

SECTION 14 METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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NOTICE OF SPECIAL MEETING AND AGENDA

| <u>Board of Directors:</u> | <u>Office:</u> | <u>Term/Expiration:</u> |
|----------------------------|---------------------|-------------------------|
| Jay Perlmutter | President | 2020/May 2020 |
| Jonathan Perlmutter | Treasurer | 2022/May 2022 |
| Douglas C. Ernst | Assistant Secretary | 2022/May 2022 |
| G. Darwin Toll, Jr. | Assistant Secretary | 2020/May 2020 |
| Kenya Jenkins | Assistant Secretary | 2022/May 2022 |
| Ann Finn | Secretary | |

DATE: **July 11, 2019**

TIME: **11:00 a.m.**

PLACE: Jordon Perlmutter & Company
 1601 Blake Street, Suite 600
 Denver, Colorado 80217

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest and confirm quorum.

B. Approve Agenda; confirm location of the meeting and posting of meeting notices and designate 24-hour posting location.

1. Discuss new legislation regarding posting meeting notices and establishing a website (enclosure).

2. Consider adoption of Resolution of the Board of Directors of Section 14 Metropolitan District Establishing District Website and Designating Location for Posting of 24-Hour Notices (enclosure).

C. Review and approve Minutes of the November 26, 2018 special meeting (enclosure).

- D. Consider adoption of First Amendment to Resolution No. 2018-11-01, Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices (enclosure).
-

II. FINANCIAL MATTERS

- A. Review and ratify approval of payment of claims for the following periods (enclosures):

| Fund | Period ending Dec. 13, 2018 | Period ending Jan. 17, 2019 | Period ending Feb. 13, 2019 | Period ending March 15, 2019 |
|--------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|
| General | \$ 17,005.70 | \$ 13,655.11 | \$ 18,451.85 | \$ 10,706.15 |
| Debt | \$ 989,636.52 | \$ -0- | \$ -0- | \$ -0- |
| Capital | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| Total | \$ 1,006,642.22 | \$ 13,655.11 | \$ 18,451.85 | \$ 10,706.15 |

| Fund | Period ending April 19, 2019 | Period ending May 16, 2019 |
|--------------|---------------------------------|-------------------------------|
| General | \$ 12,711.39 | \$ 11,345.36 |
| Debt | \$ -0- | \$ -0- |
| Capital | \$ -0- | \$ -0- |
| Total | \$ 12,711.39 | \$ 11,345.36 |

- B. Review and accept unaudited financial statements through the period ending May 31, 2019, and the schedule of cash position statement dated May 31, 2019 (to be distributed).
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- C. Consider approval of 2018 Audit and authorize execution of Representations Letter (enclosures).
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- D. Consider appointment of District Accountant to prepare the 2020 Budget and set date for public hearing to adopt the 2020 Budget (the next regular meeting is scheduled for December 2, 2019 at 9:00 a.m.).
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III. LEGAL MATTERS

- A. Discuss possible Operating Mill Levy increase and debt authorization election in 2019. Discuss establishment of Committee to approve final ballot content.

- B. Consider approval of proposal from Manhard Consulting for surveying services (enclosure).

- C. Consider approval of Project Funding and Reimbursement Agreement for signage at Chanson Plaza (to be distributed).

- D. Consider approval of Project Funding and Reimbursement Agreement for signage at Belleview Shores (to be distributed).

IV. CAPITAL PROJECTS

- A. Ratify approval of Cost Verification Letter from EVO Consulting Services, Inc. in the amount of \$167,287.09 for the Chanson Plaza and Belleview Shores Signage (enclosure).

- B. Discuss possible capital improvement projects for 2019.

 - 1. Fencing Repair Work (Long Drive).

 - 2. Monument Upgrades (Bowles Village).

 - 3. Stormwater Drainage Structure at Chanson Plaza (to be distributed).

 - a. Consider approval of the District taking over maintenance (and possible ownership) of Stormwater Drainage Structure.

V. OTHER MATTERS

A. _____

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
DECEMBER 2, 2019.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.



MEMORANDUM

To: Special District Board of Directors
From: McGeady Becher
Date: June 19, 2019
Re: Legislative Changes to Public Meeting Notice Requirements

Introduction

The Colorado legislature recently passed House Bill 19-1087 ("HB 19-1087") which changes public meeting notice requirements of local public bodies, including counties, municipalities and special districts. The intent of the legislation is for local governments to transition from posting notices of public meetings in physical locations to posting notices online at the local government's website, social media account or other official online presence of the local government.

