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***GREAT WESTERN METROPOLITAN  
DISTRICT NO. 6  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021***

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## **Independent Auditors' Report**

Board of Directors  
Great Western Metropolitan District No. 6  
Windsor, Colorado

### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund activity of Great Western Metropolitan District No. 6 (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities and the major fund activity of the District as of December 31, 2021, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis For Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' 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 auditors' report that includes our opinions. 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 auditing standards generally accepted in the United States of America 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 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 auditing standards generally accepted in the United States of America, 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 the District'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 the District's ability to continue as a going concern for a reasonable period of time.

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

***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 (GASB), which 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 opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

*Report On Summarized Comparative Information*

We have previously audited the District’s 2020 financial statements, and we expressed unmodified opinions on those audited financial statements in our report dated July 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*RubinBrown LLP*

July 28, 2022

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# GREAT WESTERN METROPOLITAN DISTRICT NO. 6

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## STATEMENT OF NET POSITION December 31, 2021 (With Comparative Information As Of December 31, 2020)

	Governmental Activities	
	2021	2020
<b>Assets</b>		
Accounts receivable	\$ 3,087	\$ 2,549
Property tax receivable	655,239	742,918
<b>Total Assets</b>	<b>658,326</b>	<b>745,467</b>
<b>Liabilities</b>		
Accounts payable	3,087	2,549
<b>Deferred Inflows Of Resources</b>		
Unavailable property tax revenue	655,239	742,918
<b>Net Position</b>	<b>\$ —</b>	<b>\$ —</b>

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# GREAT WESTERN METROPOLITAN DISTRICT NO. 6

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## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2021 (With Comparative Information For The Year Ended December 31, 2020)

	Governmental Activities	
	2021	2020
<b>Expenses</b>		
General government	\$ 780,184	\$ 624,378
<b>General Revenues</b>		
Property and other taxes	780,184	624,378
<b>Change In Net Position</b>	—	—
<b>Net Position - Beginning Of Year</b>	—	—
<b>Net Position - End Of Year</b>	\$ —	\$ —

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**GREAT WESTERN METROPOLITAN DISTRICT NO. 6**

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**BALANCE SHEET -  
GOVERNMENTAL FUND  
December 31, 2021  
(With Comparative Information  
As Of December 31, 2020)**

**Assets**

	<b>General Fund</b>	
	<b>2021</b>	<b>2020</b>
Receivable from the County	\$ 3,087	\$ 2,549
Property tax receivable	<b>655,239</b>	742,918
<b>Total Assets</b>	<b>\$ 658,326</b>	<b>\$ 745,467</b>

**Liabilities, Deferred Inflows And Fund Balance**

**Liabilities**

Accounts payable	\$ 3,087	\$ 2,549
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**Deferred Inflow Of Resources**

Unavailable property tax revenue	<b>655,239</b>	742,918
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**Fund Balance**

Unassigned	—	—
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<b>Total Liabilities, Deferred Inflows And Fund Balance</b>	<b>\$ 658,326</b>	<b>\$ 745,467</b>
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**GREAT WESTERN METROPOLITAN DISTRICT NO. 6**

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**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
For The Year Ended December 31, 2021  
(With Comparative Information  
For The Year Ended December 31, 2020)**

	<b>General Fund</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Property and other taxes	\$ 780,184	\$ 624,378
<b>Expenditures</b>		
Current:		
General government	780,184	624,378
<b>Net Change In Fund Balances</b>	—	—
<b>Fund Balances - Beginning Of Year</b>	—	—
<b>Fund Balances - End Of Year</b>	\$ —	\$ —

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# GREAT WESTERN METROPOLITAN DISTRICT NO. 6

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2021

### 1. Summary Of Significant Accounting Policies

The Great Western Metropolitan District No. 6 (the District) was formed to provide public services and improvements for the District and surrounding area within its boundaries. The District is governed by a five-member Board of Directors elected by the constituents.

The Districts were formed pursuant to Colorado Revised Statutes (CRS) § 32-1-101 et seq., as amended, fully contemplating cooperation between the Districts as provided herein and in the Service Plan prepared for the Districts pursuant to § 32-1-201, CRS et seq. Under the Service Plan, the Districts are intended to work together and coordinate their activities with respect to the financing, construction, operation and maintenance of public improvements necessary to serve development within the Districts, which is generally anticipated to consist of mixed use development.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies:

#### **Reporting Entity**

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

The District was formed in conjunction with Great Western Metropolitan District Nos. 1, 2, 3, 4, 5 and 7 (the Districts). Great Western Metropolitan District No. 1 was established as the Service District. Great Western Metropolitan District Nos. 2 - 7 were established as the Financing Districts. The District currently remits property tax revenue, net of treasurer fees, to District No. 5.

## **GREAT WESTERN METROPOLITAN DISTRICT NO. 6**

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### Notes To Financial Statements (*Continued*)

Based on the application of these criteria, the District does not include any additional organizations in its reporting entity, nor is the District a component unit of any other primary governmental entity.

#### **Government-Wide And Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Major individual governmental funds are reported as separate columns in the fund financial statements. Currently, the District's only major individual fund is the General Fund.

#### **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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and in which the resources are used and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collected 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.

## **GREAT WESTERN METROPOLITAN DISTRICT NO. 6**

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### Notes To Financial Statements (*Continued*)

Property taxes, specific ownership taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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.

In the fund financial statements, the District reports the following major governmental fund:

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

### **Net Position/Fund Balance Classification**

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position represents assets that do not have any third-party limitations on their use. While District management may have categorized and segmented portions for various purposes, the Board of Directors has the unrestricted authority to revisit or alter these managerial decisions.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

## **GREAT WESTERN METROPOLITAN DISTRICT NO. 6**

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### Notes To Financial Statements (*Continued*)

- *Restricted* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* - This classification includes amounts the Board of Directors intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned* - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes the negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balances.

