

# Greenwood Athletic Club Metropolitan District

Financial Statements and Accompanying Supplemental  
Information with Independent Auditor's Report

Years Ended December 31, 2021 and 2020



**WIPFLI**

# Greenwood Athletic Club Metropolitan District

Years Ended December 31, 2021 and 2020

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To the Board of Directors  
Greenwood Athletic Club Metropolitan District  
Greenwood Village, Colorado

## **Independent Auditor's Report**

### ***Opinion***

We have audited the accompanying financial statements (the "financial statements") of the business-type activities of Greenwood Athletic Club Metropolitan District (the "District"), as of and for the years ended December 31, 2021 and 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Greenwood Athletic Club Metropolitan District as of December 31, 2021 and 2020, and the respective changes in financial position, its cash flows and the respective budgetary comparisons for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Greenwood Athletic Club Metropolitan District 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 opinion.

### ***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 Greenwood Athletic Club Metropolitan District's ability to continue as a going concern for one year after the date 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 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 GAAS 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 GAAS, 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 Greenwood Athletic Club Metropolitan 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 Greenwood Athletic Club Metropolitan 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.

## ***Other Matters***

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, as listed in the table of contents, 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 the Government Auditing 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. We have applied certain limited procedures to the required supplemental 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*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules have 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.

  
Wipfli LLP

Lakewood, Colorado  
June 2, 2022

# **Management's Discussion and Analysis**

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# Greenwood Athletic Club Metropolitan District

## Management's Discussion and Analysis

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The management's discussion and analysis (the "MD&A") is designed to provide an analysis of the Greenwood Athletic Club Metropolitan District's (the "District") financial condition to inform the reader on the District's financial issues and activities for the fiscal year ended December 31, 2021.

The MD&A should be read in conjunction with the District's statements of net position; statements of revenue, expenses, and changes in net position; and statements of cash flows and associated notes to the basic financial statements.

### Financial Highlights

- The statement of net position shows total assets and deferred outflows of resources of \$29,899,619 and \$30,267,407 and total liabilities of \$35,297,088 and \$35,146,348 at December 31, 2021 and 2020, respectively.
- In the statements of net position, the liabilities of the District exceeded its assets by \$5,397,469 and \$4,878,941 at December 31, 2021 and 2020, respectively.
- The District's total net position decreased by \$518,528 and \$804,112 during the years ended December 31, 2021 and 2020, respectively.

### Overview of the Basic Financial Statements

The basic financial statements of the District are presented as a special purpose government engaged in business-type activities - providing health and fitness services and facilities.

The statement of net position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of revenue, expenses, and changes in net position presents information showing how the District's net position changed during the fiscal period presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses reported in this statement are for some items that result in cash flows related to prior fiscal periods or will result in cash flows in future fiscal periods (e.g., revenue received in advance and accrued liabilities).

The statement of cash flows presents information showing how the District's cash position changed during the most recent fiscal period through three categories - operating activities, capital and related financing activities, and investing activities.

The basic financial statements include only the District itself and can be found on pages 9 – 12 of this report.

# Greenwood Athletic Club Metropolitan District

## Management's Discussion and Analysis

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The District's Net Position:

<i>December 31,</i>	2021	2020
<b>Assets:</b>		
Current and other assets	\$ 4,053,659	\$ 2,337,568
Property, equipment and improvements, net	23,535,960	24,899,839
Total assets	27,589,619	27,237,407
Deferred outflows of resources	2,310,000	3,030,000
<b>Liabilities:</b>		
Current liabilities	2,328,388	1,684,421
Noncurrent liabilities:		
Due within one year	1,418,900	1,973,712
Long-term notes and bonds payable	31,549,800	31,488,215
Total liabilities	35,297,088	35,146,348
Net position	\$ (5,397,469)	\$ (4,878,941)

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The District's Changes in Net Position:

<i>Years Ended December 31,</i>	2021	2020
Operating revenue	\$ 9,511,155	\$ 9,069,466
Operating expenses:		
Salaries and employee benefits	5,119,282	5,527,177
Selling, general, and administrative	2,874,373	2,463,209
Depreciation and amortization	2,265,330	2,362,220
Total operating expenses	10,258,985	10,352,606
Nonoperating revenue and expenses	229,302	479,028
Change in net position	(518,528)	(804,112)
Net position - beginning of year	(4,878,941)	(4,074,829)
Net position - end of year	\$ (5,397,469)	\$ (4,878,941)

The District currently receives all of its revenue from user fees and charges and lease income. Property taxes are not levied by the District.

# Greenwood Athletic Club Metropolitan District

## Management's Discussion and Analysis

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### Budgetary Highlights

The District's total expenditures for 2021 and 2020 were less than budgeted appropriations by \$42,565 and \$4,414,817, respectively. The District's budgetary comparison schedules can be found in the other supplemental information on pages 31-33.

### Capital Assets and Debt Administration

#### Capital Assets

The District's investment in capital assets for its business-type activities as of December 31, 2021 and 2020 amounts to \$23,801,290 and \$25,247,869, respectively. This investment in capital assets includes office furniture and fixtures, fitness facilities and equipment, vehicles, land and buildings, and other intangible assets.