Historically, under Colorado's Open Meetings Law, a local government has been required to post notices of public meetings at a designated public place within the boundaries of the local government. In addition, Title 32 has required special districts to post notices of regular and special meetings at three designated public places within the boundaries of the district and at the office of the local county clerk and recorder. Title 32 has also required that the notices for special board meetings be posted at least 72 hours prior to the meeting.

New Public Meeting Notice Requirements pursuant to HB 19-1087

With the passage of HB 19-1087, effective as of August 2, 2019, special districts may satisfy the public notice requirements of the Open Meetings Law and Title 32 by posting notices of regular and special meetings, with specific agenda information if available, on a public website of the special district at least 24 hours in advance of the meeting. If a district is unable to post a notice on a public website (for example, if a district is in the process of establishing its website), the district shall continue to post its meeting notices in a physical location within the boundaries of the district. Posting in one physical location within the district will satisfy the public notice requirements; districts no longer have to post in three locations. In addition, districts no longer have to post special board meeting notices 72 hours in advance; posting notices at least 24 hours prior to the meeting is sufficient. Also, districts will no longer have to post notices at the county clerk and recorder's office.

The online notices must be posted on a public website of the local government. The notices must be accessible to the public at no charge. To the extent feasible, the local government shall make the notices searchable by type of meeting, date of meeting, time of meeting and agenda contents, and shall consider linking the notices to any appropriate social media accounts of the local government.

Establishing a District Website

The legislature recognizes that a number of factors may affect a local government's ability to easily establish a website and post meeting notices online, including the availability of reliable broadband, the lack of cellular telephone and other data services, and fiscal or staffing constraints of local governments. Accordingly, the legislature encourages local governments to avail themselves of existing public resources for creating a website and receiving content management assistance from the Colorado Statewide Internet Portal Authority ("SIPA") or other statewide associations representing local government entities. The SIPA website is at www.colorado.gov/sipa.

A question has arisen as to whether posting public meeting notices on the website of a district management company will satisfy the public notice requirement. Posting meeting notices on the website of a district management company will most likely not satisfy the posting requirements of Colorado's Open Meetings Law, as amended by HB 19-1087. The legislation specifies that a local public body will be deemed to have given full and timely notice when the meeting notice is posted *on a public website of the local public body* (emphasis added). This language is repeated several times throughout the bill. When read in concert with the provision of HB 19-1087 encouraging local governments to avail themselves of free public resources such as SIPA when creating their websites, it is reasonable to conclude that the legislature intends a local government to post meeting notices on its own public website in order to satisfy public notice requirements.

Designate a Physical Posting Location as a Back-Up

A local government, at its discretion, may post a physical notice within its boundaries in addition to posting the online notice but is not required to do so. In the event that the local government is unable to post the notice online due to exigent or emergency circumstances such as a power outage or an interruption in internet service that would prevent the public from accessing the notice online, it must designate a public place within its boundaries at which it may post a physical notice at least 24 hours before a meeting.

Recommended Action

The legislature will be closely monitoring the transition to providing notices of public meetings online over the next two years and, if significant progress is not made, it will enact legislation mandating the online posting, except in very narrow circumstances that are beyond the control of a local government.

In light of the passage of HB 19-1087, which will be codified as Section 24-6-402(2)(c)(I)-(IV), C.R.S. and will amend Section 32-1-903(2), C.R.S., we recommend our special district clients do the following:

- 1. Establish a district website if such website does not already exist.**
 - a. Should a district need assistance in creating its website or receiving content management assistance, it is encouraged to avail itself of existing public resources such as SIPA at www.colorado.gov/sipa.
- 2. Beginning August 2, 2019, post regular and special meeting notices and the meeting agenda on the district website at least 24 hours prior to the meeting.**
 - a. To the extent feasible, the notices shall be searchable by type of meeting, date of meeting, time of meeting and agenda contents and shall be linked to any appropriate social media accounts of the district;
 - b. Although HB 19-1087 requires posting of specific agenda information *if available* (emphasis added), our special district clients should continue to post the meeting agenda 24 hours prior to meetings because of conflicts requirements.
 - c. Note: the requirement to file conflict disclosures with the Secretary of State at least 72 hours prior to a regular and special meeting pursuant to Section 32-1-902(3)(b) is not affected by HB 19-1087 and remains the same.
- 3. Designate a physical posting location within the district's boundaries, should the district be unable to post the meeting notice online at least 24 hours prior to the meeting because the district has not yet established the district website or due to exigent or emergency circumstances.**
- 4. Provide the address of the district's website to the Colorado Department of Local Affairs.**
- 5. Approve a resolution to establish a district website and designate location for 24-hour posting.**

Please contact McGeady Becher P.C. with any questions related to HB 19-1087 or this Memorandum.

