

**GREENWOOD NORTH  
METROPOLITAN DISTRICT**

**Financial Statements**

**December 31, 2017**

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**RECEIVED**

Office of the State Auditor

July 10, 2018

# GREENWOOD NORTH METROPOLITAN DISTRICT

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**Dazzio & Associates, PC**

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Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Greenwood North Metropolitan District  
Arapahoe County, Colorado

We have audited the accompanying financial statements of the governmental activities and the major fund of the Greenwood North Metropolitan District as of and for the year December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Greenwood North Metropolitan District, as of December 31, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 opinions on the financial statements that collectively comprise the Greenwood North Metropolitan District's basic financial statements. The Summary of Assessed Valuation, Mill Levy and Property Taxes Collected (Other Information) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

*Daggio & Associates, P.C.*

July 9, 2018

## **BASIC FINANCIAL STATEMENTS**

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**STATEMENT OF NET POSITION**

**December 31, 2017**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Investments	\$ 573,062
Cash with County Treasurer	1,904
Property Taxes Receivable	346,098
Prepaid Expense	238
Capital Assets Not Being Depreciated	943,591
<b>Total Assets</b>	<u>1,864,893</u>
<b>Liabilities</b>	
Accounts Payable	16,975
Retainage Payable	41,803
<b>Total Liabilities</b>	<u>58,778</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	<u>346,098</u>
<b>Net Position</b>	
Investment In Capital Assets	943,591
Restricted for Emergencies	9,400
Unrestricted	507,026
<b>Total Net Position</b>	<u><u>\$ 1,460,017</u></u>

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

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017**

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General Government	\$ 68,889	\$ -	\$ -	\$ -	\$ (68,889)
Operations	14,159	-	-	-	(14,159)
Total	<u>\$ 83,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(83,048)</u>
<b>General Revenues</b>					
					276,673
					23,722
					11,740
					<u>312,135</u>
					<b>Change in Net Position</b>
					229,087
					<b>Net Position - Beginning</b>
					1,230,930
					<b>Net Position - Ending</b>
					<u>\$ 1,460,017</u>

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

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUND**

**December 31, 2017**

	<b>General Fund</b>
<b>Assets</b>	
Cash and Investments	\$ 573,062
Cash with County Treasurer	1,904
Property Taxes Receivable	346,098
Prepaid Expense	238
<b>Total Assets</b>	<b>\$ 921,302</b>
<b>Liabilities</b>	
Accounts Payable	\$ 16,975
Retainage Payable	41,803
<b>Total Liabilities</b>	<b>58,778</b>
<b>Deferred Inflows of Resources</b>	
Property Taxes	346,098
<b>Fund Balance</b>	
Nonspendable	
Prepaid Expenses	238
Restricted for Emergencies	9,400
Unassigned	506,788
<b>Total Fund Balance</b>	<b>516,426</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 921,302</b>

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

**GREENWOOD NORTH METROPOLITAN DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

**December 31, 2017**

Total Fund Balances - Governmental Fund	\$ 516,426
Total net position reported for governmental activities in the statement of of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Construction in Process	<u>943,591</u>
Total Net Position - Governmental Activities	<u><u>\$ 1,460,017</u></u>

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

**GREENWOOD NORTH METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE**  
**GOVERNMENTAL FUND**

**For the Year Ended December 31, 2017**

	<b>General Fund</b>
<b>Revenues</b>	
Property Taxes	\$ 276,673
Specific Ownership Tax	23,722
Net investment income	11,740
<b>Total Revenues</b>	<b>312,135</b>
<b>Expenditures</b>	
Current	
Management	37,800
Accounting	1,913
Audit	3,900
Legal	14,311
Insurance	4,527
Office Expense	614
Bank Charges	12
Membership Dues	406
Treasurer's Fees	4,161
Directors Fees	1,245
Landscape Maintenance	6,161
Landscape - Utilities	7,998
Engineering	41,704
Quebec Street Sidewalks	836,054
<b>Total Expenditures</b>	<b>960,806</b>
<b>Net Change in Fund Balance</b>	<b>(648,671)</b>
<b>Fund Balance - Beginning</b>	<b>1,165,097</b>
<b>Fund Balance - Ending</b>	<b>\$ 516,426</b>

