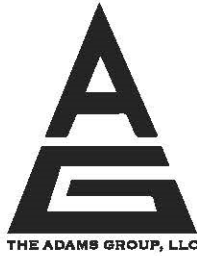


ALTAMIRA METROPOLITAN DISTRICT NO. 5  
Town of Lochbuie, Colorado

BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Altamira Metropolitan District No. 5  
Weld County, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the Altamira Metropolitan District No. 5 (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Altamira Metropolitan District No. 5, as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison schedule for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

***Other Information***

Management is responsible for the other information included in the basic financial statements. The other information comprises the schedule of assessed valuation, mill levy, and property taxes collected, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*The Adams Group, LLC*

Denver, Colorado  
April 1, 2022

## BASIC FINANCIAL STATEMENTS

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and investments - unrestricted	\$ 1,472,756
Receivable from county treasurer	4,915
Property taxes receivable	383,872
Total Assets	1,861,543
 <u>Liabilities</u>	
Accounts payable	4,099
Noncurrent liabilities:	
Due in more than one year	
Accrued interest on developer advances	186,454
Developer advances	295,500
Total Liabilities	486,053
 <u>Deferred Inflows of Resources</u>	
Unavailable property taxes	383,872
Total Deferred Outflows of Resources	383,872
 <u>Net Position</u>	
Restricted	
Emergencies	37,300
Unrestricted	954,318
Total Net Position	\$ 991,618

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

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>				Net (Expense)
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital Grants</u> <u>and</u> <u>Contributions</u>	Revenue and Changes in Net Position
Governmental Activities:					Governmental
General government	\$ 65,550	\$ -	\$ -	\$ -	Activities
Interest and expenses on long-term debt	20,685	-	-	-	\$ (65,550)
Total Governmental Activities	<u>\$ 86,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(20,685)</u>
					<u>(86,235)</u>

GENERAL REVENUES:

Property taxes	1,182,968
Specific ownership taxes	59,439
Investment earnings	277
Total General revenues	<u>1,242,684</u>
Change in net position	1,156,449
Net Position, Beginning	<u>(164,831)</u>
Net Position, Ending	<u>\$ 991,618</u>

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



ALTAMIRA METROPOLITAN DISTRICT NO. 5  
GOVERNMENTAL FUND – BALANCE SHEET  
DECEMBER 31, 2021

	<u>General Fund</u>
<u>Assets</u>	
Cash and investments - unrestricted	\$ 1,472,756
Receivable with county treasurer	4,915
Property taxes receivable	383,872
Total Assets	\$ 1,861,543
 <u>Liabilities, deferred inflows of resources</u>	
<u>and fund balance</u>	
Liabilities:	
Accounts payable	\$ 4,099
Total Liabilities	4,099
 <u>Deferred inflows of resources</u>	
Unavailable property taxes	383,872
Total Deferred Inflows of Resources	383,872
 Fund balance:	
Restricted	
Emergencies	37,300
Unassigned	1,436,272
Total Fund Balances	1,473,572
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,861,543

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

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2021

Total fund balance, governmental fund \$ 1,473,572

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

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

Developer advances payable (295,500)

Accrued interest on developer advances (186,454)

Total net position of governmental activities \$ 991,618

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

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>
<u>Revenues</u>	
Taxes:	
Property taxes	\$ 1,182,968
Specific ownership taxes	59,439
Earnings on investments	277
Total revenues	1,242,684
 <u>Expenditures</u>	
Current:	
County treasury fees	17,745
Director's fees	1,600
District management and accounting	7,464
Dues and subscriptions	1,343
Insurance and bonds	1,883
Legal	17,829
Repairs and maintenance	1,078
Support services	12,060
Survey	4,268
Other expenditures	280
Total expenditures	65,550
Net change in fund balances	1,177,134
Fund balances - beginning	296,438
Fund balances - ending	\$ 1,473,572

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

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL  
FUND TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - total governmental fund: \$ 1,177,134

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

Some expenses in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental fund.