RESOLUTION NO. 2019-07-_____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SECTION 14
METROPOLITAN DISTRICT ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**").

B. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., effective as of August 2, 2019, special districts are relieved of the requirement to physically post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(I)(E), C.R.S., it is the intent of the Colorado General Assembly to closely monitor the transition to providing notices of public meetings online over the next two years and, if significant progress is not made, to bring legislation mandating in statute that all notices be posted online except in very narrow circumstances that are beyond the control of a local government.

E. Effective as of August 2, 2019, Section 32-1-903(2) has been amended to remove the requirement for additional postings at three public places within the boundaries of the special district and the office of the county clerk and recorder and the requirement for 72-hour notices for special meetings.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Section 14 Metropolitan District (the "**District**"), Jefferson County, Colorado:

1. That the Board of Directors (the "**District Board**") authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

2. That the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S., effective August 2, 2019.

3. That if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of

Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(III), C.R.S., at the following Designated Public Place:

(a) _____

[SIGNATURE PAGE FOLLOWS]

RESOLUTION APPROVED AND ADOPTED on July 11, 2019.

SECTION 14 METROPOLITAN DISTRICT

By: _____
President

Attest:

Secretary

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SECTION 14 METROPOLITAN DISTRICT HELD NOVEMBER 26, 2018

A special meeting of the Board of Directors of the Section 14 Metropolitan District, Jefferson County and the City and County of Denver, Colorado was duly posted and held on Monday, the 26th day of November, 2018, at 9:00 A.M., at the offices of Jordon Perlmutter and Co., 1601 Blake Street, Suite 600, Denver, Colorado 80217. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Jay Perlmutter
Douglas C. Ernst
G. Darwin Toll, Jr.
Kenya Jenkins

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the absence of Director Jonathan Perlmutter was excused.

Also In Attendance Were:

Ann Finn; Special District Management Services, Inc.

Jason Carroll; CliftonLarsonAllen LLP

MaryAnn M. McGeady, Esq.; McGeady Becher P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney McGeady noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that Directors' Disclosure Statements have been filed for all Directors.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Agenda was approved.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within the District's boundaries to conduct this meeting, it was determined to conduct the meeting at the above stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or requests that the meeting place be changed by residents or tax paying electors within its boundaries.

Minutes: The Board reviewed the Minutes of the July 17, 2018 special meeting.

Following discussion, upon motion duly made by Director Toll, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board approved the Minutes of the July 17, 2018 special meeting.

Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices: The Board discussed Resolution No. 2018-11-01; Establishing 2019 Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices.

Ms. Finn reviewed the business to be conducted in 2019 to meet the statutory compliance requirements. Following discussion, the Board determined to meet on June 24, 2019 and December 2, 2019, at 9:00 a.m. at the offices of Jordon Perlmutter and Company, 1601 Blake Street, Suite 600, Denver, Colorado 80217.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board approved Resolution No. 2018-11-01; Establishing Regular Meeting Dates, Times and

RECORD OF PROCEEDINGS

Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices. A copy of the Resolution is attached and incorporated herein.

§32-1-809, C.R.S. reporting requirements, mode of eligible elector notification: Ms. Finn discussed with the Board §32-1-809, C.R.S., reporting requirements and mode of eligible elector notification.

Following discussion, upon motion duly made by Director Toll, seconded by Director Ernst and, upon vote, unanimously carried, the Board authorized staff to post the required transparency notice on the SDA Website.

2019 Debt Authorization Election: Attorney McGeady discussed with the Board a possible debt authorization election in 2019. The Board deferred discussion to the June Board meeting.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

| Fund | Period ending July 19, 2018 | Period ending Aug. 21, 2018 | Period ending Sept. 12, 2018 | Period ending Oct. 18, 2018 |
|--------------|--------------------------------|--------------------------------|---------------------------------|--------------------------------|
| General | \$ 19,994.23 | \$ 38,069.91 | \$ 32,403.86 | \$ 24,796.66 |
| Debt | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| Capital | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| Total | \$ 19,994.23 | \$ 38,069.91 | \$ 32,403.86 | \$ 24,796.66 |

Following review, upon motion duly made by Director Jay Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims as presented.

