting, Inc.									
7201 Revised	7/13/20	Yes	9/25/20	1518171	Grading	\$1,995.00	\$0.00	\$1,995.00	Lot Grading not Eligible
Subtotal GRC Consulting, Inc.						\$1,995.00	\$0.00	\$1,995.00	
Kellyrock Electric									
1313	10/28/20	Yes	11/20/20	491401	Lighting	\$58,546.80	\$0.00	\$58,546.80	Certify after install

Attachment C
Ward TOD Metro District
Engineer's Summary for Cost Certification Report #5

Invoice ID	Invoice Date	Invoice Provided	Check Date	Check Number	Description	Invoiced Amount	District Eligible Expenses	Non- Eligible Expenses	Notes
Subtotal Kellyrock Electric						\$58,546.80	\$0.00	\$58,546.80	
Keystone Ridge Designs									
040933-00	6/24/20	Yes	6/26/20	474605758	Landscape Amenities	\$2,194.00	\$2,194.00	\$0.00	
Subtotal Keystone Ridge Designs						\$2,194.00	\$2,194.00	\$0.00	
Martin Marietta									
29495316	7/30/20	Yes	9/25/20	1518173	Paving	\$74,189.27	\$74,189.27	\$0.00	
Subtotal Martin Marietta						\$74,189.27	\$74,189.27	\$0.00	
ProSystems Professional Electrical Systems, Inc.									
39995	8/31/20	Yes	12/31/20	1539518	Street Lights	\$307,468.35	\$115,713.69	\$191,754.66	HOA-owned light costs, associated freight and shipping costs, and tax excluded
Subtotal ProSystems Professional Electrical Systems, Inc.						\$307,468.35	\$115,713.69	\$191,754.66	
Scott Contracting, Inc									
Pay Application 1	9/25/20	Yes	12/11/20	505615	General Contractor	\$50,386.50	\$40,162.50	\$10,224.00	
Pay Application 2	10/20/20	Yes	12/31/20	508172	General Contractor	\$295,502.63	\$140,251.02	\$155,251.61	Services not Eligible
Subtotal Scott Contracting, Inc						\$345,889.13	\$180,413.52	\$165,475.61	
Simkiss & Block									
42	9/9/20	Yes	10/23/20	498750	Fruitdale Sanitation District	\$1,140.00	\$0.00	\$1,140.00	
Subtotal Simkiss & Block						\$1,140.00	\$0.00	\$1,140.00	
Total						\$916,501.63	\$424,485.75	\$492,015.88	

"District Eligible Expenses" is the amount being recommended for reimbursement from the District

"Non Eligible Expenses" is the difference between the Invoiced Amount and the District Portion

These amounts do not include interest

Assumptions		
Filing 1 Const + Grading is	86.88%	percent District Eligible
Of that Eligible amount,	25%	is water
	35%	is sanitary and storm
	40%	is streets
Filing 1 Overall is	47.51%	Eligible
Grading is split between		
Streets	86.22%	
& Parks & Rec	13.78%	
Phase 1 (Autumn) Landscape	60.91%	(Does not include area from
Overall Open Space/LS Site %	41.72%	treelawns even though they're in ROW)
Retaining Wall	39.71%	is in the ROA

EXHIBIT C

2021 Budget (District No. 1)

WARD TOD METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

WARD TOD METROPOLITAN DISTRICT NO. 1
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 12,972	\$ 4,231,628	\$ 2,039,728
REVENUES			
Property taxes	6,946	54,452	118,468
Specific ownership tax	622	4,453	8,292
Interest income	5,559	39,674	38,041
Developer advance	1,831,636	2,061,394	1,087,338
TIF Reimbursement	-	2,436	2,000
Intergovernmental revenues	33,268	-	-
Bond proceeds - 2019A	5,145,000	-	-
Bond proceeds - 2019B	600,000	-	-
Bond proceeds - 2019C	708,000	-	-
Total revenues	8,331,031	2,162,409	1,254,139
TRANSFERS IN	1,188,750	-	-
Total funds available	9,532,753	6,394,037	3,293,867
EXPENDITURES			
General Fund	104,139	42,116	70,000
Debt Service Fund	-	255,061	258,674
Capital Projects Fund	4,008,236	4,057,132	2,104,676
Total expenditures	4,112,375	4,354,309	2,433,350
TRANSFERS OUT	1,188,750	-	-
Total expenditures and transfers out requiring appropriation	5,301,125	4,354,309	2,433,350
ENDING FUND BALANCES	\$ 4,231,628	\$ 2,039,728	\$ 860,517
EMERGENCY RESERVE	\$ 1,200	\$ 400	\$ 798
CAPITALIZED INTEREST/FEES FUND	773,334	554,181	411,015
SENIOR SURPLUS FUND	417,000	442,565	442,565
TOTAL RESERVE	\$ 1,191,534	\$ 997,146	\$ 854,378