Change in accrued interest on developer advances (20,685)

Change in net position of governmental activities \$ 1,156,449

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

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 1,183,037	\$ 1,182,968	\$ (69)
Specific ownership taxes	65,067	59,439	(5,628)
Earnings on investments	2,500	277	(2,223)
Total revenues	<u>1,250,604</u>	<u>1,242,684</u>	<u>(7,920)</u>
<u>Expenditures</u>			
Current:			
County treasury fees	17,746	17,745	1
Director's fees	2,000	1,600	400
District management and accounting	25,000	7,464	17,536
Dues and subscriptions	1,500	1,343	157
Insurance and bonds	3,000	1,883	1,117
Legal	15,000	17,829	(2,829)
Repairs and maintenance	-	1,078	(1,078)
Support services	-	12,060	(12,060)
Survey	-	4,268	(4,268)
Other expenditures	5,000	280	4,720
Contingency reserve	37,600	-	37,600
Total expenditures	<u>106,846</u>	<u>65,550</u>	<u>41,296</u>
Net change in fund balances	1,143,758	1,177,134	33,376
Fund balances - beginning	296,438	296,438	-
Fund balances - ending	<u>\$ 1,440,196</u>	<u>\$ 1,473,572</u>	<u>\$ 33,376</u>

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

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 – DEFINITION OF REPORTING ENTITY

Altamira Metropolitan District No. 5 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on November 12, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in the Town of Lochbuie, Colorado (the Town).

The District was established to finance the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of public improvements.

The District has no employees, and all operations and administrative functions are contracted. The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, and potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other District organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities.

These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues.

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and redemption of bonds, notes and developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred, or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government.

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes the general fund on its basis of accounting unless otherwise indicated.

Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Cash Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments are reported at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the county assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county commissioners to put the tax lien on the individual properties as of January 1 of the following year. The county treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year they are available or collected.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.



ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The revenue continues to be recognized when earned in the government-wide statements. The District has one item that qualifies for reporting in this category. Accordingly, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

*Nonspendable fund balance* – the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

*Restricted fund balance* – the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Colorado Constitution. A total of \$37,300 of the General Fund balance has been restricted in compliance with this requirement.

*Committed fund balance* – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint.

*Assigned fund balance* – amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

*Unassigned fund balance* – amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report up to three categories of net position, as follows:

*Net investment in capital assets* – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets. As of December 31, 2021, the District had no capital assets and therefore, no net investment in capital assets reported.

*Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

*Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying statement of net position as follows:

Cash and investments - unrestricted	\$ 1,472,756
Total cash and investments	<u>\$ 1,472,756</u>

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2021, consist of the following:

Deposits with financial institutions	\$ 302,889
Investments	<u>1,169,867</u>
Total cash and investments	<u><u>\$ 1,472,756</u></u>

Cash 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. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District's cash deposits had a bank balance of \$306,867.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) above, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

- Bankers’ acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Amount</u>
Colorado Local Government Liquid Asset Trust	Weighted average under 60 days	\$ 1,169,867

COLOTRUST

During 2021, the District invested in Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Colotrust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and repurchase agreements collateralized by certain obligations of U.S. government agencies.

A designated custodial bank serves as custodian for ColoTrust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for ColoTrust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

However, the District’s investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. These investments include 2a7-like external investment pools. The District is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value (NAV) per share (or its equivalent) of the investment.

Colostrust determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of Colostrust, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with GASB guidance. It is the goal of Colostrust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by Colostrust and there can be no assurance that the NAV will not vary from \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 – LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2021:

	Balances December 31, 2020	Additions	Deletions	Balances December 31, 2021	Due In One Year
Direct Placement Advances:					
Developer advances - Principal	\$ 295,500	\$ -	\$ -	\$ 295,500	\$ -
Total	<u>\$ 295,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,500</u>	<u>\$ -</u>

The detail of the District’s long-term obligations is as follows:

Advances and Reimbursement Agreements

On March 31, 2015, Altamira Metropolitan District No. 5 entered into an advance and reimbursement agreement with WEN37 Holdings, LLC (the Developer). At the time of advance and reimbursement agreement, the Developer had provided advances totaling \$216,000. The agreement stipulates that the District shall reimburse the Developer for any advances to the District for construction, maintenance, and operation costs associated with the provision of certain public improvements, facilities, and services, together with interest at a rate of 7% per annum. The District shall make payment for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements, debt service costs, and expenses of the District.

