City Center West Commercial Metropolitan District
Greeley, Colorado
Financial Report

December 31, 2021

City Center West Commercial Metropolitan District
Financial Report
December 31, 2021

Table of Contents

M & A

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Chapel Square, Bldg C
245 Chapel Place, Suite 300
P.O. Box 5850, Avon, CO 81620

Web Site: www.mcmahancpa.com
Main Office: (970) 845-8800
Facsimile: (970) 845-8108
E-mail: mcmahan@mcmahancpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
City Center West Commercial Metropolitan District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Center West Commercial Metropolitan District (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City Center West Commercial Metropolitan District, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

The District has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined necessary to supplement the basic financial statements. Such 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, economical, or historical context. Our opinions on the basic financial statements are not affected by the missing information.

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as a whole. The individual fund budgetary comparison found in Section E is presented for purposes of additional analysis and is not a required part of the financial statements. The individual fund budgetary comparison found in Section E, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 23, 2022

FINANCIAL STATEMENTS

City Center West Commercial Metropolitan District
Balance Sheet/
Statement of Net Position
December 31, 2021

	Balance Sheet					
	General Fund	Debt Service Fund	Capital Project Fund	Total	Adjustments	Statement of Net Position
Assets:						
Cash and investments - Unrestricted	-	332,042	-	332,042	-	332,042
Cash and investments - Restricted	-	769,585	-	769,585	-	769,585
Property tax receivable	58,304	291,520	-	349,824	-	349,824
Other assets	450	-	-	450	-	450
Due from Residential District	2,013	8,899	-	10,912	-	10,912
Interfund balances	(6,816)	6,816	-	-	-	-
Total Assets	53,951	1,408,862	-	1,462,813	-	1,462,813
Liabilities:						
Accounts payable	6,402	-		6,402	-	6,402
Accrued interest payable	-	-	-	-	2,777	2,777
Accrued bond interest payable	-	-	-	-	233,470	233,470
Developer advance payable	-	-	-	-	60,915	60,915
Bonds payable:						
Due in more than one year	-	-	-	-	9,157,000	9,157,000
Total Liabilities	6,402	-	-	6,402	9,454,162	9,460,564
Deferred Inflows of Resources:						
Unavailable property taxes	58,304	291,520	-	349,824	-	349,824
Total Deferred Inflows of Resources	58,304	291,520	-	349,824	-	349,824
Fund Balance/Net Position:						
Fund Balance:						
Restricted for emergency	1,663	-	-	1,663	(1,663)	-
Restricted for bond covenant	-	769,585	-	769,585	(769,585)	-
Assigned	-	347,757	-	347,757	(347,757)	-
Unassigned	(12,418)	-	-	(12,418)	12,418	-
Total Fund Balance	(10,755)	1,117,342	-	1,106,587	(1,106,587)	-
Total Liabilities and Fund Balance	53,951	1,408,862	-	1,462,813	(1,462,813)	-
Net Position:						
Restricted for emergency					1,663	1,663
Unrestricted					(8,349,238)	(8,349,238)
Total Net Position					(8,347,575)	(8,347,575)

The accompanying notes are an integral part of these financial statements.

City Center West Commercial Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance/
Statement of Activities
For the Year Ended December 31, 2021