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION			
Vacant land	\$ 694,589	\$ 738,001	\$ 1,642,150
	694,589	738,001	1,642,150
Adjustments	-	(20,478)	(71,352)
Certified Assessed Value	<u>\$ 694,589</u>	<u>\$ 717,523</u>	<u>\$ 1,570,798</u>
MILL LEVY			
General	10.000	15.000	15.000
Debt Service	0.000	60.419	60.419
Total mill levy	<u>10.000</u>	<u>75.419</u>	<u>75.419</u>
PROPERTY TAXES			
General	\$ 6,946	\$ 10,763	\$ 23,562
Debt Service	-	43,352	94,906
Levied property taxes	6,946	54,115	118,468
Adjustments to actual/rounding	-		-
Budgeted property taxes	<u>\$ 6,946</u>	<u>\$ 54,115</u>	<u>\$ 118,468</u>
BUDGETED PROPERTY TAXES			
General	\$ 6,946	\$ 10,763	\$ 23,562
Debt Service	-	43,352	94,906
	<u>\$ 6,946</u>	<u>\$ 54,115</u>	<u>\$ 118,468</u>

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 12,972	\$ (10,052)	\$ 1,226
REVENUES			
Property taxes	6,946	10,830	23,562
Specific ownership tax	622	886	1,649
Interest income	-	-	-
Developer advance	40,279	40,460	50,000
Intergovernmental revenues	33,268	-	-
TIF Reimbursement	-	1,218	500
Total revenues	81,115	53,394	75,711
Total funds available	94,087	43,342	76,937
EXPENDITURES			
General and administrative			
Accounting	15,859	25,000	25,000
Auditing	-	5,000	5,000
County Treasurer's fee	104	166	353
Dues and licenses	-	200	500
Insurance and bonds	-	1,880	2,000
Legal services	35,085	8,626	12,500
Miscellaneous	133	-	200
Election expense	-	1,244	-
Repay developer advance	52,958	-	-
Contingency	-	-	14,447
Operations and maintenance			
Repairs and maintenance	-	-	10,000
Total expenditures	104,139	42,116	70,000
Total expenditures and transfers out requiring appropriation	104,139	42,116	70,000
ENDING FUND BALANCE	\$ (10,052)	\$ 1,226	\$ 6,937
EMERGENCY RESERVE	\$ 1,200	\$ 400	\$ 798
TOTAL RESERVE	\$ 1,200	\$ 400	\$ 798

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 1,190,334	\$ 996,746
REVENUES			
Property taxes	-	43,622	94,906
Specific ownership tax	-	3,567	6,643
Interest income	1,584	13,066	12,459
TIF Reimbursement	-	1,218	1,500
Total revenues	1,584	61,473	115,508
TRANSFERS IN			
Transfers from other funds	1,188,750	-	-
Total funds available	1,190,334	1,251,807	1,112,254
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	669	1,424
Debt Service			
Bond interest - 2019A	-	254,392	257,250
Total expenditures	-	255,061	258,674
Total expenditures and transfers out requiring appropriation	-	255,061	258,674
ENDING FUND BALANCE	\$ 1,190,334	\$ 996,746	\$ 853,580
CAPITALIZED INTEREST/FEES FUND	\$ 773,334	\$ 554,181	\$ 411,015
SENIOR SURPLUS FUND	417,000	\$ 442,565	\$ 442,565
TOTAL RESERVE	\$ 1,190,334	\$ 996,746	\$ 853,580

