

# **Prairie Song Metropolitan District No. 4**

Consolidated and Independent

Auditor's Report

**December 31, 2021**





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## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management  
Prairie Song Metropolitan District No. 4  
Town of Windsor, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Prairie Song Metropolitan District No. 4 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of Prairie Song Metropolitan District No. 4, as of December 31, 2021 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Prairie Song Metropolitan District No. 4 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 opinion.

### Responsibilities of Management for the Financial Statements

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

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 Prairie Song Metropolitan District No. 4's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Prairie Song Metropolitan District No. 4'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 Prairie Song Metropolitan District No. 4's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Prairie Song Metropolitan District No. 4's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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

*Haynie & Company*

Littleton, Colorado

September 27, 2022

## **BASIC FINANCIAL STATEMENTS**

**Prairie Song Metropolitan District No. 4**  
**Statement of Net Position**  
**December 31, 2021**

<b>Assets</b>	<b>Governmental Activities</b>
Cash and investments	\$ 17,802,927
Total assets	\$ 17,802,927
<b>Liabilities</b>	
Accounts payable	\$ 33,925
Accrued interest	90,000
Non-current liabilities:	
Due in more than one year	18,474,000
Total liabilities	18,597,925
<b>Net Position</b>	
Restricted for:	
Emergency	-
Capital projects	17,769,002
Unrestricted	(18,564,000)
Total Net Position	(794,998)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 17,802,927

The accompanying notes are an integral part of these financial statements

**Prairie Song Metropolitan District No. 4**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services and other fees</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government  Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and related costs on long term debt	794,998	-	-	-	(794,998)
	<u>\$ 794,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (794,998)</u>
					<u>\$ -</u>
General revenues:					-
Total general revenues					-
Change in net position					(794,998)
Net position - beginning of year					-
Net position - end of year					<u>\$ (794,998)</u>

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



**Prairie Song Metropolitan District No. 4**  
**Governmental Funds Balance Sheet**  
**and Reconciliation of Fund Balances to Net Position**  
**December 31, 2021**

	General	Capital Projects	Total Governmental Funds
<b>Assets</b>			
Cash and investments - restricted	\$ -	\$ 17,802,927	\$ 17,802,927
Total assets	\$ -	\$ 17,802,927	\$ 17,802,927
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 33,925	\$ 33,925
Total liabilities	-	33,925	33,925
<b>Fund Balances</b>			
Restricted:			
Emergencies reserve	-	-	-
Capital projects	-	17,769,002	17,769,002
Unassigned	-	-	-
Total Fund Balances	-	17,769,002	17,769,002
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	\$ -	\$ 17,802,927	\$ 17,802,927
Total governmental fund balance per above			\$ 17,769,002
Amounts reported for governmental activities in the Statement of Net Position excluded from the governmental fund balance because:			
Long term liabilities not payable in the current year are excluded as liabilities in the governmental funds. Interest on long-term debt is recognized as an expenditure in governmental funds when due. These include:			
Bonds payable			(18,474,000)
Accrued interest			(90,000)
Net position of governmental activities			\$ (794,998)

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

**Prairie Song Metropolitan District No. 4**  
**Governmental Fund Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended December 31, 2021**

	General	Capital Projects	Total Governmental Funds
<b>Revenues</b>			
Property taxes	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>Expenditures</b>			
Costs of issuance	-	704,998	704,998
Total Expenditures	-	704,998	704,998
<b>Other Financing Sources and Uses</b>			
Bond proceeds	-	18,474,000	18,474,000
Total Other Financing Sources and Uses	-	18,474,000	18,474,000
<b>Net change in fund balances</b>	-	17,769,002	17,769,002
<b>Fund balances:</b>			
<b>Beginning of the year</b>	-	-	-
<b>End of the year</b>	\$ -	\$ 17,769,002	\$ 17,769,002

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

**Prairie Song Metropolitan District No. 4**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2021**

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

Net change in fund balance—total governmental funds	\$ 17,769,002
<p>Long-term debt 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. Also, governmental funds do not report new long-term commitments until paid, while the commitment expense is recorded as a change in net position.</p>	
Bond proceeds	(18,474,000)
Accrued Interest - Change in Liability	<u>(90,000)</u>
Change in net position of governmental activities	<u><u>\$ (794,998)</u></u>