Major capital asset events during the current fiscal period included the following:

- IT hardware updates
- LED parking lot lights
- Outdoor dualracer pool float
- Commercial pool cleaner (robotic pool vacuum)
- Snow plow blade for truck
- Ball machine for indoor tennis
- Power amps for Studio and Indoor Tennis sound systems
- Multiple pieces of cardiovascular equipment

<i>Year Ended December 31,</i>	2021	2020
Building and building improvements	\$ 30,955,031	\$ 30,955,031
Land	4,685,127	4,685,127
Outdoor pool and landscaping	3,032,945	3,032,945
Equipment	4,127,876	4,029,125
Other intangible assets	1,562,056	1,567,532
<b>Total capital assets</b>	<b>44,363,035</b>	<b>44,269,760</b>
<b>Less accumulated depreciation and amortization</b>	<b>(20,561,745)</b>	<b>(19,021,891)</b>
<b>Total capital assets, net</b>	<b>\$ 23,801,290</b>	<b>\$ 25,247,869</b>

Additional information on the District's capital assets can be found in Notes 6 and 7.

# Greenwood Athletic Club Metropolitan District

## Management's Discussion and Analysis

### Debt Administration

The District's issuance of debt for its business-type activities and purchase of the fitness facilities as of December 31, 2021 and 2020 amounts to \$32,968,700 and \$33,461,927, respectively.

	2021	2020
Bonds payable, related party	\$ 21,544,000	\$ 21,544,000
Bonds payable	12,000,000	-
Notes payable	11,917,927	13,196,439
 Total	 45,461,927	 34,740,439
Less payments on bonds payable	(575,300)	-
Less payments on notes payable	(11,917,927)	(1,278,512)
 Total debt	 \$ 32,968,700	 \$ 33,461,927

Additional information on the District's debt can be found in Notes 9 and 10.

### **Requests for Further Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District:

Greenwood Athletic Club Metropolitan District  
 5801 South Quebec Street  
 Greenwood Village, CO 80111  
 303-770-2582

# Greenwood Athletic Club Metropolitan District

## Statements of Net Position

<i>December 31,</i>	2021	2020
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 3,189,088	\$ 1,141,641
Accounts receivable, net	138,369	131,235
Inventory	17,314	24,711
<b>Total current assets</b>	<b>3,344,771</b>	<b>1,297,587</b>
Noncurrent assets:		
Restricted cash and cash equivalents	443,558	691,951
Property, equipment and improvements, net	23,535,960	24,899,839
Intangible assets, net	265,330	348,030
<b>Total noncurrent assets</b>	<b>24,244,848</b>	<b>25,939,820</b>
<b>Total assets</b>	<b>27,589,619</b>	<b>27,237,407</b>
Deferred outflows of resources:		
Goodwill, net	2,310,000	3,030,000
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	490,565	349,470
Accrued liabilities and other	517,726	464,519
Revenue received in advance	1,320,097	870,432
Current portion of bonds payable	1,418,900	-
Current portion of notes payable	-	1,973,712
<b>Total current liabilities</b>	<b>3,747,288</b>	<b>3,658,133</b>
Noncurrent liabilities:		
Bonds payable, net of current portion	10,005,800	-
Notes payable, net of current portion	-	9,944,215
Bonds payable, related party	21,544,000	21,544,000
<b>Total noncurrent liabilities</b>	<b>31,549,800</b>	<b>31,488,215</b>
<b>Total liabilities</b>	<b>35,297,088</b>	<b>35,146,348</b>
Net position:		
Net investment in capital assets	18,660,173	19,222,593
Unrestricted	(24,057,642)	(24,101,534)
<b>Total net position</b>	<b>\$ (5,397,469)</b>	<b>\$ (4,878,941)</b>

See accompanying notes to financial statements.

# Greenwood Athletic Club Metropolitan District

## Statements of Revenue, Expenses and Changes in Net Position

<i>Years Ended December 31,</i>	2021	2020
Operating revenue:		
Membership dues	\$ 5,690,116	\$ 6,062,148
Fitness revenue	1,022,804	1,110,079
Sports revenue	1,533,513	1,016,591
Lease revenue	301,123	264,809
Initiation fees	252,991	138,669
Other revenue	710,608	477,170
Total operating revenue	9,511,155	9,069,466
Operating expenses:		
Salaries and employee benefits	5,119,282	5,527,177
Selling, general, and administrative	2,874,373	2,463,209
Depreciation and amortization	2,265,330	2,362,220
Total operating expenses	10,258,985	10,352,606
Operating loss	(747,830)	(1,283,140)
Nonoperating revenue (expense):		
Subordinate bond interest expense	(129,936)	(175,506)
Other interest expense	(580,217)	(586,095)
Loan origination fees	(307,942)	(33,135)
Other income	16,790	37,414
Other income - SBA PPP loan forgiveness	1,229,682	1,229,600
Interest income	925	6,750
Total nonoperating revenue	229,302	479,028
Change in net position	(518,528)	(804,112)
Net position - beginning of year	(4,878,941)	(4,074,829)
Net position - end of year	\$ (5,397,469)	\$ (4,878,941)

See accompanying notes to financial statements.