The Board then considered approving the payment of claims for the period ending November 12, 2018 totaling \$29,934.96.

Following review and discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the payment of claims for the period ending November 12, 2018 were approved.

Unaudited Financial Statements: Mr. Carroll reviewed with the Board the unaudited financial statements through the period ending October 31, 2018, and the schedule of cash position statement dated October 31, 2018.

RECORD OF PROCEEDINGS

Following review, upon motion duly made by Director Jay Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the unaudited financial statements for the period ending October 31, 2018 and the schedule of cash position statement dated October 31, 2018 were accepted, as presented.

2018 Audit: The Board reviewed the engagement letter from Schilling & Company, Inc. to prepare the 2018 Audit.

Following discussion, upon motion duly made by Director Toll, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board approved the engagement of Schilling & Company, Inc. to perform the 2018 Audit, for an amount not to exceed \$5,000.

2018 Budget Amendment Hearing: The President opened the public hearing to consider a Resolution to Amend the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board determined that a 2018 Budget Amendment was not needed.

2019 Budget: The President opened the public hearing to consider the proposed 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Ms. Finn reviewed the estimated 2018 expenditures and the proposed 2019 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2018-11-02 to Adopt the 2019 Budget and Appropriate Sums of Money and Resolution No. 2018-11-03 to Set Mill Levies, as noted on the attached Certification of Tax Levies. Upon motion duly made by Director Jay Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the Resolutions were adopted, as

RECORD OF PROCEEDINGS

discussed, and execution of the Certification of Budget and Certifications of Mill Levies was authorized with changes as noted, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2018. Ms. Finn was directed to transmit the Certifications of Mill Levies to the Board of County Commissioners of Jefferson County and the City and County of Denver Assessor and the Division of Local Government, not later than December 15, 2018. Ms. Finn was also directed to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

Ms. Finn noted the outstanding bonds will be paid off by the end of 2019.

DLG-70 Mill Levy Certification: Ms. Finn discussed with the Board the DLG-70 Mill Levy Certification form. Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Jenkins and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 mill levy certification form, for certification to the Board of County Commissioners of Jefferson County and the City and County of Denver Assessor.

LEGAL MATTERS

There were no legal matters to discuss at this time.

CAPITAL PROJECTS

Request for Developer Reimbursement: The Board entered into discussion regarding requests for developer reimbursements for costs associated with public improvements.

Cost Verification Letter from EVO Consulting Services, Inc. ("EVO"): The Board reviewed the draft Cost Verification Letter received from EVO Consulting Services, Inc. for costs associated with the monument at Chanson Plaza and Belleview Shores.

Following review and discussion, upon motion duly made by Director Toll, seconded by Director Ernst and, upon vote, unanimously carried, the Board accepted the Engineer's Cost Verification Letter in the amount of \$167,287.09, subject to receipt of a license agreement from the developer for maintenance of the monument signs.

RECORD OF PROCEEDINGS

License Agreement: The Board entered into discussion regarding a license agreement between the developer and the District for maintenance of the monument signs at Chanson Plaza and Belleview Shores.

Following review and discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Toll and, upon vote, unanimously carried, the Board approved the License Agreement, subject to final review by General Counsel.

Capital Improvement Projects for 2019: The Board entered into discussion regarding possible capital improvement projects for 2019.

Director Toll requested evaluation be made of possible repair work to the fencing along Long Drive that has been damaged by reckless drivers hitting the fence. The Board also discussed possible monument upgrades in Bowles Village. No action was taken by the Board at this time.

OTHER MATTERS

There were no other matters to discuss at this time.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 26, 2018 MEETING MINUTES OF THE SECTION 14 METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Jay Perlmutter

Jonathan Perlmutter

Douglas C. Ernst

G. Darwin Toll, Jr.

Kenya Jenkins

RESOLUTION NO. 2018-11-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SECTION 14 METROPOLITAN DISTRICT
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.

D. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

E. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Section 14 Metropolitan District of the County of Jefferson and the City and County of Denver, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the "**District Board**") has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the Directors and consultants of the District in that they live and/or work outside the twenty (20) mile radius requirement.