	Statement of Revenues, Expenditures and Changes in Fund Balance					
	General Fund	Debt Service Fund	Capital Project Fund	Total	Adjustments	Statement of Activities
Revenues:						
Property tax	52,727	263,633	-	316,360	-	316,360
Specific ownership tax	2,695	13,477	-	16,172	-	16,172
Miscellaneous income	19	565	-	584	-	584
Total Revenues	55,441	277,675	-	333,116	-	333,116
Expenditures/Expenses:						
Accounting and audit	21,618	-	-	21,618	-	21,618
Legal	17,525	-	-	17,525	-	17,525
Insurance	334	-	-	334	-	334
Maintenance and utilities	45,696	-	-	45,696	-	45,696
Miscellaneous	45	-	-	45	-	45
District management	10,430	-	-	10,430	-	10,430
Paying agent fees	-	7,095	-	7,095	-	7,095
County treasurer's fees	791	3,956	-	4,747	-	4,747
Capital outlay	-	-	2,025	2,025	-	2,025
Debt Service:						
Interest	-	559,650	-	559,650	111,012	670,662
Total Expenditures/Expenses	96,439	570,701	2,025	669,165	111,012	780,177
Excess (Deficiency) of Revenues Over Expenditures	(40,998)	(293,026)	(2,025)	(336,049)	336,049	-
Other Financing Sources (Uses):						
Developer advance	33,762	-	-	33,762	(28,113)	5,649
Developer reimbursement - capital	-	(299,218)	-	(299,218)	-	(299,218)
Developer reimbursement - interest	-	-	-	-	(2,511)	(2,511)
Transfers from Residential District	-	28,510	-	28,510	-	28,510
Transfer in/(out)	(10,229)	(967,356)	977,585	-	-	-
Total Other Financing Sources (Uses)	23,533	(1,238,064)	977,585	(236,946)	(30,624)	(267,570)
Change in Fund Balance/Net Position	(17,465)	(1,531,090)	975,560	(572,995)	(714,631)	(714,631)
Fund Balance/Net Position:						
Beginning	6,710	2,648,432	(975,560)	1,679,582		(7,632,944)
Ending	(10,755)	1,117,342	-	1,106,587		(8,347,575)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

City Center West Commercial Metropolitan District (the “District”), a quasi-municipal corporation, was organized on April 17, 2008, and is governed pursuant to provisions of the Colorado Special District Act. Organization of the District was preceded by the September 4, 2007 approval by the City Council of the City of Greeley (the “City”) of a Consolidated Service Plan (the “Original Service Plan”) for the District and City Center West Residential Metropolitan District (the “Residential District”). The Original Service Plan was superseded by the August 16, 2016 approval by the City Council of the Second Amended and Restated Service Plan for the District, the Commercial District and City Center West Residential Metropolitan District No. 2 (the “Service Plan”). The District was established for the purpose of financing and constructing public improvements benefiting the inhabitants and taxpayers of the District and the Residential District as set forth in the Service Plan. It is anticipated in the Service Plan that substantially all of the public improvements will be dedicated to the City of Greeley (the “City”). The District currently contains approximately 53 acres of property located in the northwestern portion of the City.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act. The reporting entity consists of (a) the primary government (i.e., the District), and (b) organizations for which the District is financially accountable or the organization’s primary purpose is to benefit the District. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The District is not financially accountable for any entity based on the above criteria nor is the District a component unit of any other entity.

B. Government-wide and Fund Financial Statements

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

1. Government-wide Financial Statements

In the Statement of Net Position, the District’s activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net position is reported in three parts—invested in capital assets, net of related debt; restricted; and unrestricted net position.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements (continued)

The focus of the Statement of Net Position and the Statement of Activities is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The Debt Service Fund is used to account for property taxes and other revenues used to pay principal, interest, and related costs on debt.

The Capital Projects Fund is used to account for the funding, acquisition, and construction of major capital projects and infrastructure.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (within 60 days of December 31) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

2. Fund Balance

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of targeted reserve positions and management reports the target amounts annually to the Board of Directors.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet and the government-wide Statement of Net Position include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Developer advance payable	$	60,915
Developer interest payable		2,777
Bond interest payable		233,470
Bonds payable		9,157,000

Long-term liabilities are not due and payable in the current period and therefore not reported in the funds.

B. Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Developer advance - operating	$	28,133
Developer advance - interest		2,511

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Change in accrued interest	$	111,012

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the District’s Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds is adopted on a basis consistent with U.S. generally accepted accounting principles (“GAAP”).

(1) For the 2021 budget, prior to August 25, 2020, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2020 only once by a single notification to the District.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgets and Budgetary Accounting (continued)

(2) On or before October 15 of each year, the District's management normally submits to the District's Board of Directors a recommended budget which details the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
(3) For the 2021 budget, prior to December 15, 2020, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
(4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
(5) After adoption of the budget resolution, the District may make the following changes: (a) transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplement appropriations to the extent of revenues in excess of those estimated in the budget; (c) emergency appropriations; and (d) reduce appropriations for which originally estimated revenues are insufficient.
(6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (“TABOR”). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increases, a mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District restricted $1,663 of its December 31, 2021 year-end fund balance in the General Fund for emergencies.