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

**Prairie Song Metropolitan District No. 4**  
**Statement of Revenue, Expenditures**  
**and Changes in Fund Balances—Actual and Budget**  
**Governmental Fund Type—General Fund**  
**For the Year Ended December 31, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue</b>			
Operating advances	\$ 65,405	\$ -	\$ (65,405)
Total Revenue	<u>65,405</u>	<u>-</u>	<u>(65,405)</u>
<b>Expenditures</b>			
Accounting and finance	3,250	-	3,250
District management	3,250	-	3,250
Insurance	1,000	-	1,000
Legal	30,000	-	30,000
Office, dues, newsletters and other	1,000	-	1,000
Contingency	25,000	-	25,000
Total Expenditures	<u>63,500</u>	<u>-</u>	<u>63,500</u>
<b>Net change in fund balances</b>	<u>1,905</u>	<u>-</u>	<u>(1,905)</u>
<b>Fund Balances—Beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances—End of Year</b>	<u>\$ 1,905</u>	<u>\$ -</u>	<u>\$ (1,905)</u>

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

# **Prairie Song Metropolitan District No. 4**

## **Notes to Financial Statements**

### **December 31, 2021**

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#### **1. Definition of Reporting Entity**

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Prairie Song Metropolitan District No. 4 (“District”) was formed to provide public services and improvements for the District and surrounding area within its boundaries. The District is governed by a five-member Board of Directors (the “Board”) elected by the constituents. The District operates in conjunction with Prairie Song Metropolitan District Nos. 1 - 9, collectively, “Districts” and was established as the Financing District.

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

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Based on the application of these criteria, the District does not include additional organizations in its reporting entity.

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#### **2. Summary of Significant Accounting Policies**

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##### **Government-wide and Fund Financial Statements**

The government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all of the governmental activities of the District.

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

Revenues and expenditures are recorded on the accrual basis of accounting.

##### **Governmental Fund Financial Statements**

The governmental fund financial statements are prepared 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 if the revenues are collectible within the current period, or soon thereafter, to pay liabilities of the current period. For that purpose, the District considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period.

**Prairie Song Metropolitan District No. 4**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

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**Governmental Funds**

For 2021, the District has two Governmental Funds:

- *The General Fund* is the general operating fund of the District. It is used to account for all of the financial resources not accounted for and reported in another fund,
- *The Capital Projects Fund* is used to account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlays,

**Deposits**

District management considers cash and cash equivalents to include cash on hand, demand deposits, and money market accounts. Investments, as applicable, of the District are reported at fair value.

District management may at times follow the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by regulations or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements may be pooled for deposit and investment flexibility. As applicable, investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Receivables**

Receivables are reported net of an allowance for uncollectible accounts, where applicable.

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future years and are recorded as prepaid expenses in both the government-wide and fund financial statements using the consumption method.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Property and equipment of the District is depreciated using the straight-line method over the estimated useful lives.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

As of December 31, 2021, the District had no capital assets.

**Prairie Song Metropolitan District No. 4**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

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**Fair Value of Financial Instruments**

The District's financial instruments include cash and cash equivalents, various receivables, and accounts payable. The District estimates that the fair value of these financial instruments, as of December 31, 2021, does not differ materially from the aggregate carrying values used in the accompanying financial statements.

The carrying amount of these financial instruments approximates the fair value due to the short maturity of these financial instruments.

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP involves the use of management's estimates which affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. These estimates are based upon management's best judgment, after considering past events and assumptions about future events. Actual results could differ from those estimates.

**Long-Term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components.

The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties, constitutional provisions, or enabling legislation.

**Prairie Song Metropolitan District No. 4**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**2. Summary of Significant Accounting Policies (continued)**

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- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above. If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

**Restricted Fund Balance**

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

**Net Position**

The District's net position represents the difference between the District's assets, liabilities, and deferred inflows of resources. The District reports two categories of net position, as follows:

*Restricted net position* - net position is considered restricted if its 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 positions are available, the District will use the most restrictive net position first.

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**3. Budget Information**

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Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with State Budget Law, the District's Board of Directors holds a public hearing in the fall of each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditure 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 total appropriation can only be modified upon completion of a budget amendment approved following a public hearing on the same. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year-end.