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 4 – LONG-TERM OBLIGATIONS (CONTINUED)

On February 28, 2017, the District and WEN37 Holdings, LLC entered into an assignment advance and reimbursement agreement whereby WEN37 Holdings, LLC assigned the rights to S3L Holdings, LLC. On August 31, 2019, the District and S3L Holdings, LLC entered into an assignment advance and reimbursement agreement whereby S3L Holdings, LLC assigned the rights to Flywheel Holdings, LLC. At December 31, 2021, outstanding advances totaled \$295,500, in addition to accrued interest of \$186,454.

Authorized Debt

On November 4, 2014 (re-authorization) a majority of the eligible electors of the District authorized the issuance of indebtedness in an amount not to exceed \$57,000,000 at an interest rate not to exceed 18% per annum.

At December 31, 2021, the District had authorized but unissued indebtedness from these elections in the following amounts allocated for the following purposes:

	<b>Total Authorized</b>	<b>Remaining at December 31, 2021</b>
Street improvements	\$ 15,000,000	\$ 15,000,000
Park and recreation facilities	5,000,000	5,000,000
Water supply improvements	14,000,000	14,000,000
Sanitary sewer system	8,000,000	8,000,000
Operations and maintenance	15,000,000	15,000,000
Subtotal	<u>57,000,000</u>	<u>57,000,000</u>
Refunding	150,000,000	150,000,000
Intergovernmental agreements as debt	100,000,000	100,000,000
Total	<u>\$ 307,000,000</u>	<u>\$ 307,000,000</u>

NOTE 5 – NET POSITION

The District has net position consisting of two components –restricted and unrestricted.

Restricted net position includes amounts that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or as imposed by law through constitutional provisions or enabling legislation. The District's restricted net position at December 31, 2021, consists of \$37,300 for emergency reserves.

As of December 31, 2021, the District had an unrestricted net position of \$954,318.

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 6 – RELATED PARTIES

Members of the Board of Directors are employees of, owners of, or otherwise associated with WEN37 Holdings, LLC, S3L Holdings, LLC, Flywheel Holdings, LLC, the Bromley Companies, and/or Bromley Park Industrial Land Company, LLC, (referred to herein as the Affiliates) and may have conflicts of interest in dealing with the District. Specific details of transactions with the Affiliates regarding organization, advances, and debt are described elsewhere in these notes.

NOTE 7 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation 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. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 8 – TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the District's eligible electors approve retention of such revenue.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 8 – TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 4, 2014, a majority of the District's electors authorized the District to collect, retain, and spend, the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, public improvement fees, development fees, impact fees, service charges, inspection charges, administrative charges, grants, gifts or any other fee, collected or received by the District during each fiscal year. Such amounts constitute a voter-approved revenue change and are to be collected, retained, and spent by the District without regard to any spending, revenue-raising, or other limitation contained in Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by section 29-1-301, C.R.S.

On November 4, 2014, a majority of the District's electors authorized the District to increase taxes annually, as necessary to pay the District's administrative and operations and maintenance expenses, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition, to pay such expenses in each fiscal year as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in taxation by section 29-1-301, C.R.S.

On November 4, 2014, a majority of the District's electors authorized the District to increase taxes annually or by such greater amount as necessary for the payment of such amounts due pursuant to one or more intergovernmental agreements or other contracts, by the imposition of ad valorem property taxes levied in any year at a rate, without limitation as to rate or amount or any other condition, to pay such expenses in each fiscal year; as a voter approved revenue change, without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by section 29-1-301, C.R.S.



## OTHER INFORMATION

ALTAMIRA METROPOLITAN DISTRICT NO. 5  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY,  
AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2021

Year ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Total Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2010	\$ 60	55.000	\$ 3	\$ -	0.00%
2011	250	55.000	14	-	0.00%
2012	430	55.000	24	24	100.00%
2013	10	55.000	1	1	100.00%
2014	31,976	55.000	1,759	1,681	95.57%
2015	17,880	55.000	983	988	100.51%
2016	144,470	55.000	7,946	5,807	73.08%
2017	218,030	55.000	11,992	14,275	119.04%
2018	1,860,110	55.000	102,306	102,306	100.00%
2019	2,534,920	55.000	139,421	139,421	100.00%
2020	1,734,360	55.000	95,390	94,289	98.85%
2021	21,509,760	55.000	1,183,037	1,182,968	99.99%

Estimated for the year  
ending December 31,  
2022                   \$           5,645,180                   68.012                   383,940

**Note:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the county treasurer does not permit identification of specific year of assessment.