3. That regular meetings of the District Board of the Section 14 Metropolitan District for the year 2019 shall be held on June 24 and December 2 at 9:00 a.m., at the offices of Jordon Perlmutter & Co., 1601 Blake Street, #600, Denver, Colorado.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each Director.

5. That, until circumstances change and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s), location(s) and any such objections shall be considered by the District Board in setting future meetings.

7. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

(a) Bowles Village Shopping Center, 7421 W. Bowles Ave., Littleton, Colorado

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S., at the following locations:

(a) Bowles Village Shopping Center, 7421 W. Bowles Ave., Littleton, Colorado

(b) Belleview Shores, 5300 Block of Wadsworth Blvd., Lakewood, Colorado

(c) Chanson Plaza, 8100 Block of Bowles Ave., Littleton, Colorado


9. _____, or his/her designee, is hereby appointed to post the above-referenced notices.

RESOLUTION APPROVED AND ADOPTED on November 26, 2018.

**SECTION 14 METROPOLITAN
DISTRICT**

By:  _____
President

Attest:

 _____
Secretary

RESOLUTION NO. 2018 - 11 - 02
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SECTION 14 METROPOLITAN DISTRICT
TO ADOPT THE 2019 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Section 14 Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2019 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2018, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 26, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Section 14 Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Section 14 Metropolitan District for the 2019 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 26th day of November, 2018.



A handwritten signature in black ink, consisting of stylized letters, positioned above a horizontal line.

Secretary

EXHIBIT A
(Budget)

SECTION 14 METROPOLITAN DISTRICT

2019 Budget Message

Introduction

Section 14 Metropolitan District (the “District”) was formed in 1987 for the purpose of providing streets, associated safety protection facilities, storm drainage and irrigation facilities, sanitary sewer and water facilities, and landscaping improvements. All services are provided for property owners located within District boundaries.

The District consists of approximately 177 acres located in Jefferson County, City and County of Denver, and the City of Lakewood.

Under agreement with various jurisdictions, a majority of improvements have been dedicated to the respective jurisdictions.

The 2019 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2019 fiscal year based on available revenues. This budget provides for the annual debt service on the District’s General Obligation Debt as well as the general operation of the District and reimbursement of capital expenses.

Current District

The District’s assessed value of non-excluded property decreased 0.5% to \$50,470,902 in 2019. The District’s overall mill levy stayed the same at 23.669 mills with 7.519 mills dedicated to the General Fund and 16.150 mills dedicated to the Debt Service Fund for tax collected in the 2019 fiscal year. The District has passed a ballot question authorizing the increase of the General Fund operations mill levy up to 10 mills.

Exclusions

The District has excluded four parcels of real property from its boundaries (“Excluded Parcels”). The Excluded Parcels are responsible for servicing debt on the Series 2000 General Obligation Variable Rate Refunding Bonds. The mill levies for the Excluded Parcels are adjusted annually based on each exclusion’s responsible share of the annual debt service. The Westlake/Fairmark and Jefferson 1994 Exclusions have a mill levy of 5.819 and the Villages at Raccoon Creek and Grant Ranch Cove Exclusions have a mill levy of 16.150 mills.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District’s funds are considered governmental funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government. The District retains the services of a contract administrator to provide the on-going management of the District. No change in the level of services from the current year is proposed. In 1999, the District began contributing to the landscape maintenance responsibilities and anticipates that the level of service will continue to increase in the years ahead. The District contributes for maintenance of monuments and landscape improvements.

The **Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt obligations. Below is a consolidated summary of the District's remaining General Obligation long-term debt.

| Bonds Principal and Interest Maturing in the Year(s) Ending | \$ 5,995,000 | | |
|---|--|-----------|--------------|
| | Series 2000 GO Variable Rate Refunding Bonds | | |
| | Principal | Interest | Total |
| 2019 | 995,000 | 49,750 | 1,044,750 |
| Total | \$ 995,000 | \$ 49,750 | \$ 1,044,750 |

The **Capital Projects Fund** is used to account for revenues and expenditures for reimbursement of capital projects. In 2019, the Board budgeted for a developer reimbursement in the amount of \$382,725 for capital projects, pursuant to the Project Funding and Reimbursement Agreement.