# Greenwood Athletic Club Metropolitan District

## Statements of Cash Flows

<i>Years Ended December 31,</i>	2021	2020
Cash flows from operating activities:		
Cash received from customers and tenants	\$ 9,945,314	\$ 7,647,842
Cash paid to vendors and employees	(7,783,584)	(8,188,978)
Net cash and cash equivalents used by operating activities	2,161,730	(541,136)
Cash flows from non-capital financing activities - proceeds from SBA PPP loan		
	1,229,682	1,229,600
Cash flows from capital and related financing activities:		
Acquisition of property, equipment and leasehold improvements	(98,751)	(248,245)
Insurance proceeds received	16,790	37,414
Payment of loan origination fees	(307,942)	(33,135)
Repayments on notes payable, bank	(976,403)	(1,278,512)
Proceeds from bond issuance, net of refunding	908,623	-
Repayments on bonds payable, bank	(575,300)	-
Interest paid	(560,300)	(761,601)
Net cash and cash equivalents used in capital and related financing activities	(1,593,283)	(2,284,079)
Cash flows provided by investing activities - interest received		
	925	6,750
Net increase (decrease) in cash and cash equivalents	1,799,054	(1,588,865)
Cash and cash equivalents, beginning of year	1,833,592	3,422,457
Cash and cash equivalents, end of year	\$ 3,632,646	1,833,592
Classification of cash and cash equivalents:		
Cash and cash equivalents	\$ 3,189,088	1,141,641
Restricted cash and cash equivalents	443,558	691,951
Total cash and cash equivalents and restricted cash	\$ 3,632,646	1,833,592

See accompanying notes to financial statements.

# Greenwood Athletic Club Metropolitan District

## Statements of Cash Flows

<i>Years Ended December 31,</i>	2021	2020
Reconciliation of operating loss to net cash from operating activities:		
Operating loss	\$ (747,830)	(1,283,140)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	1,462,630	1,559,520
Amortization	802,700	802,700
Bad debt expense	8,372	12,231
Changes in net position and liabilities:		
Accounts receivable	(15,506)	83,674
Inventory	7,397	9,955
Accounts payable	141,095	84,526
Accrued liabilities and other	53,207	(293,073)
Revenue received in advance	449,665	(1,517,529)
<b>Total adjustments</b>	<b>2,909,560</b>	<b>742,004</b>
<b>Net cash and cash equivalents provided by (used in) operating activities</b>	<b>\$ 2,161,730</b>	<b>(541,136)</b>

**Supplemental non-cash information:**

Forgiveness of SBA PPP loan	\$ 1,229,682	\$ 1,229,600
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During 2021, the District refunded its outstanding notes payable through the issuance of \$12,000,000 in Taxable Revenue Improvement and Refunding Bonds, Series 2021. The non-cash refunding payments were as follows:

Refunding of notes payable, principal	(10,941,524)	-
Refunding of notes payable, interest and fees	(149,853)	-
<b>Total non-cash from refunding of debt</b>	<b>\$ (11,091,377)</b>	<b>\$ -</b>

See accompanying notes to financial statements.

# **Greenwood Athletic Club Metropolitan District**

## **Notes to Financial Statements**

### **December 31, 2021 and 2020**

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#### **Note 1: Nature of Business**

Greenwood Athletic Club Metropolitan District (the "District") is a quasi-municipal organization created by an Order and Decree of the District Court in Arapahoe County, Colorado on November 13, 2003. The purpose of the District is to provide and maintain a health and fitness facility through Club Greenwood (the "Club") for the Club's members. The Club's members primarily live in the Denver metropolitan area.

#### **Note 2: Summary of Significant Accounting Policies**

##### **Accounting and Reporting Principles**

The District follows accounting principles generally accepted in the United States ("GAAP"), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the significant accounting policies used by the District:

##### **Reporting Entity**

The District is governed by an elected board of directors. As required by GAAP, the accompanying statements of net position presents the financial position of the District (the primary government), which has no component units. The District is not financially responsible for any other organization.

##### **Report Presentation**

This report includes the fund-based statements of the District. In accordance with government accounting principles, a government-wide presentation with program and general revenue is not applicable to special purpose governments engaged only in business-type activities.

##### **Basis of Accounting**

The District's records are maintained on the accrual basis of accounting and economic resource measurement focus in accordance with GAAP, including all applicable statements of the GASB. Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 2: Summary of Significant Accounting Policies (Continued)**

##### **Specific Balances and Transactions**

##### **Cash and Cash Equivalents**

For the purpose of the accompanying financial statements, the District considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The statements of net position includes both unrestricted and restricted cash and cash equivalents. The carrying amount reported in the statements of net position for unrestricted and restricted cash and cash equivalents approximates fair value due to the short-term nature of these investments.

The District continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. As of the statement of net position date, and periodically throughout the year, the District has maintained balances in various operating accounts in excess of federally insured limits.

##### **Accounts Receivable**

Accounts receivable for membership dues, services, and initiation fees are shown net of sales discounts. An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off rate factors and management's analysis. Management anticipates all receivables will be collected, based on experience with similar types of accounts, and a minimal allowance for doubtful accounts has been established. Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible.

##### **Restricted Cash**

Restricted cash consists of cash and cash equivalents held in a senior loan/bond reserve account and a capital replacement reserve account, as required by the bonds payable further discussed in Note 10.

##### **Capital Assets**

Capital assets include property, equipment, improvements and intangible assets.

Property, equipment and improvements are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives ranging from 1 to 40 years. Costs of maintenance and repairs are charged to expense when incurred. During the period of construction, all assets are capitalized.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 2: Summary of Significant Accounting Policies (Continued)**

##### **Capital Assets (Continued)**

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually. Goodwill and intangible assets with indefinite useful lives are amortized over 20 years.

##### **Deferred Outflows of Resources**

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

The District reports deferred outflows related to the deferred charge from the excess acquisition cost over fair value of net tangible and identifiable intangible assets of the net position acquired in the purchase transaction, which is reflected as goodwill on the statements of net position.

##### **Net Position**

Net position of the District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

##### **Revenue Recognition**

Initiation fees are nonrefundable and are recognized as revenue as of the effective date of membership. Membership dues are recorded as income on a monthly basis. Membership dues collected in advance are recorded as revenue over the applicable period. Revenue from services and programs is recorded on a monthly basis and recognized as earned.