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

On November 6, 2007, and May 6, 2014, the District’s voters approved the ballot issues identified below. A summary of the approved annual revenue and debt increases is as follows:

Ballot Issue	Tax Maximum	Debt Maximum	Purpose, as may be defined more specifically in the ballot issue
5B/5A	2,500,000	not applicable	Administration, operations, maintenance, capital expenses
5C/5B	4,000,000	not applicable	Administration, operations, maintenance, capital expenses
5D/5C	100,000,000	not applicable	Intergovernmental joint financing of public improvements
5O/5D	not applicable	not applicable	Authorization to collect and spend all revenues
5E/5E	136,000,000	40,000,000	Street improvements
5F/5F	136,000,000	40,000,000	Parks and recreational facilities
5G/5G	136,000,000	40,000,000	Water infrastructure and services
5H/5H	136,000,000	40,000,000	Sewer and sanitation infrastructure and services
--/5I	116,000,000	20,000,000	Transportation infrastructure and services
5I/5J	136,000,000	40,000,000	Mosquito control
5J/5K	136,000,000	40,000,000	Traffic and safety controls
--/5L	116,000,000	20,000,000	Fire protection
--/5M	116,000,000	20,000,000	Television relay and translation system
--/5N	116,000,000	20,000,000	Public safety
5K/5O	136,000,000	40,000,000	Operating and maintenance expense
5L/5P	340,000,000	100,000,000	Debt refinancing
5M/5Q	136,000,000	40,000,000	Intergovernmental agreements or other contracts
5N/5R	not applicable	not applicable	Authorization to enter into intergovernmental agreements

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

The District's management believes the District is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on all Funds

A. Deposits

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts on deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The 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 the aggregate uninsured deposits.

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.

Concentration of Credit Risk: At year end, more than five percent of the District's investments were held in UMB. Such concentration is permitted by the District's investment policy.

B. Investments

The District has adopted a policy which requires it to follow state statutes for investments. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

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

C. Restricted Cash and Investments

The District has restricted $769,585 (in cash equivalents with UMB) for the bond reserve fund. Detail of the bond reserve fund are found below in the Long-term Obligation note.

IV. Detailed Notes on all Funds (continued)

D. Summary of Cash Deposits and Investments

Cash deposits and investments are reflected on the December 31, 2021 Balance Sheets as follows:

			Maturities	
Type	**Rating**	**Carrying Amount**	**Less Than One Year**	**One to Five Years**
Deposits:				
Checking and on-demand accounts		$ (5,987)	(5,987)	-
Cash with county treasurer		1,336	-	-
Investments:				
Cash Held by Trustee Bank	Not rated	1,106,278	1,106,278	-
		$ 1,101,627		

Financial Statement Captions:	
Cash and investments - Unrestricted	$ 332,042
Cash and investments - restricted	769,585
	$ 1,101,627

E. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

F. Long-term Obligations

1. Limited Tax General Obligation Refunding and Improvements Bonds, Series 2020A

On April 9, 2020, the District issued its $7,995,000 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2020A (the “2020A Senior Bonds”). Proceeds from the 2020A Senior Bonds were used to refund Series 2014A Senior Bonds and the Series 2014B Subordinate Bonds previously issued by the Residential District, finance public improvements related to the Development, pay capitalized interest on the 2020A Senior Bonds, fund the Senior Reserve Fund and pay other costs in connection with the issuance of the 2020A Senior Bonds and the 2020B Subordinate Bonds (discussed below). The interest on the Series 2020A Senior Bonds is 7% and is payable semi-annually on June 1 and December 1, commencing on June 1, 2020, and shall mature on December 1, 2049.

The Series 2020A Senior Bonds are secured by a Reserve Fund in the amount of $769,585 which is presented as a restricted fund balance. The Reserve Fund can be released to the Bond Fund if amounts therein are insufficient to pay principal of and interest on the Bonds.

IV. Detailed Notes on all Funds (continued)

F. Long-term Obligations (continued)

1. Limited Tax General Obligation Refunding and Improvements Bonds, Series 2020A (continued)

The remaining fund balance in the Debt Service Fund of $347,757 is intended to be used for the principal and interest payment.