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/25/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ 3,051,346	\$ 1,041,756
REVENUES			
Interest income	3,975	26,608	25,582
Developer advance	1,791,357	2,020,934	1,037,338
Bond proceeds - 2019A	5,145,000	-	-
Bond proceeds - 2019B	600,000	-	-
Bond proceeds - 2019C	708,000	-	-
Total revenues	8,248,332	2,047,542	1,062,920
Total funds available	8,248,332	5,098,888	2,104,676
EXPENDITURES			
General and Administrative			
Accounting	-	2,000	10,000
Legal services	707	1,574	5,000
Capital Projects			
Repay developer advance	1,791,357	2,020,934	1,037,338
Engineering	7,593	11,690	15,000
Bond issue costs	296,322	-	-
Underwriter's discount	120,900	-	-
Capital outlay	1,791,357	2,020,934	1,037,338
Total expenditures	4,008,236	4,057,132	2,104,676
TRANSFERS OUT			
Transfers to other fund	1,188,750	-	-
Total expenditures and transfers out requiring appropriation	5,196,986	4,057,132	2,104,676
ENDING FUND BALANCE	\$ 3,051,346	\$ 1,041,756	\$ -

No assurance provided. See summary of significant assumptions.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

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 Jefferson County on April 9, 2012, 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 of Wheat Ridge, Jefferson County, Colorado.

The District was established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the public improvements and services, including streets, water, sanitation and storm drainage traffic and safety controls, transportation, television relay and translation and mosquito control. Under its Service Plan, The District was organized in conjunction with two other related Districts: Ward TOD Metropolitan District Nos. 2 and 3. Ward TOD Metropolitan District No.1 serves as a Management District, and Ward TOD Metropolitan District Nos. 2 and 3 serve as Financing Districts.

Pursuant to the Service Plan, the district is permitted to issue bond indebtedness of up to \$25,000,000. On December 5, 2019, the District issued \$5,145,000 in (Limited Tax Convertible to Unlimited tax) General Obligation Bonds Series 2019A, \$600,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B, and \$708,000 Junior Lien Limited Tax General Obligation Bonds Series 2019C.

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 October. The County Treasurer remits the taxes collected monthly to the District.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

The Maximum Debt Mill Levy the District is permitted to impose is 60.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation with the District) for any Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy. As a result of the residential rate change from 7.20% to 7.15% for collection year 2020, the 60.000 mills will be required to adjust to 60.419 mills for debt service.

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.

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 7% of the property taxes collected.

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Urban Renewal TIF

Pursuant to the Intergovernmental Tax Sharing Agreement dated October 1, 2019 with the Wheat Ridge Urban Renewal Authority, the District will receive the tax increment ("TIF") generated from the Wheat Ridge Urban Renewal Project area to be used toward the repayment of the District's bonds.

Investment Income

Interest earned on the District's available funds has been estimated based upon an average interest rate of approximately 1.25%.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Repayment of Developer Advances

In 2020, the District anticipates the repayment of developer advances for expenditures incurred on behalf of the District.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt Service

Principal and interest payments are provided based on the anticipated debt amortization schedule from the Senior Bonds, Subordinate Bonds, and Junior Lien Bonds (discussed under Debt and Leases). Anticipated debt service schedules are not provided for the Subordinate Bonds and Junior Lien Bonds because their repayment schedule is based on available cash flow.

Debt and Leases

On December 5, 2019, the District issued \$5,145,000 in (Limited Tax Convertible to Unlimited tax) General Obligation Bonds Series 2019A, \$600,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B, and \$708,000 Junior Lien Limited Tax General Obligation Bonds Series 2019C. The proceeds of the Senior Bonds will be used to fund: (i) the Initial Deposit to the Surplus Fund; (ii) capitalized interest on the Senior Bonds; (iii) pay the Project costs; and, (iv) the costs of issuing the Senior Bonds, the Subordinate Bonds and the Junior Lien Bonds. Proceeds of the Subordinate Bonds will be used to pay Project costs. The Junior Lien Bonds will be issued for the purpose of paying Project Costs, comprised of paying a portion of amounts due and payable to the Developer under the Acquisition and Reimbursement Agreement.

The Senior Bonds bear interest at 5.000% and are payable semi-annually on June 1 and December 1, commencing December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The Senior Bonds mature on December 1, 2049.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The Subordinate Bonds are issued at the rate of 7.750% per annum and are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate 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 Subordinate Bonds compounds annually on each December 15 through December 15, 2049. In the event that any principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on December 15, 2059, the Subordinate Bonds shall be deemed discharged.