##### **Budget and Property Taxes**

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 budget may be amended by action of the board of directors upon proper publication. Property taxes are not levied.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 2: Summary of Significant Accounting Policies (Continued)**

##### **Advertising Expense**

Advertising expense is charged to expense during the year in which it is incurred. Advertising expense was \$216,036 and \$165,391 for the years ended December 31, 2021 and 2020.

##### **Income Taxes**

The District is a political subdivision and body corporate of Arapahoe County, Colorado; as such, the income generated by the District in the exercise of its essential government function is exempt from federal income tax under Section 115 of the Internal Revenue Code. The District has no unrelated business income tax liability recorded as of December 31, 2021 and 2020. The District has evaluated tax positions taken, and, as none are considered to be uncertain, no amounts have been recognized.

##### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

##### **Upcoming Accounting Pronouncement**

June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District is currently evaluating the impact this standard will have on the financial statements when adopted. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postponed the effective date of Statement No. 87 for the District's financial statements to the year ending December 31, 2022.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

#### Note 3: Cash Deposits and Investments

##### Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (the "PDPA") requires that all political subdivisions of the State 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. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all 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 percent of the aggregate uninsured deposits. The Colorado Divisions of Banking 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.

<i>December 31,</i>	2021	
	<b>Bank Balance</b>	<b>Carrying Balance</b>
UMB deposits	\$ 2,990,393	\$ 3,188,288
Petty cash	800	800
Restricted cash and cash equivalents	443,558	443,558
<b>Total</b>	<b>\$ 3,434,751</b>	<b>\$ 3,632,646</b>

<i>December 31,</i>	2020	
	<b>Bank Balance</b>	<b>Carrying Balance</b>
FirstBank deposits	\$ 115,000	\$ 218,574
FirstBank liquid asset savings	922,267	922,267
Petty cash	800	800
Restricted cash and cash equivalents	691,938	691,951
<b>Total</b>	<b>\$ 1,730,005</b>	<b>\$ 1,833,592</b>

The restricted cash and investments constitute funds received from bond issuances that are currently in governmental money market accounts. In 2021, these funds are held in UMB money market accounts. In 2020, these funds were held in FirstBank liquid asset savings accounts.

The local government investment pool, which includes COLOTRUST, is rated AAAM by Standard & Poor's.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 3: Cash Deposits and Investments (Continued)**

##### Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At year end, the District had no uninsured or uncollateralized deposits. The District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

##### Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- Obligations of the U.S. and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

#### **Note 4: Restricted Cash and Cash Equivalents**

The following is the detail of restricted cash and cash equivalents at December 31, 2021 and 2020:

	2021	2020
Senior loan/bond reserve	\$ 443,558	\$ 546,396
Capital replacement reserve	-	145,555
Total	\$ 443,558	\$ 691,951

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

#### Note 5: Accounts Receivable

The following is the detail of accounts receivable at December 31, 2021 and 2020:

		2021		2020
Accounts receivable	\$	139,885	\$	132,751
Allowance for doubtful accounts		(1,516)		(1,516)
Accounts receivable, net	\$	138,369	\$	131,235

#### Note 6: Acquired Intangible Assets and Goodwill

Intangible assets of the District at December 31, 2021 are summarized as follows:

	Gross Carrying Amount	Accumulated Amortization		Net Carrying Amount
Amortized intangible assets:				
Start-up costs	\$ 1,544,488	\$ (1,296,726)	\$	247,762
Closing costs and prepaid fees	109,512	(91,944)		17,568
Total amortized intangible assets	\$ 1,654,000	\$ (1,388,670)	\$	265,330

Intangible assets of the District at December 31, 2020 are summarized as follows:

	Gross Carrying Amount	Accumulated Amortization		Net Carrying Amount
Amortized intangible assets:				
Start-up costs	\$ 1,544,488	\$ (1,219,502)	\$	324,986
Closing costs and prepaid fees	109,512	(86,468)		23,044
Total amortized intangible assets	\$ 1,654,000	\$ (1,305,970)	\$	348,030

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 6: Acquired Intangible Assets and Goodwill** (Continued)

Amortization expense for intangible assets totaled \$82,700 for both years ended December 31, 2021 and 2020. Amortization expense for the intangible assets will be \$82,700 annually through 2024 and \$17,230 for 2025.

The net carrying value of goodwill is reported as a deferred outflow in the statements of net position. The recorded amount of goodwill at December 31, 2021 and 2020 are as follows:

	2021	2020
Goodwill	\$ 14,400,000	\$ 14,400,000
Accumulated amortization	(12,090,000)	(11,370,000)
Net carrying value	\$ 2,310,000	\$ 3,030,000

Goodwill amortization expense totaled \$720,000 for both years ended December 31, 2021 and 2020. Amortization expense for goodwill will be \$720,000 annually through 2024 and \$150,000 for 2025.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

#### Note 7: Capital Assets

Capital asset balances and activity for the year ended December 31, 2021 were as follows:

<b>Governmental Activities:</b>	Balance January 1, 2021	Additions	Disposals and Adjustments	Balance December 31, 2021
Capital assets, not being depreciated:				
Land	\$ 4,685,127	\$ -	\$ -	\$ 4,685,127
<b>Subtotal</b>	<b>\$ 4,685,127</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,685,127</b>
Capital assets, being depreciated:				
Building	17,012,650	-	-	17,012,650
Indoor tennis building	5,740,295	-	-	5,740,295
Building improvements	7,269,344	-	-	7,269,344
Equipment	4,029,125	98,751	-	4,127,876
Outdoor pool	2,345,473	-	-	2,345,473
Fixtures	932,742	-	-	932,742
Landscaping	687,472	-	-	687,472
<b>Subtotal</b>	<b>38,017,101</b>	<b>98,751</b>	<b>-</b>	<b>38,115,852</b>
Accumulated depreciation:				
Building	(6,153,208)	(425,316)	-	(6,578,524)
Indoor tennis building	(2,272,200)	(143,507)	-	(2,415,707)
Building improvements	(2,897,640)	(392,347)	-	(3,289,987)
Equipment	(3,238,642)	(375,295)	-	(3,613,937)
Outdoor pool	(1,651,605)	(117,274)	-	(1,768,879)
Fixtures	(932,742)	-	-	(932,742)
Landscaping	(656,352)	(8,891)	-	(665,243)
<b>Subtotal</b>	<b>(17,802,389)</b>	<b>(1,462,630)</b>	<b>-</b>	<b>(19,265,019)</b>
<b>Net capital assets being depreciated</b>	<b>\$ 20,214,712</b>	<b>\$ (1,363,879)</b>	<b>\$ -</b>	<b>\$ 18,850,833</b>
<b>Net capital assets</b>	<b>\$ 24,899,839</b>	<b>\$ (1,363,879)</b>	<b>\$ -</b>	<b>\$ 23,535,960</b>

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

#### Note 7: Capital Assets (Continued)

Capital asset balances and activity for the year ended December 31, 2020 were as follows:

<b>Governmental Activities:</b>	Balance January 1, 2020	Additions	Disposals and Adjustments	Balance December 31, 2020
Capital assets, not being depreciated:				
Land	\$ 4,685,127	\$ -	\$ -	\$ 4,685,127
Construction in progress	73,260	48,961	(122,221)	-
<b>Subtotal</b>	<b>\$ 4,758,387</b>	<b>\$ 48,961</b>	<b>\$ (122,221)</b>	<b>\$ 4,685,127</b>
Capital assets, being depreciated:				
Building	17,012,650	-	-	17,012,650
Indoor tennis building	5,740,295	-	-	5,740,295
Building improvements	7,147,123	122,221	-	7,269,344
Equipment	3,829,841	199,284	-	4,029,125
Outdoor pool	2,345,473	-	-	2,345,473
Fixtures	932,742	-	-	932,742
Landscaping	687,472	-	-	687,472
<b>Subtotal</b>	<b>37,695,596</b>	<b>321,505</b>	<b>-</b>	<b>38,017,101</b>
Accumulated depreciation:				
Building	(5,727,892)	(425,316)	-	(6,153,208)
Indoor tennis building	(2,128,693)	(143,507)	-	(2,272,200)
Building improvements	(2,497,635)	(400,005)	-	(2,897,640)
Equipment	(2,774,115)	(464,527)	-	(3,238,642)
Outdoor pool	(1,534,331)	(117,274)	-	(1,651,605)
Fixtures	(932,742)	-	-	(932,742)
Landscaping	(647,461)	(8,891)	-	(656,352)
<b>Subtotal</b>	<b>(16,242,869)</b>	<b>(1,559,520)</b>	<b>-</b>	<b>(17,802,389)</b>
<b>Net capital assets being depreciated</b>	<b>\$ 21,452,727</b>	<b>\$ (1,238,015)</b>	<b>\$ -</b>	<b>\$ 20,214,712</b>
<b>Net capital assets</b>	<b>\$ 26,211,114</b>	<b>\$ (1,189,054)</b>	<b>\$ (122,221)</b>	<b>\$ 24,899,839</b>

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

#### Note 8: Accrued Liabilities and Other

The following is the detail of accrued liabilities at December 31, 2021 and 2020:

	2021	2020
Compensation	\$ 357,032	\$ 216,297
Other	99,067	161,388
Vacation	61,627	86,834
<b>Total</b>	<b>\$ 517,726</b>	<b>\$ 464,519</b>

#### Note 9: Long-Term Debt

Notes payable consist of the following:

Note payable to a bank with an original principal balance of \$16,000,000 and interest at 4.04%. The note required monthly principal and interest payments of \$125,327 and matured on April 1, 2025. The note was refinanced in June 2021 with the proceeds from the Taxable Revenue Improvement and Refunding Bonds, Series 2021 ("Series 2021 bonds") as mentioned below.

Note payable to a bank with an original principal balance of \$7,646,240 and interest at 5.12%. The note required monthly principal and interest payments of \$81,851 and matured on January 1, 2028. The note was refinanced in June 2021 with the proceeds from the Series 2021 bonds as mentioned below.

These above notes were collateralized by substantially all of the assets of the District and were subject to certain restrictive covenants.