2. Subordinate General Obligation Limited Tax Bonds, Series 2020B

On April 9, 2020, the District issued its $1,162,000 Subordinate General Obligation Limited Tax Bonds, Series 2020B (the "Series 2020B Subordinate Bonds"). Proceeds from the 2020B Subordinate Bonds will be used to finance additional public improvements related to the Development. The interest on the Series 2020B Subordinate Bonds is 9% and is payable annually on each December 15, commencing on December 15, 2020, and shall mature on December 15, 2049. These bonds are subordinate to the Series 2020A Senior Bonds.

3. Developer Advance Payable

Since 2014, the District incurred various operating and maintenance expenses that required the request of advance funds from the Developer. In accordance with the Amended and Restated Operation Funding Agreement discussed in Note V. B. below, there is Developer Advance Payable balance of $60,915 outstanding at year end.

The interest rate on the Developer Advance Payable is 8%.

4. Authorized, Unissued Debt

At elections held on November 6, 2007, and May 6, 2014, the District's eligible electors authorized the District to issue up to $500,000,000 in general obligation debt (including operations and maintenance, intergovernmental agreements and debt refunding), of which $487,161,119 remains unissued as of December 31, 2021 for the various purposes summarized in Note III.B. However, the District and City Center West Residential Metropolitan District shall not issue debt in excess of $20,000,000 in total aggregate principal amount pursuant to the Service Plan nor in excess of $13,000,000 pursuant to the Debt Allocation IGA (defined and discussed below). The Board of Directors currently has no plan to seek voter approval for general obligation indebtedness in excess of this amount.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

IV. Detailed Notes on all Funds (continued)

F. Long-term Obligations (continued)

5. Schedule of Debt Service Requirements

The District's future annual debt service requirements are as follows:

	2020A and 2020B G.O. Bonds	
	Principal	Interest
2022	-	664,230
2023	35,000	664,230
2024	50,000	661,780
2025	55,000	658,280
2026	70,000	654,430
2027-2031	510,000	3,185,350
2032-2036	910,000	2,954,000
2037-2041	1,465,000	2,563,750
2042-2046	2,265,000	1,947,750
2047-2049	3,797,000	743,540
Total	$ 9,157,000	14,697,340

6. Schedule of Changes in Long-term Obligations

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2020A G.O. Bonds	$ 7,995,000	-	-	7,995,000	-
2020B G.O. Bonds	1,162,000	-	-	1,162,000	-
Developer Advance Payable - Operating	32,802	28,113	-	60,915	-
Developer interest payable	266	2,511	-	2,777	-
Bond interest payable	122,458	111,012	-	233,470	-
Total	$ 9,312,526	141,636	-	9,454,162	-

V. Other Information

A. 2009 Operation Funding Agreement

On December 10, 2009, the District entered into a 2009 Operation Funding Agreement, effective as of January 1, 2009 (the "2009 OFA") with City Center West, L.P., a Colorado limited partnership (the "Developer"). The 2009 OFA sets forth the terms and conditions under which the Developer advanced funds to the District for operations and maintenance expenses incurred in fiscal year 2009. The repayment obligation bears interest at a rate of 8%. The Developer's obligation to advance funds expired on February 28, 2010, and the District's obligation to reimburse the Developer for such advances expires on December 31, 2049. Any amounts outstanding after December 31, 2049, will be deemed discharged and satisfied in full.

V. Other Information (continued)

B. Amended and Restated Operation Funding Agreement

On June 2, 2014, the District entered into a 2014 Operation Funding Agreement with the Developer, which was amended by a First Amendment approved on November 12, 2014, a Second Amendment approved on November 2, 2015, a Third Amendment approved November 7, 2016, and a Fourth Amendment dated November 5, 2018, (as so amended, the "2014 OFA"). On March 11, 2020, the District and Developer entered into an Amended and Restated Operation Funding Agreement, which amended and restated the 2014 OFA in its entirety, as amended by that certain First Amendment to the Amended and Restated Operation Funding Agreement, dated November 2, 2020 (as so amended, the "Amended and Restated OFA") which sets forth the terms and conditions under which the Developer will advance funds to the District for operations and maintenance expenses incurred in fiscal years 2014 through 2021 up to the Shortfall Amount. On November 22, 2021, the District and Developer entered into the Second Amendment to the Amended and Restated OFA, which extends the period in which the Developer will cover the Shortfall Amount through fiscal year 2022. The repayment obligation bears interest at a rate of 8%. The Developer's obligation to advance funds expires upon advance to the District of amounts sufficient to pay expenses incurred in 2014 through 2021, not to exceed the Shortfall Amount, and the District's obligation to reimburse the Developer for such advances expires on December 31, 2044. Any amounts outstanding after December 31, 2044, will be deemed discharged and satisfied in full. The District's reimbursement obligation under the Amended and Restated OFA is subordinate to the 2009 OFA.