The Junior Lien Bonds are issued at the rate of 9.000% per annum and are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Junior Lien Pledged Revenue available, if any, and mature on December 15, 2052. The Junior Lien Bonds are structured as 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 Junior Lien Pledged Revenue is available for payment. Principal and interest payments are due on the Junior Lien Bonds on each December 15 through December 15, 2052, only to the extent of available Junior Lien Pledged Revenue. In the event that any principal or interest on the Junior Lien Bonds remains unpaid after the application of all Junior Lien Pledged Revenue available on December 15, 2059, the Junior Lien Bonds shall be deemed discharged.

Debt service schedules are not provided for the Subordinate Bonds and Junior Lien Bonds because their repayment schedule is based on available cash flow.

WARD TOD METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (Continued)

The following is the analysis of the anticipated changes in developer advances for the years ending December 31, 2020, and December 31, 2021.

	Balance - December 31, 2019	Additions	Reductions	Balance - December 31, 2020
Limited Tax General				
Obligation Bonds:				
Senior - Series 2019A	\$ 5,145,000		\$ -	\$ 5,145,000
Subordinate - Series 2019B	600,000		-	600,000
Junior Lien - Series 2019C	708,000		-	708,000
Accrued Interest on				
Subordinate - Series 2019B	3,488			3,488
Junior Lien - Series 2019C	3,894			3,894
Total Bonds Payable	6,460,382	-	-	6,460,382
Developer Advances - O&M	77,902	40,460	-	118,362
Developer Advances - Infrastructure	-	2,020,934	2,020,934	-
Accrued Interest on				
Developer Advances - O&M	41,604	8,508	-	50,112
Accrued Interest on				
Developer Advances - Infrastructure	3,799	77,618	-	81,417
Total	<u>\$ 6,583,687</u>	<u>\$ 2,147,519</u>	<u>\$ 2,020,934</u>	<u>\$ 6,710,272</u>

	Balance - December 31, 2020	Additions	Reductions	Balance - December 31, 2021
Limited Tax General				
Obligation Bonds:				
Senior - Series 2019A	\$ 5,145,000	\$ -	\$ -	\$ 5,145,000
Subordinate - Series 2019B	600,000	-	-	600,000
Junior Lien - Series 2019C	708,000	-	-	708,000
Accrued Interest on				
Subordinate - Series 2019B	3,488	3,488	-	6,976
Junior Lien - Series 2019C	3,894	3,894	-	7,788
Total Bonds Payable	6,460,382	-	-	6,467,764
Developer Advances - O&M	118,362	50,000	-	168,362
Developer Advances - Infrastructure	-	1,037,338	1,037,338	-
Accrued Interest on				
Developer Advances - O&M	50,112	11,469	-	61,581
Accrued Interest on				
Developer Advances - Infrastructure	81,417	48,007	-	129,424
Total	<u>\$ 6,710,272</u>	<u>\$ 1,146,814</u>	<u>\$ 1,037,338</u>	<u>\$ 6,827,130</u>

**WARD TOD METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve, based on the amount held in our Debt Service Surplus fund, as required with the issuance of the Senior Bonds.

This information is an integral part of the accompanying budget.

EXHIBIT D

2022 Budget (District No. 1)

WARD TOD METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2022

WARD TOD METROPOLITAN DISTRICT NO. 1
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 4,231,628	\$ 2,006,873	\$ 830,828
REVENUES			
Property taxes	54,452	118,468	149,245
Specific ownership tax	4,160	9,505	10,447
Interest income	25,222	700	750
Developer advance	2,061,394	2,415,964	1,090,500
Other revenue	12	-	10,000
Water Reimbursement	-	-	3,200
TIF Reimbursement	1,207	5,308	10,095
Total revenues	2,146,447	2,549,945	1,274,237
Total funds available	6,378,075	4,556,818	2,105,065
EXPENDITURES			
General Fund	53,289	77,700	103,000
Debt Service Fund	255,061	268,174	278,543
Capital Projects Fund	4,062,852	3,380,116	1,023,500
Total expenditures	4,371,202	3,725,990	1,405,043
Total expenditures and transfers out requiring appropriation	4,371,202	3,725,990	1,405,043
ENDING FUND BALANCES	\$ 2,006,873	\$ 830,828	\$ 700,022
EMERGENCY RESERVE	\$ 400	\$ 800	\$ 1,200
CAPITALIZED INTEREST/FEEES FUND	517,358	260,108	2,858
SENIOR SURPLUS FUND	1,489,115	569,920	695,964
TOTAL RESERVE	\$ 2,006,873	\$ 830,828	\$ 700,022