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

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2017**

Net Change in Fund Balances - Governmental Fund \$ (648,671)

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

The Governmental fund reports 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

877,758

Change in Net Position - Governmental Activities

\$ 229,087

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

**GREENWOOD NORTH METROPOLITAN DISTRICT**

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

**For the Year Ended December 31, 2017**

**(With Comparative Totals for the Year Ended December 31, 2016)**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>	<b>2016 Actual</b>
<b>Revenues</b>					
Property Taxes	\$ 277,034	\$ 277,034	\$ 276,673	\$ (361)	\$ 272,193
Specific Ownership Tax	19,900	19,900	23,722	3,822	21,710
Net investment income	3,500	3,500	11,740	8,240	7,375
<b>Total Revenues</b>	<b>300,434</b>	<b>300,434</b>	<b>312,135</b>	<b>11,701</b>	<b>301,278</b>
<b>Expenditures</b>					
Current					
Management	21,600	37,800	37,800	-	24,100
Accounting	3,000	3,000	1,913	1,087	949
Audit	-	3,900	3,900	-	-
Legal	20,000	20,000	14,311	5,689	19,096
Insurance	3,500	4,500	4,527	(27)	3,248
Office Expense	-	-	614	(614)	32
Bank Charges	-	-	12	(12)	202
Membership Dues	500	500	406	94	547
Treasurer's Fees	4,200	4,200	4,161	39	4,086
Directors Fees	1,500	1,500	1,245	255	800
Landscape Maintenance	5,500	6,200	6,161	39	5,231
Landscape - Utilities	750	8,000	7,998	2	642
Engineering	60,000	42,000	41,704	296	23,547
Bellevue Traffic Study	25,000	-	-	-	-
Quebec Street Sidewalks	650,000	840,000	836,054	3,946	-
Contingency	17,400	17,400	-	17,400	-
<b>Total Expenditures</b>	<b>812,950</b>	<b>989,000</b>	<b>960,806</b>	<b>28,194</b>	<b>82,480</b>
<b>Net Change in Fund Balance</b>	<b>(512,516)</b>	<b>(688,566)</b>	<b>(648,671)</b>	<b>39,895</b>	<b>218,798</b>
<b>Fund Balance - Beginning</b>	<b>1,150,607</b>	<b>1,150,607</b>	<b>1,165,097</b>	<b>14,490</b>	<b>946,299</b>
<b>Fund Balance - Ending</b>	<b>\$ 638,091</b>	<b>\$ 462,041</b>	<b>\$ 516,426</b>	<b>\$ 54,385</b>	<b>\$ 1,165,097</b>

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

# GREENWOOD NORTH METROPOLITAN DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

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### **Note 1 – Definition of Reporting Entity**

The Greenwood North Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District was established in 1981 to provide for the construction and installation of curbs, gutters, culverts and other drainage facilities, sidewalks, bridges, paving, lighting, grading, and other street improvements, traffic and safety controls and devices on streets and highways and transportation services.

The District's service area is entirely within the City of Greenwood Village. All improvements constructed by the District have been transferred to the City for ownership and maintenance. The District provides landscape maintenance on a highway interchange.

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable to 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. Governmental activities are normally supported by taxes and intergovernmental revenues.

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* 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 revenue are reported instead as *general revenues*.

**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. Property taxes are recognized as revenues in the year for which they are levied. Other items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 after year-end. 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. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following major governmental fund:

**General Fund** – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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**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 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, 2017.

**Cash and Investments**

Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which the District may invest which include: obligations of the United States and certain U.S. government agency securities, general obligation and revenue bonds of U.S. local government entities, bankers acceptances of certain banks, commercial paper, certain corporate bonds, written repurchase agreements collateralized by certain authorized securities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

**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.

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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**Capital Assets**

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets defined by the District as assets include improvements to buildings and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue for property taxes to be collected in the subsequent period and therefore not yet available.