C. Facilities Funding and Acquisition Agreement

On March 11, 2020, the District entered into a Facilities Funding and Acquisition Agreement (the "FFAA") with the Developer with an effective date of January 1, 2020. The FFAA sets forth the terms and conditions pursuant to which the District will acquire public improvements constructed by the Developer. It is expected that a portion of the proceeds of the Series 2020A and Series 2020B Bonds will be used to reimburse the Developer for the costs of constructing public improvements and for organization expenses.

D. Cost Sharing Agreement

On October 28, 2011, the Developer and NCMC+BH Greeley II, LLC, a Colorado limited liability company ("Banner") entered into and recorded a Cost Sharing Agreement (the "Agreement"), which was acknowledged by the District and the City Center West Residential Metropolitan District (the "Residential District" and, collectively with the District, the "Districts"). Prior to the Agreement, Banner purchased a parcel of property adjacent to the development. The Agreement sets forth the terms and conditions under which the Developer or Banner will cause the installation of and share installation costs for certain infrastructure that serves both the Developer's and Banner's property. The Agreement provides that the Districts will pay the Developer's portion of costs for the portion of the infrastructure that is contemplated by the Districts' Service Plan.

These costs will be paid from bond proceeds if: (i) the Districts issue and sell bonds related to the Service Plan infrastructure, (ii) funds are available from such bonds, and (iii) the Developer and Banner enter into a facility funding agreement related to the Service Plan. The Developer and Banner have not yet entered into a facility funding agreement as of December 31, 2021.

V. Other Information (continued)

E. Capital Pledge Agreement

On December 1, 2014, the District entered into a Capital Pledge Agreement with the Residential District that required the District to impose ad valorem property taxes for payment of the Residential District's Series 2014A Senior Bonds, the Series 2014B Subordinate Bonds, and any Additional Revenue Obligations (the "2014 Capital Pledge Agreement"). The lien on the pledged revenues had priority over any or all other obligations and liabilities of the District. The Residential District's Series 2014A Senior Bonds and 2014B Subordinate Bonds were refunded by the District's April 9, 2020 issuance of its Series 2020A Senior Bonds and Series 2020B Subordinate Bonds, and therefore, the 2014 Capital Pledge Agreement is no longer in effect.

On April 9, 2020, the Residential District entered into a Capital Pledge Agreement with the District, under which the Residential District agreed to pledge certain revenue to the District for the repayment of the District's Series 2020A Senior Bonds, Series 2020B Subordinate Bonds, and Additional Obligations, including revenue generated from the imposition of the Residential District Required Mill Levy, specific ownership taxes derived from the imposition of the Residential District Required Mill Levy, and revenue remitted to or collected by the Residential District that is generated from the imposition of payments in lieu of taxes (PILOTs) pursuant to recorded covenants (collectively, the "Residential District Pledged Revenue"). The lien on the Residential District Pledged Revenue has priority over any or all other obligations and liabilities of the Residential District.

F. Intergovernmental Agreement with the City of Greeley, Colorado

On November 12, 2014, the District entered into an intergovernmental agreement with the City of Greeley, Colorado, (the "City") as required by the Service Plan. This agreement states the District will not take any action, including the issuance of any obligations or the imposition of any tax, which would constitute a material departure from the terms of the Service Plan. Any material departure from the terms of the Service Plan will entitle the City to protect and enforce its rights by such suit, action, or special proceedings as the City deems appropriate.