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/26/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Residential	\$ -	\$ -	\$ 371,937
State assessed	-	-	38
Vacant land	738,001	1,642,150	1,735,892
Personal property	-	-	6,900
	<u>738,001</u>	<u>1,642,150</u>	<u>2,114,767</u>
Adjustments	(20,478)	(71,352)	(135,892)
Certified Assessed Value	<u>\$ 717,523</u>	<u>\$ 1,570,798</u>	<u>\$ 1,978,875</u>

MILL LEVY

General	15.000	15.000	15.000
Debt Service	60.419	60.419	60.419
Total mill levy	<u>75.419</u>	<u>75.419</u>	<u>75.419</u>

PROPERTY TAXES

General	\$ 10,763	\$ 23,562	\$ 29,683
Debt Service	43,352	94,906	119,562
Levied property taxes	<u>54,115</u>	<u>118,468</u>	<u>149,245</u>
Budgeted property taxes	<u>\$ 54,115</u>	<u>\$ 118,468</u>	<u>\$ 149,245</u>

BUDGETED PROPERTY TAXES

General	\$ 10,763	\$ 23,562	\$ 29,683
Debt Service	43,352	94,906	119,562
	<u>\$ 54,115</u>	<u>\$ 118,468</u>	<u>\$ 149,245</u>

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (10,052)	\$ (10,972)	\$ 836
REVENUES			
Property taxes	10,830	23,562	29,683
Specific ownership tax	827	1,890	2,078
Developer advance	40,460	63,000	67,000
Water Reimbursement	-	-	3,200
Other revenue	12	-	-
TIF Reimbursement	240	1,056	2,008
Total revenues	52,369	89,508	103,969
Total funds available	42,317	78,536	104,805
EXPENDITURES			
General and administrative			
Accounting	29,072	25,000	27,500
Auditing	4,800	4,900	5,400
County Treasurer's fee	166	353	445
Dues and licenses	300	320	500
Insurance and bonds	1,880	4,046	4,300
Legal services	15,827	18,000	15,000
Miscellaneous	-	1,581	1,500
Election expense	1,244	-	2,500
Contingency	-	-	9,855
Operations and maintenance			
Landscaping	-	15,000	16,000
Snow Removal	-	8,500	10,000
Water Utilities	-	-	10,000
Total expenditures	53,289	77,700	103,000
Total expenditures and transfers out requiring appropriation	53,289	77,700	103,000
ENDING FUND BALANCE	\$ (10,972)	\$ 836	\$ 1,805
EMERGENCY RESERVE	\$ 400	\$ 800	\$ 1,200
TOTAL RESERVE	\$ 400	\$ 800	\$ 1,200

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,190,334	\$ 990,893	\$ 829,992
REVENUES			
Property taxes	43,622	94,906	119,562
Specific ownership tax	3,333	7,615	8,369
Interest income	7,698	500	750
TIF Reimbursement	967	4,252	8,087
Other revenue	-	-	10,000
Total revenues	55,620	107,273	146,768
Total funds available	1,245,954	1,098,166	976,760
EXPENDITURES			
General and administrative			
County Treasurer's fee	669	1,424	1,793
Paying agent fees	-	9,500	9,500
Contingency	-	-	10,000
Debt Service			
Bond interest - 2019A	254,392	257,250	257,250
Total expenditures	255,061	268,174	278,543
Total expenditures and transfers out requiring appropriation	255,061	268,174	278,543
ENDING FUND BALANCE	\$ 990,893	\$ 829,992	\$ 698,217
CAPITALIZED INTEREST/FEES FUND	\$ 517,358	\$ 260,108	\$ 2,858
SENIOR SURPLUS FUND	473,535	569,884	695,359
TOTAL RESERVE	\$ 990,893	\$ 829,992	\$ 698,217