On June 30, 2021, the District issued \$12,000,000 Series 2021 bonds. The proceeds were used to pay off the outstanding balances on both notes payable mentioned above and to fund District capital improvements. The Series 2021 bonds bear interest at 3.25%, with a maximum ceiling interest rate authorized of 10% per annum, and mature on March 1, 2029. The Series 2021 bonds are collateralized by substantially all of the assets of the District and are subject to certain restrictive covenants as defined in the agreement. The District believes it was in compliance with the covenants as of December 31, 2021.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

#### Note 9: Long-Term Debt (Continued)

Long-term debt activity for the year ended December 31, 2021 and 2020 can be summarized as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021	Due Within One Year
Notes payable:					
\$16,000,000 note	\$ 6,025,276	\$ -	\$ (6,025,276)	\$ -	-
\$7,646,240 note	5,892,651	-	(5,892,651)	-	-
Bonds payable:					
Series 2021 bonds	-	12,000,000	(575,300)	11,424,700	1,418,900
<b>Total</b>	<b>\$ 11,917,927</b>	<b>\$ 12,000,000</b>	<b>\$ (12,493,227)</b>	<b>\$ 11,424,700</b>	<b>\$ 1,418,900</b>

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020	Due Within One Year
Notes payable:					
\$16,000,000 note	\$ 6,885,700	\$ -	\$ (860,424)	6,025,276	\$ 1,281,037
\$7,646,240 note	6,310,739	-	(418,088)	5,892,651	692,675
<b>Total notes payable</b>	<b>\$ 13,196,439</b>	<b>\$ -</b>	<b>\$ (1,278,512)</b>	<b>\$ 11,917,927</b>	<b>\$ 1,973,712</b>

#### Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds payable are as follows:

<i>Years Ending December 31:</i>	Principal	Interest	Total
2022	\$ 1,418,900	\$ 355,125	\$ 1,774,025
2023	1,466,100	307,659	1,773,759
2024	1,514,100	259,388	1,773,488
2025	1,565,800	207,964	1,773,764
2026	1,618,400	155,575	1,773,975
Thereafter	3,841,400	149,535	3,990,935
<b>Total</b>	<b>\$ 11,424,700</b>	<b>\$ 1,435,246</b>	<b>\$ 12,859,946</b>

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 10: Bonds Payable - Related Party**

Pursuant to an election held on November 4, 2003 authorizing the District to issue up to \$49,370,000 of bonds, on March 17, 2005, the District issued \$23,786,000 of Series 2005B Bonds ("Series 2005B bonds") to former owners and members of the board of directors. The Series 2005B bonds bear interest from 3.73 to 13.50 percent per annum or at an amount determined by the board of directors (13.50 percent as of December 31, 2021); mature on March 1, 2030; and are subordinate to the senior Series 2021 bonds described in Note 9.

Interest is paid to the Series 2005B bond holders to the extent of net revenue available per the Series 2005B bond agreement. At the beginning of the year, the board of directors approves the amount that will be available for the Series 2005B bond interest expense based on the operating budget. The difference between the approved annual interest payments and the interest calculated using the rates set forth in the Series 2005B bond agreement results in accrued interest. Accrued interest is not reported in the statements of net position, as the District will be fully discharged of all debt under the Series 2005B bonds at the end of the Series 2005B bonds' term, and actual payments of accumulated interest are contingent on the availability of such funds, as set forth below. During the years ended December 31, 2021 and 2020, the District paid \$0 of accrued accumulated interest. Total cumulative accrued interest was \$8,946,744 and \$6,168,240 at December 31, 2021 and 2020, respectively. During the year ended December 31, 2021 and 2020, the District incurred \$129,936 and \$175,506 of current year interest expense, respectively.

The Series 2005B bonds were subject to optional early redemption premiums of 2 percent through February 28, 2014. There were no redemptions during 2021 or 2020.

Principal on the Series 2005B bonds is payable only after all of the following are paid:

- First, all amounts due on the senior Series 2021 bonds described in Note 9
- Second, the amount necessary to replenish the senior loan reserve fund
- Third, to the capital replacement reserve, the lesser of \$500,000 per year or all net revenue remaining after one and two above
- Fourth, the amount due for the current year Series 2005B bond interest payment
- Fifth, any amount available to optionally redeem the Series 2005B bonds and any premium due
- Sixth, the balance of net revenue, if any, will be applied to the principal bonds balance for the senior Series 2021 bonds described in Note 9 or deposited into the capital replacement reserve, at the District's discretion.

During the years ended December 31, 2021 and 2020, the District paid \$0 of the principal balance due on the Series 2005B bonds.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 11: SBA Paycheck Protection Program Loans**

##### **Other Income – Loan Forgiveness**

In March 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act created and funded the Small Business Administration ("SBA") Paycheck Protection Program ("PPP") to provide loans designated to help small businesses cover their near-term operating expenses and provide an incentive to retain their employees during the COVID-19 pandemic. The District and its facilities are operated, managed, and staffed through a contractual arrangement with a related party, as further described in Note 14. As a result of closures related to the COVID-19 pandemic, the District was unable to fund the full allocation of operating expenses. In April 2020, the related party received PPP loan proceeds \$1,229,600 under this program in order to fully fund the District's facility and staff operations. The related party maintains ultimate responsibility for the compliance of the PPP loan. The PPP loan forgiveness application was submitted, and full loan forgiveness notification was received from the SBA in December 2020, thus the income is recognized as other income in the 2020 financial statements in accordance with Accounting Standards Codification ("ASC") Topic 470.

In January 2021, the related party received a second PPP loan for \$1,229,682. The PPP loan forgiveness application was submitted, and full loan forgiveness notification was received from the SBA in July 2021, thus the income is recognized as other income in the 2021 financial statements in accordance with ASC Topic 470.

#### **Note 12: Operating Leases - Lessor**

The District leases space to unrelated entities under four separate noncancelable operating leases expiring in various years through 2024.

The District leases space for a spa to an affiliate under an operating lease. The initial lease was for a term of 10 years, which was extended through December 2030. Along with the renewal, the lease was amended to provide minimum annual base rent of \$121,992 per year and rent one massage room totaling \$6,592 per year.