On June 6, 2019, the District, the Residential District and City Center West Residential District No. 2 entered into an Intergovernmental Agreement Regarding Debt Allocation (the "Debt Allocation IGA"). Pursuant to the Debt Allocation IGA, the District, the Residential District and City Center West Residential District No. 2 acknowledge that the Service Plan establishes a combined total aggregate debt limitation for all three districts of $20,000,000 (the "Service Plan Debt Limit") and that the three districts are responsible for the provision, financing, construction, operation and maintenance of public informative within the collective service area of the three districts. Under the Debt Allocation IGA, the District and the Residential District are allocated $13,000,000 of the Service Plan Debt Limit and City Center West Residential District No. 2 is allocated $7,000,000 of the Service Plan Debt Limit. The three districts may agree to reallocate the Service Plan Debt Limit upon written agreement.

G. Colorado Special Districts Property and Liability Pool

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; or errors or omissions. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool ("Pool").

V. Other Information (continued)

G. Colorado Special Districts Property and Liability Pool (continued)

The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to $1,000,000. There have been no claims in any of the past three years.

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

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2020 (the latest audited information available) is as follows:

Assets	$ 59,612,386
Liabilities	$ 37,710,994
Capital and surplus	21,901,392
Total	$ 59,612,386
Revenue	$ 22,950,296
Underwriting expenses	23,825,575
Underwriting gain (loss)	$ (875,279)
Other income	903,033
Net income (loss)	$ 27,754

H. Related Party Transactions

All members of the Board of Directors are either officers or employees of entities related to the Developer.

I. Inclusion Covenant (8 Acres)

On March 11, 2020, the District, the Residential District, and BV Retail Land Holdings, LLLP ("BV Retail"), entered into an Inclusion Covenant (8 Acres), under which BV Retail covenanted that upon the occurrence of a triggering event, certain property it owns will be included into either the District or Residential District, as applicable, and that if such property is not included into one of the districts after a triggering event, or not included within 5 years of the effective date of the Inclusion Covenant (8 Acres), it will be subject to a covenant imposing a payment in lieu of taxes that is equivalent to the debt service mill levy imposed by the District.

V. Other Information (continued)

J. Inclusion Agreement for 8-Acre Parcel

On March 11, 2020, the District, the Residential District, and BV Retail Land Holdings, LLLP ("BV Retail"), entered into an Inclusion Agreement for 8-Acre Parcel, under which BV Retail agreed that upon the occurrence of a triggering event, certain property it owns will be included into either the District or Residential District. The Inclusion Agreement for 8-Acre Parcel also provides that, in the event such property becomes tax exempt, it will be subject to a covenant imposing a payment in lieu of taxes that is equivalent to the mill levies imposed by the District or Residential District, as applicable, and that if such property is not included into either the District or Residential District within 5 years of the effective date of the Inclusion Covenant (8 Acres), such property would be subject to a covenant imposing a payment in lieu of taxes that is equivalent to the debt service mill levy imposed by the District.

K. Exclusion/Inclusion Agreement for 20-Acre Parcel

On March 11, 2020, the District, the Residential District, and the Developer entered into an Exclusion/Inclusion Agreement for 20-Acre Parcel, under which the Developer agreed that, to the extent any property that it owns within the 20 acre parcel becomes residential property, such property shall be included into the Residential District, or, that such property will be excluded from the District and subsequently included into the Residential District, as applicable, and that such property will thereafter be subject to the Residential District's mill levies.

L. Consent Agreement Regarding Exclusion/Inclusion Agreement for 20-Acre Parcel

On October 5, 2021, the District, the Residential District, and La Salle Investors, LLC entered into a Consent Agreement Regarding Exclusion/Inclusion Agreement for 20-Acre Parcel (the "Consent Agreement") under which La Salle agreed to perform the obligations of the Developer under the Exclusion/Inclusion Agreement for 20-Acre Parcel to ensure that property classified as "residential" would remain or be included into the Residential District, and that property classified as "commercial" would remain or be included into the District. The Consent Agreement recognizes that La Salle had purchased certain property from the Developer (the "La Salle Property"), which, as of the date of the Consent Agreement, was classified as "commercial," and thus in the District. However, to the extent that La Salle obtained City zoning approval to use the La Salle Property as "residential" property, La Salle would Petition the District to exclude the La Salle Property from the District and also petition the Residential District to include the La Salle Property into the Residential District. The Consent Agreement further recognizes the parties' intent that the La Salle Property be subject to the mill levy of only of one the District or Residential District, but not both.