### **Deferred Outflows/Inflows Of Resources**

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Property Taxes**

Property taxes are levied on December 15 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits them to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and a corresponding deferred inflows of resources are recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources are recognized as revenue, and the receivable is reduced.

**Summarized Comparative Information**

The basic financial statements include certain prior-year partial comparative information in total, but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

**2. Stewardship, Compliance And Accountability**

**Budgets And Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- On or before October 15, District management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgets are legally adopted for all funds of the District on a basis consistent with GAAP.

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

### **3. Cash**

#### **Deposits**

##### ***Custodial Credit Risk - Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. On December 31, 2021, state regulatory commissioners indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. District has no policy regarding custodial credit risk for deposits. At December 31, 2021, the District had no deposits with financial institutions.

### **4. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; injuries to employees and natural disasters. The District participates in the Colorado Special Districts Property and Liability Insurance Pool (the Pool). The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the Pool. The District funds its Pool contributions, outside insurance purchases, deductibles and uninsured losses through the General Fund.

Settled claims resulting from these risks have not exceeded commercial or District coverages in any of the past three years.

**5. Commitments And Contingencies**

Colorado voters passed the Taxpayer Bill of Rights Amendment (the Amendment) to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

**6. Related Party Transactions**

All five members of the Board of Directors are employees, owners or members of the developer. The District did not owe any amounts to the developer as of December 31, 2021.

**7. Pledged Revenues**

Property taxes and specific ownership taxes are levied and recorded in the District and then forwarded to District No. 5, as they are pledged for the debt service on District No. 5. In 2021, the District transferred \$769,040 to District No. 5, which is included in general government expenditures in the financial statements.



## GREAT WESTERN METROPOLITAN DISTRICT NO. 6

### Notes To Financial Statements (Continued)

#### 8. Debt Authorization

On November 6, 2007, a majority of the qualified electors of the Districts and, on May 6, 2008, a majority of the qualified electors of Great Western Metropolitan District No. 7, approved the issuance of general obligation indebtedness as follows:

	Authorized	Authorization Issued By District No. 5	Principal Amount Of Authorization Remaining
Streets	\$ 60,000,000	\$ 5,109,251	\$ 54,890,749
Water	60,000,000	3,992,160	56,007,840
Sanitation	60,000,000	6,229,038	53,770,962
Parks and recreation	60,000,000	489,551	59,510,449
Traffic and safety control	60,000,000	—	60,000,000
Transportation	60,000,000	—	60,000,000
TV relay	60,000,000	—	60,000,000
Mosquito control	60,000,000	—	60,000,000
Security	60,000,000	—	60,000,000
Refunding	120,000,000	1,500,000	118,500,000
Operations and maintenance	1,000,000	—	1,000,000
Capital and operations and maintenance	61,000,000	—	61,000,000
Reimbursement agreements	61,000,000	—	61,000,000
Construction management agreements	60,000,000	—	60,000,000
<b>Total</b>	<b>\$ 843,000,000</b>	<b>\$ 17,320,000</b>	<b>\$ 825,680,000</b>

At December 31, 2021, the District's Service Plan includes a debt authorization limit of \$62,000,000 for all Districts. As of December 31, 2021, the amount of debt authorized but unissued was \$45,972,686. District No. 5 intends to issue over time a part or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area. In addition to the amounts issued above, District No. 5 has \$79,591 of authorized bonds that have been used for bond issuance costs and \$127,723 of funds used for bond repayments, but not allocated in the table above. The general obligation debt is to be paid for with property taxes milled and payable to District No. 5 from District Nos. 6 and 7.

Debt authorization limitation		\$ 62,000,000
Authorization issued by District No. 5	\$ (17,320,000)	
Unallocated but issued debt	(207,314)	
Refunding	1,500,000	(16,027,314)
<b>Remaining Authorized But Unissued</b>		<b>\$ 45,972,686</b>

**9. Subsequent Events**

Management evaluates subsequent events through the date that the financial statements are available for issue, which is the date of the Independent Auditors' Report.

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**Required Supplementary Information**

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**GREAT WESTERN METROPOLITAN DISTRICT NO. 6**

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**GENERAL FUND -  
BUDGETARY COMPARISON SCHEDULE  
For The Year Ended December 31, 2021  
(With Actual Comparative Information  
For The Year Ended December 31, 2020)**

	2021			2020 Actual
	Original And Final Budget	Actual	Variance Positive (Negative)	
<b>Revenues</b>				
Property taxes	\$ 742,918	\$ 742,904	\$ (14)	\$ 591,157
Specific ownership taxes	44,575	37,280	(7,295)	33,221
Interest and other income	50,000	—	(50,000)	—
<b>Total Revenues</b>	<b>837,493</b>	<b>780,184</b>	<b>(57,309)</b>	<b>624,378</b>
<b>Expenditures</b>				
Current:				
General government:				
Payment for services to District No. 5	776,349	769,040	7,309	615,511
Contingency	50,000	—	50,000	—
Treasurer's fees	11,144	11,144	—	8,867
<b>Total Expenditures</b>	<b>837,493</b>	<b>780,184</b>	<b>57,309</b>	<b>624,378</b>
<b>Net Change In Fund Balance</b>	—	—	—	—
<b>Fund Balance - Beginning Of Year</b>	—	—	—	—
<b>Fund Balance - End Of Year</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

Note: The basis of budgeting is the same as GAAP. This schedule is prepared on a GAAP basis.