Total lease revenue was \$301,123 and \$264,809 for the years ended December 31, 2021 and 2020, respectively. Future minimum rent on noncancelable leases as of December 31, 2021 for each of the next five years, and in the aggregate, are as follows:

<i>Years Ending December 31:</i>	Related Party	Other	Total
2022	\$ 128,584	\$ 163,467	\$ 292,051
2023	128,584	159,967	288,551
2024	128,584	136,386	264,970
2025	128,584	-	128,584
2026	128,584	-	128,584
Thereafter	514,337	-	514,337
<b>Total</b>	<b>\$ 1,157,257</b>	<b>\$ 459,820</b>	<b>\$ 1,617,077</b>

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### Note 13: Operating Leases - Lessee

The District is obligated under operating leases primarily for office equipment, expiring at various dates through 2026. Total rent expense under these leases was \$32,547 and \$38,964 for the years ended December 31, 2021 and 2020, respectively.

Future minimum annual commitments under these operating leases are as follows:

<i>Years Ending December 31:</i>	Amount
2022	\$ 33,051
2023	32,746
2024	32,746
2025	24,478
2026	375
Total	\$ 123,396

#### Note 14: Related Party Transactions

##### Sales and Purchases

Each director of the District complies with the Colorado statutes regarding conflicts of interest, including written disclosures to the Secretary of State and to the board of directors and abstention from voting when required. In addition, the first item on the board of directors' agenda at each meeting is an inquiry by the chairman as to whether any member has any other conflict to disclose.

Several members of the board of directors hold ownership interests in the entity that sold the Club. These same owners are the holders of the Series 2005B bonds that were issued to finance the purchase of the Club.

A related party provides the District with management services and personnel to operate the Club. The contract requires monthly payments of approximately \$38,000 plus the personnel costs.

Related party balances and transactions consists of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Subordinated revenue bond holders	\$ 21,544,000	\$ 21,544,000
Interest expense on bonds	\$ 129,936	\$ 175,506
Management fees	\$ 456,488	\$ 457,892
Rental income	\$ 128,584	\$ 128,584

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 15: Intergovernmental Agreements**

##### City of Greenwood Village, Colorado

The District entered into an intergovernmental agreement ("IGA") with the City of Greenwood Village, Colorado (the "City"). The IGA approved the purchase price of the Club and authorized the issuance of revenue bonds to finance the purchase.

In March 2030 or when all the District's debt is redeemed, whichever is earlier, the District will convey ownership of the Club to the City.

The debt shall not be refinanced without the prior written permission of the City. The structure of any bonded indebtedness shall be subject to the reasonable approval of the City. The Club must be open to the public on a financial basis to pay the debt when due. The City agrees that city residents who join the Club are eligible for the City's Recreational Reimbursement Program (currently \$500 per year per family).

Other operational matters included in the IGA include the commitment to spend at least \$500,000, as amended, per year on capital maintenance, and terms of contracts and operational leases may not extend beyond the date of conveyance to the City. The District will be governed by a five-member board of directors. To the fullest extent permitted by law, the District shall cooperate in and take steps to arrange the qualification and appointment of two individuals selected by the City to serve as members of the board of directors of the District and one individual selected by the City who is a current member of the Club, a resident of the City at the time of selection, and having no relation to any subordinate bondholder of the District. The intent is for the board to be composed of no more than two subordinate bondholders.

##### Greenwood Metropolitan District

The District is a party to an IGA with the Greenwood Metropolitan District to provide for a fee to be paid in lieu of taxes. The fee for the years ended December 31, 2021 and 2020 was \$10,079 and \$5,881, respectively, and is subject to annual adjustment based on factors such as the Consumer Price Index.

#### **Note 16: Property Tax and TABOR**

The District does not currently certify a mill levy, and it is anticipated that it will not do so in the future.

##### TABOR Amendment

On November 3, 1992, the state of Colorado passed the Taxpayer's Bill of Rights ("TABOR") Amendment. This is a tax, spending, revenue, and debt limitation amendment. This amendment affects the ability of governmental entities to increase property taxes. The District believes it is in substantial compliance with this amendment.

# Greenwood Athletic Club Metropolitan District

## Notes to Financial Statements

### December 31, 2021 and 2020

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#### **Note 17: Risk Management - Colorado Special District's Property and Liability Pool**

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 one of approximately 2,025 special districts that are members of the Colorado Special Districts Property and Liability Pool (the "Pool") as of December 31, 2021. The Pool is an organization created by an IGA to provide property, general liability, automobile liability, automobile physical damage, public officials' liability, workers' compensation, crime, excess liability, and equipment breakdown coverage to its members. The Pool's retention is \$300,000 per occurrence on all other peril property claims and \$1,000,000 per occurrence on wind and/or hail property claims and is reinsured up to \$750,000,000 per occurrence and annual aggregate. The Pool has an annual stop-loss aggregate deductible under the property coverage, which limits its retentions to \$2,501,437 for all other perils and \$7,081,661 for wind/hail claim. Additionally, the Pool has entered into reinsurance contracts that offer reinsurance coverage for general, automobile, and public officials' liability coverage for amounts in excess of the first \$1,000,000 with reinsurance coverage of a maximum of \$9,000,000.

The District pays annual contributions to the Pool for property, general liability, public officials' liability, auto liability, auto physical damage, excess liability, equipment breakdown, and crime. 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's members. Any excess funds that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. However, the Pool has retained these excess funds in order to maintain stable contribution levels, rather than return the funds to the members. The District continues to carry commercial insurance coverage for other risks of loss. Settled claims have not exceeded this commercial coverage since the District's inception .