REQUIRED SUPPLEMENTARY INFORMATION

Budget and Actual
General Fund
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Property tax	53,654	53,654	52,727	(927)	48,982
Specific ownership tax	3,219	3,219	2,695	(524)	2,325
Miscellaneous income	-	-	19	19	22
Total Revenues	56,873	56,873	55,441	(1,432)	51,329
Expenditures:					
Accounting and audit	17,000	17,000	21,618	(4,618)	15,812
Election	-	-	-	-	1,278
Legal	15,000	15,000	17,525	(2,525)	22,752
Insurance	6,500	6,500	334	6,166	6,437
Maintenance and utilities	34,000	46,195	45,696	499	22,848
Miscellaneous	500	500	45	455	138
District management	10,000	10,000	10,430	(430)	15,403
County treasurer's fees	805	805	791	14	735
Emergency reserves	2,036	-	-	-	-
Total Expenditures	85,841	96,000	96,439	(439)	85,403
Excess (Deficiency) of Revenues Over Expenditures	(28,968)	(39,127)	(40,998)	(1,871)	(34,074)
Other Financing Sources (Uses):					
Developer advance	11,000	11,000	33,762	22,762	32,802
Developer reimbursement	-	-	-	-	(305)
Transfer in/(out)	-	(11,000)	(10,229)	771	-
Total Other Financing (Uses)	11,000	-	23,533	23,533	32,497
Change in Fund Balance	(17,968)	(39,127)	(17,465)	21,662	(1,577)
Fund Balance - Beginning	10	10	6,710	6,700	8,287
Fund Balance - Ending	(17,958)	(39,117)	(10,755)	28,362	6,710

SUPPLEMENTARY INFORMATION

City Center West Commercial Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Property tax	268,272	268,272	263,633	4,639	230,814
Specific ownership tax	16,096	16,096	13,477	2,619	10,956
Miscellaneous income	2,800	2,800	565	2,235	5,499
Total Revenues	287,168	287,168	277,675	9,493	247,269
Expenditures:					
Interest	-	559,650	559,650	-	360,663
Payment to Residential District	-	-	-	-	3,291,947
Paying agent fees	-	3,000	7,095	(4,095)	131
County treasurer's fees	4,024	4,024	3,956	68	3,464
Total Expenditures	4,024	566,674	570,701	(4,027)	3,656,205
Excess (Deficiency) of Revenues Over Expenditures	283,144	(279,506)	(293,026)	13,520	(3,408,936)
Other Financing Sources (Uses):					
Bond proceeds	-	-	-	-	9,157,000
Bond issuance costs	-	-	-	-	(585,911)
Transfers from Residential District	66,147	266,147	28,510	237,637	-
Transfers in (out)	-	(973,326)	(967,356)	5,970	(2,513,721)
Developer reimbursement	-	(300,000)	(299,218)	782	-
Total Other Financing Sources (Uses)	-	(1,007,179)	(1,238,064)	230,885	6,057,368
Change in Fund Balance	283,144	(1,286,685)	(1,531,090)	244,405	2,648,432
Fund Balance - Beginning	1,294,260	1,294,260	2,648,432	(1,354,172)	-
Fund Balance - Ending	1,577,404	7,575	1,117,342	(1,109,767)	2,648,432

City Center West Commercial Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021				2020
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Expenditures:					
Capital outlay	1,312,050	1,312,050	2,025	1,310,025	8,204
Total Expenditures	1,312,050	1,312,050	2,025	1,310,025	8,204
Excess (Deficiency) of Revenues Over Expenditures	(1,312,050)	(1,312,050)	(2,025)	(1,310,025)	(8,204)
Other Financing Sources (Uses):					
Developer reimbursement - capital	-	-	-	-	(3,140,882)
Developer reimbursement - interest	-	-	-	-	(340,195)
Operating transfers in (out)	-	-	977,585	(977,585)	2,513,721
Total Other Financing Sources (Uses)	-	-	977,585	(977,585)	(967,356)
Change in Fund Balance	(1,312,050)	(1,312,050)	975,560	(2,287,610)	(975,560)
Fund Balance - Beginning	1,312,050	1,312,050	(975,560)	2,287,610	-
Fund Balance - Ending	-	-	-	-	(975,560)