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/26/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 3,051,346	\$ 1,026,952	\$ -
REVENUES			
Interest income	17,524	200	-
Developer advance	2,020,934	2,352,964	1,023,500
Total revenues	<u>2,038,458</u>	<u>2,353,164</u>	<u>1,023,500</u>
Total funds available	<u>5,089,804</u>	<u>3,380,116</u>	<u>1,023,500</u>
EXPENDITURES			
General and Administrative			
Accounting	2,775	3,000	3,000
Legal services	787	5,000	5,500
Capital Projects			
Repay developer advance	2,020,934	1,021,116	-
Engineering	17,422	15,000	15,000
Capital outlay	<u>2,020,934</u>	<u>2,336,000</u>	<u>1,000,000</u>
Total expenditures	<u>4,062,852</u>	<u>3,380,116</u>	<u>1,023,500</u>
Total expenditures and transfers out requiring appropriation	<u>4,062,852</u>	<u>3,380,116</u>	<u>1,023,500</u>
ENDING FUND BALANCE	<u>\$ 1,026,952</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

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 Jefferson County on April 9, 2012, 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 of Wheat Ridge, Jefferson County, Colorado.

The District was established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the public improvements and services, including streets, water, sanitation and storm drainage traffic and safety controls, transportation, television relay and translation and mosquito control. Under its Service Plan, The District was organized in conjunction with two other related Districts: Ward TOD Metropolitan District Nos. 2 and 3. Ward TOD Metropolitan District No.1 serves as a Management District, and Ward TOD Metropolitan District Nos. 2 and 3 serve as Financing Districts.

Pursuant to the Service Plan, the district is permitted to issue bond indebtedness of up to \$25,000,000. On December 5, 2019, the District issued \$5,145,000 in (Limited Tax Convertible to Unlimited tax) General Obligation Bonds Series 2019A, \$600,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B, and \$708,000 Junior Lien Limited Tax General Obligation Bonds Series 2019C.

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 October. The County Treasurer remits the taxes collected monthly to the District.

WARD TOD METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (Continued)

Property Taxes (continued)

The Maximum Debt Mill Levy the District is permitted to impose is 60.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation with the District) for any Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy. As a result of the residential rate change from 7.20% to 7.15% for collection year 2022, the 60.000 mills will be required to adjust to 60.419 mills for debt service.

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.

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 7% of the property taxes collected.

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Urban Renewal TIF

Pursuant to the Intergovernmental Tax Sharing Agreement dated October 1, 2019 with the Wheat Ridge Urban Renewal Authority, the District will receive the tax increment ("TIF") generated from the Wheat Ridge Urban Renewal Project area to be used toward the repayment of the District's bonds.

Water Reimbursement

Pursuant to the Intergovernmental Agreement dated May 13, 2019 with the City of Wheat Ridge, the District shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise dedicated to the City or other public entity. The HOA agrees to reimburse the District for the water usage related to HOA's operations and maintenance responsibilities.

Investment Income

Interest earned on the District's available funds has been estimated based upon an average interest rate of approximately .1%.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt Service

Principal and interest payments are provided based on the anticipated debt amortization schedule from the Senior Bonds, Subordinate Bonds, and Junior Lien Bonds (discussed under Debt and Leases). Anticipated debt service schedules are not provided for the Subordinate Bonds and Junior Lien Bonds because their repayment schedule is based on available cash flow.

Debt and Leases

On December 5, 2019, the District issued \$5,145,000 in (Limited Tax Convertible to Unlimited tax) General Obligation Bonds Series 2019A, \$600,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B, and \$708,000 Junior Lien Limited Tax General Obligation Bonds Series 2019C. The proceeds of the Senior Bonds will be used to fund: (i) the Initial Deposit to the Surplus Fund; (ii) capitalized interest on the Senior Bonds; (iii) pay the Project costs; and, (iv) the costs of issuing the Senior Bonds, the Subordinate Bonds and the Junior Lien Bonds. Proceeds of the Subordinate Bonds will be used to pay Project costs. The Junior Lien Bonds will be issued for the purpose of paying Project Costs, comprised of paying a portion of amounts due and payable to the Developer under the Acquisition and Reimbursement Agreement.

The Senior Bonds bear interest at 5.000% and are payable semi-annually on June 1 and December 1, commencing December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The Senior Bonds mature on December 1, 2049.