**Net Position and Fund Equity**

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation

Unrestricted Net Position represents assets that do not have any third-party limitations on their use.

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 Balances

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.

*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.

The District reports the following Restricted Fund Balances:

*Restricted for TABOR Emergencies*

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 6).

*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.

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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*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 policy to use the most restrictive classification first.

**Note 3 – Cash and Investments**

Cash and investments consist of the following at December 31, 2017

Cash	\$	397
Investments		<u>572,665</u>
	\$	<u><u>573,062</u></u>

**Cash Deposits**

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) 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 equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized. The State Regulatory Commissions 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, 2017, the District’s deposits amounting to \$597 were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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**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 disclosure requirements for investments that are in the possession of another party.

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 the World Bank
- Certain international agency securities
- 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
- Certain corporate bonds
- Written repurchase and reverse agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

At December 31, 2017, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Government Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 Days	<u>\$ 572,665</u>

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

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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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 using the net asset value method. 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 property for the period ended December 31, 2017, follows:

	<b>Balance at December 31, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at December 31, 2017</b>
Capital assets not being depreciated:				
Construction in progress	\$ 65,833	\$ 877,758	\$ -	\$ 943,591

The District will convey certain public improvements to other governmental entities.

**Note 5 – 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 or natural disasters.

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

The District pays annual premiums to the Pool for general and public officials liability coverage. In the event aggregate 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.

**GREENWOOD NORTH METROPOLITAN DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2017**

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**Note 6 – 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.

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 and qualification as an Enterprise will require judicial interpretation.

On November 2, 1999, voters within the District approved the following election question: Shall Greenwood North Metropolitan District (District) be permitted to collect, retain and expend the full revenue generated during 2000 and each subsequent year from the levy of 4.192 mills of ad valorem property tax and without limiting the collection or spending of revenue from the operation of the District's facilities and programs, grants, gifts, loans or any other source of revenue, under Article X, Section 20 of the Colorado Constitution, Section 29-1-301, C.R.S., or any other law?

On November 2, 2004, voters within the District approved the following election question: Shall Greenwood North Metropolitan District taxes be increased \$32,535 (first full fiscal year dollar increase) annually by the levy of 1.213 mills of ad valorem property taxes to be used for general operating purposes, which will replace the 1.213 mills of ad valorem property taxes currently collected for voter approved contractual obligations, thus creating no net increase in property taxes, commencing January 1, 2005?

On May 2, 2006, voters within the District approved the following election question: Shall the Greenwood North Metropolitan District taxes be increased \$53,865 (first fiscal year dollar increase) annually, an increase of 2.5 mills, for the purpose of construction of public improvements within the District and for the general operating costs of the District.

## **OTHER INFORMATION**

**GREENWOOD NORTH METROPOLITAN DISTRICT**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND**  
**PROPERTY TAXES COLLECTED**

Levy Year	Collection Year	Assessed Valuation	Mill Levy			Total Levy	Current Collection	Collection Rate
			General	Temporary Reduction	Total			
2010	2011	\$ 36,064,800	7.050	(4.050)	3.000	\$ 108,194	\$ 101,290	93.62%
2011	2012	\$ 27,884,320	7.050	0.000	7.050	\$ 196,584	\$ 188,389	95.83%
2012	2013	\$ 27,659,030	7.050	0.000	7.050	\$ 194,996	\$ 194,075	99.53%
2013	2014	\$ 31,018,140	7.050	(7.050)	0.000	\$ -	\$ 519	N/A
2014	2015	\$ 32,738,874	7.050	(1.800)	5.250	\$ 171,879	\$ 170,857	99.41%
2015	2016	\$ 38,852,133	7.050	0.000	7.050	\$ 273,908	\$ 272,193	99.37%
2016	2017	\$ 39,295,597	7.050	0.000	7.050	\$ 277,034	\$ 276,673	99.87%

Estimated for  
year ending  
December 31,  
2018

\$ 49,091,913    7.050    0.000    7.050    \$ 346,098

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

**Source:** Arapahoe County Assessor and Treasurer.