#### **Note 18: Risks and Uncertainties**

On March 11, 2020 the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a "pandemic". First identified in late 2019 and known now as COVID-19, the outbreak has impacted individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations.

COVID-19 will impact various segments of the District's 2022 operations and financial results. Management believes that the District is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

#### **Note 19: Subsequent Events**

Subsequent events have been evaluated by management as of the date of these financial statements. This date represents the date the financial statements were available to be issued.

## **Other Supplemental Information**

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# Greenwood Athletic Club Metropolitan District

## Other Supplemental Information Budgetary Comparison Schedule

*Year Ended December 31, 2021:*

	Original Budget	Amended and Final Budget	Actual	(Under) Over Final Budget
<b>Revenue:</b>				
Membership dues and initiation fees	6,365,943	5,885,960	5,943,107	57,147
Lease revenue	312,325	306,337	301,123	(5,214)
Other revenue	3,958,992	4,785,451	4,513,397	(272,054)
Interest income	606	847	925	78
<b>Total revenue</b>	<b>10,637,866</b>	<b>10,978,595</b>	<b>10,758,552</b>	<b>(220,043)</b>
<b>Expenditures:</b>				
Salaries and employee benefits	5,549,380	5,374,659	5,119,282	255,377
Selling, general and administrative	2,682,560	2,790,249	2,874,373	(84,124)
Capital expenditures	-	100,000	98,751	1,249
Subordinated bond payments - interest	-	-	129,936	(129,936)
Senior debt - interest	512,429	430,364	430,364	-
Senior debt - principal	1,973,712	1,551,702	1,551,703	(1)
<b>Total expenditures</b>	<b>10,718,081</b>	<b>10,246,974</b>	<b>10,204,409</b>	<b>42,565</b>
<b>Other financing sources (uses):</b>				
Loan origination fees	-	(312,942)	(307,942)	5,000
Notes payable refunding principal payoff	-	(10,941,524)	(10,941,524)	-
Notes payable refunding accrued interest	-	(40,438)	(40,438)	-
Notes payable refunding prepayment penalties	-	(109,415)	(109,415)	-
Bonds payable issuance	-	12,000,000	12,000,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>595,681</b>	<b>600,681</b>	<b>5,000</b>
<b>Excess of revenue over (under) expenditures</b>	<b>(80,215)</b>	<b>1,327,302</b>	<b>1,154,824</b>	<b>(172,478)</b>
<b>Funds available - beginning of year</b>	<b>-</b>	<b>-</b>	<b>305,119</b>	<b>305,119</b>
<b>Funds available - end of year</b>	<b>(80,215)</b>	<b>1,327,302</b>	<b>1,459,943</b>	<b>132,641</b>

See Independent Auditor's Report.

# Greenwood Athletic Club Metropolitan District

## Other Supplemental Information Budgetary Comparison Schedule

*Year Ended December 31, 2020:*

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
<b>Revenue:</b>				
Membership dues and initiation fees	8,833,183	8,833,183	6,200,817	(2,632,366)
Lease revenue	343,360	343,360	264,809	(78,551)
Other revenue	5,500,937	5,500,937	3,870,854	(1,630,083)
Interest income	16,081	16,081	6,750	(9,331)
<b>Total revenue</b>	<b>14,693,561</b>	<b>14,693,561</b>	<b>10,343,230</b>	<b>(4,350,331)</b>
<b>Expenditures:</b>				
Salaries and employee benefits	7,183,840	7,183,840	5,527,177	1,656,663
Selling, general and administrative	3,262,706	3,262,706	2,463,209	799,497
Capital expenditures	707,836	707,836	248,245	459,591
Subordinated bond payments - interest	1,053,037	1,053,037	175,506	877,531
Senior debt - interest	572,183	572,183	586,095	(13,912)
Senior debt - principal	1,913,959	1,913,959	1,278,512	635,447
<b>Total expenditures</b>	<b>14,693,561</b>	<b>14,693,561</b>	<b>10,278,744</b>	<b>4,414,817</b>
<b>Other financing sources (uses):</b>				
Loan origination fees	-	-	(33,135)	(33,135)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(33,135)</b>	<b>(33,135)</b>
<b>Excess of revenue over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>31,351</b>	<b>31,351</b>
<b>Funds available - beginning of year</b>	<b>-</b>	<b>-</b>	<b>273,768</b>	<b>273,768</b>
<b>Funds available - end of year</b>	<b>-</b>	<b>-</b>	<b>305,119</b>	<b>305,119</b>

See Independent Auditor's Report.

# Greenwood Athletic Club Metropolitan District

## Notes to Other Supplemental Information

December 31, 2021 and 2020

### Budgetary Information

In accordance with the State Budget Law, the District's board of directors holds public hearing 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 budget may be amended by action of the board of directors upon proper publication. Property taxes are not levied.

A reconciliation of the budgetary comparison schedules to the statements of revenue, expenses, and changes in net position is as follows:

<i>Years Ended December 31,</i>	2021	2020
Excess of revenue and other financing sources over expenditures and other financing uses	\$ 1,154,824	\$ 31,351
Adjustments to reconcile to GAAP:		
Additions:		
Capital expenditures	98,751	248,245
Principal payments on senior debt	1,551,703	1,278,512
Notes payable refunding principal payoff	10,941,524	-
Total	12,591,978	1,526,757
Subtractions:		
Depreciation	(1,462,630)	(1,559,520)
Bonds payable issuance	(12,000,000)	-
Amortization	(802,700)	(802,700)
Total	(14,265,330)	(2,362,220)
Change in net position	\$ (518,528)	\$ (804,112)