The Subordinate Bonds are issued at the rate of 7.750% per annum and are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate 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 Subordinate Bonds compounds annually on each December 15 through December 15, 2049. In the event that any principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on December 15, 2059, the Subordinate Bonds shall be deemed discharged.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The Junior Lien Bonds are issued at the rate of 9.000% per annum and are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Junior Lien Pledged Revenue available, if any, and mature on December 15, 2052. The Junior Lien Bonds are structured as 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 Junior Lien Pledged Revenue is available for payment. Principal and interest payments are due on the Junior Lien Bonds on each December 15 through December 15, 2052, only to the extent of available Junior Lien Pledged Revenue. In the event that any principal or interest on the Junior Lien Bonds remains unpaid after the application of all Junior Lien Pledged Revenue available on December 15, 2059, the Junior Lien Bonds shall be deemed discharged.

Debt service schedules are not provided for the Subordinate Bonds and Junior Lien Bonds because their repayment schedule is based on available cash flow.

The following is the analysis of the anticipated changes in developer advances for the year ending December 31, 2021 and 2022.

	Balance December 31, 2020	Additions	Reductions	Anticipated Balance December 31, 2021
Limited Tax General Obligation Bonds:				
Subordinate - Series 2019B	\$ 600,000	\$ -	\$ -	\$ 600,000
Accrued Interest on Subordinate - Series 2019B	50,023	50,376	-	100,399
Junior Lien - Series 2019C	708,000	-	-	708,000
Accrued Interest on Junior Lien - Series 2019C	67,695	69,813	-	137,508
Subtotal Bonds Payable	<u>1,425,718</u>	<u>120,189</u>	<u>-</u>	<u>1,545,907</u>
Developer Advances - O&M	118,362	63,000	-	181,362
Developer Advances - Infrastructure	-	2,352,964	1,021,115	1,331,849
Accrued Interest on Developer Advances - O&M	50,112	12,075	-	62,187
Accrued Interest on Developer Advances - Infrastructure	4,242	30,788	-	35,030
Subtotal of Other Debts	<u>172,716</u>	<u>2,458,827</u>	<u>1,021,115</u>	<u>1,610,428</u>
Total	<u>\$ 1,598,434</u>	<u>\$ 2,579,016</u>	<u>\$ 1,021,115</u>	<u>\$ 3,156,335</u>

**WARD TOD METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

	Anticipated Balance December 31, 2021	Additions	Reductions	Anticipated Balance December 31, 2022
Limited Tax General Obligation Bonds:				
Subordinate - Series 2019B	600,000	-	-	600,000
Accrued Interest on Subordinate - Series 2019B	100,399	54,281	-	154,680
Junior Lien - Series 2019C	708,000	-	-	708,000
Accrued Interest on: Junior Lien - Series 2019C	137,508	76,095	-	213,603
Subtotal Bonds Payable	<u>1,545,907</u>	<u>130,376</u>	<u>-</u>	<u>1,676,283</u>
Developer Advances - O&M	181,362	67,000	-	248,362
Developer Advances - Infrastructure	1,331,849	1,023,500	-	2,355,349
Accrued Interest on Developer Advances - O&M	62,187	17,189	-	79,376
Accrued Interest on Developer Advances - Infrastructure	35,030	147,488	-	182,518
Subtotal of Other Debts	<u>1,610,428</u>	<u>1,255,177</u>	<u>-</u>	<u>2,865,605</u>
Total	<u>\$ 3,156,335</u>	<u>\$ 1,385,553</u>	<u>\$ -</u>	<u>\$ 4,541,888</u>

The District has no operating and capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

Debt Service Reserves

The District maintains a Debt Service Reserve, based on the amount held in our Debt Service Surplus fund, as required with the issuance of the Senior Bonds.

This information is an integral part of the accompanying budget.

WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

**\$5,145,000 Limited Tax (Convertible to Unlimited Tax) Senior
Bonds**

Interest Rate 5.00%

Date: December 5, 2019

Interest Payable June 1 and December 1

Year Ending December 31,	Principal Payable December 1		
	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
	<u>\$ 5,145,000</u>	<u>\$ 5,255,000</u>	<u>\$ 10,400,000</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.