**Prairie Song Metropolitan District No. 4**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**4. Cash and Investments**

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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.

As of December 31, 2021, the District's cash deposits had a carrying and bank balance of \$17,802,927, of which \$250,000 was FDIC insured.

*Restricted Cash and Cash Equivalents*

The District's restricted cash and cash equivalents pertain to the amount of cash and cash equivalents equal to the cash held within the Capital Projects Fund.

*Investments*

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but adheres to state statute requirements.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The District has no investments as of December 31, 2021.

**Prairie Song Metropolitan District No. 4**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**5. Long-Term Liabilities**

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

	Balance at December 31, 2020	Additions	Retirements	Balance at December 31, 2021	Due Within One Year
Bonds Payable, Series 2021	-	18,474,000	-	18,474,000	-
Total	<u>\$ -</u>	<u>\$ 18,474,000</u>	<u>\$ -</u>	<u>\$ 18,474,000</u>	<u>\$ -</u>

**Series 2021(3) Limited Tax General Obligation Limited Tax Bonds**

On December 9, 2021, the District issued its \$18,474,000 Limited Tax General Obligation Bonds Series 2021(3) with an interest rate of 6% and a maturity of December 1, 2051. The Bonds are payable from pledged revenues, including property taxes derived from a mill levy of up to 34 mills, as adjusted for changes in assessment rates, and the specific ownership derived from such levy. The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in multiples of \$1,000. All or any principal amount of the Bonds may be subject to mandatory sinking fund redemption by lot on December 1 of the applicable years and in the principal amounts specified in the Sale Certificate, at a redemption price equal to the principal amount thereof (with no redemption premium or yield maintenance fee), plus accrued interest to the redemption date.

As the bonds are to be repaid annually based on available funds, there is no specific amortization schedule and therefore a schedule of future debt service is not presented.

**Debt Authorization**

On November 2, 2021, a majority of the qualified electors of the District authorized the issuance of general indebtedness of the Prairie Song Metropolitan Districts not to exceed \$1,265,000,000, for providing public improvements; and limited by the District Service Plan to not exceed \$115,000,000.

As of December 31, 2021, the amount of debt authorized under the Service Plan but unissued was \$96,526,000. Prairie Song Metropolitan District Nos. 1-9 intend to issue over time a part or all the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the service area of Prairie Song Metropolitan District Nos. 1-9.

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**6. Net Position**

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As of December 31, 2021, the District had a government-wide net position deficit of \$794,998. This deficit was created as the District used funding from the Developer to construct capital assets. The District can expect to eliminate the deficit net position as the District pays down its debt.

**Prairie Song Metropolitan District No. 4**  
**Notes to Financial Statements (continued)**  
**December 31, 2021**

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**7. Related Parties**

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The Developer of the property which constitutes the District is Prairie Song Development, LLC. All of the members of the Board are employees, owners or are otherwise associated with the Developers, and have disclosed any potential conflicts of interest in taking action on matters brought before the Board.

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**8. Risk Management**

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The District is a member of the Colorado Special Districts Property and Liability Pool ("Pool") as of December 31, 2021. The Pool is an organization created by intergovernmental agreements to provide property, liability, public officials' liability, boiler, and other 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 that the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

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**9. Tax, Spending and Debt Limitations**

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

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

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

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

## **Supplementary Information**

**Prairie Song Metropolitan District No. 4**  
**Statement of Revenue, Expenditures**  
**and Changes in Fund Balance—Actual and Budget**  
**Governmental Fund Type—Capital Projects Fund**  
**For the Year Ended December 31, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue:</b>			
Capital advances	\$ -	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Capital outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Bond proceeds	22,000,000	18,474,000	(3,526,000)
Bond issuance costs	<u>(750,000)</u>	<u>(704,998)</u>	<u>45,002</u>
Total other financing sources (uses)	<u>21,250,000</u>	<u>17,769,002</u>	<u>(3,480,998)</u>
<b>Net change in fund balance</b>	<u>21,250,000</u>	<u>17,769,002</u>	<u>(3,480,998)</u>
<b>Fund Balance—Beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance—End of Year</b>	<u>\$ 21,250,000</u>	<u>\$ 17,769,002</u>	<u>\$ (3,480,998)</u>