Emergency Reserve

As required by Section 20 of Article X of the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

SECTION 14 METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

| | 2017 Actual | 2018 Adopted Budget | 2019 Adopted Budget |
|---|----------------------|------------------------|------------------------|
| Assessed Valuation | | | |
| Jefferson County | \$ 37,534,351 | \$ 42,757,296 | \$ 41,154,972 |
| Denver County | 8,443,000 | 9,583,720 | 9,315,930 |
| Sub Total Assessed Valuation | 45,977,351 | 52,341,016 | 50,470,902 |
| Assessed Valuation Exclusions | | | |
| Jefferson Exclusions: | | | |
| Jefferson-1994 | 4,220,332 | 4,886,852 | 4,915,422 |
| Grant Ranch Cove-04 | 3,546,470 | 3,672,778 | 3,689,155 |
| Denver Exclusions: | | | |
| Westlake (Fairmark) | 4,150,630 | 4,806,530 | 4,598,240 |
| Villages at Raccoon Creek | 3,506,510 | 3,762,240 | 3,592,890 |
| Sub Total Assessed Valuations Exclusions | 15,423,942 | 17,128,400 | 16,795,707 |
| TOTAL ASSESSED VALUATIONS | \$ 61,401,293 | \$ 69,469,416 | \$ 67,266,609 |
| Mill Levy | | | |
| General Fund | 5.110 | 9.857 | 7.519 |
| Temporary Mill Levy Reduction | 0.000 | 0.000 | 0.000 |
| Refunds and Abatements | | | |
| Denver | 0.000 | 0.000 | 0.000 |
| Denver - Villages at Raccoon Creek | 0.000 | 0.000 | 0.000 |
| Jefferson | 0.000 | 0.000 | 0.134 |
| Jefferson - Exclusion 1994 | 0.000 | 0.000 | 0.000 |
| Jefferson - Grant Ranch Cove | 0.000 | 0.000 | 0.000 |
| Debt Service Fund | | | |
| Denver | 18.559 | 13.812 | 16.150 |
| Denver - Westlake aka Fairmark | 6.687 | 4.976 | 5.819 |
| Denver - Villages at Raccoon Creek | 18.559 | 13.812 | 16.150 |
| Jefferson | 18.559 | 13.812 | 16.150 |
| Jefferson - Exclusion 1994 | 6.687 | 4.976 | 5.819 |
| Jefferson - Exclusion Grant Ranch Cove | 18.559 | 13.812 | 16.150 |
| Combined Total Mill Levy-Jefferson/Denver ONLY | 23.669 | 23.669 | 23.669 |
| Property Taxes | | | |
| General Fund | \$ 234,945 | \$ 515,926 | \$ 379,490 |
| Debt Service Fund | 853,294 | 722,934 | 815,105 |
| Debt Service Fund Exclusions | 186,872 | 150,926 | 172,965 |
| Temporary Mill Levy Reduction | - | - | - |
| Refunds and Abatements | - | 1,685 | 5,515 |
| Actual/Budgeted Property Taxes | \$ 1,275,111 | \$ 1,391,471 | \$ 1,373,075 |

SECTION 14 METROPOLITAN DISTRICT

GENERAL FUND 2019 Adopted Budget with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated

| | 2017 Actual | 2018 Adopted Budget | 2018 Estimated | 2019 Adopted Budget |
|---|----------------|------------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE | \$ 300,061 | \$ 88,776 | \$ 463,606 | \$ 566,388 |
| REVENUE | | | | |
| Property Taxes - Denver | 43,144 | 94,467 | 94,467 | 70,046 |
| Property Taxes - Jeff. Cty. | 190,844 | 421,459 | 421,459 | 309,444 |
| Specific Ownership Taxes | 117,015 | 86,608 | 86,608 | 86,608 |
| Interest Income | 5,219 | 5,000 | 14,000 | 5,000 |
| Miscellaneous Income | 40,000 | - | - | - |
| Total Revenue | 396,222 | 607,534 | 616,534 | 471,098 |
| Total Funds Available | 696,283 | 696,310 | 1,080,140 | 1,037,487 |
| EXPENDITURES | | | | |
| Accounting | 10,881 | 11,220 | 11,200 | 11,500 |
| District Management | 8,515 | 9,017 | 9,000 | 9,400 |
| Audit | 4,667 | 6,000 | 5,685 | 6,000 |
| Director's Fees | 1,400 | 1,500 | 800 | 1,600 |
| Dues & Subscriptions | 475 | 600 | - | 600 |
| Election Expense | - | 1,000 | 970 | - |
| Insurance | 5,001 | 6,284 | 5,740 | 6,900 |
| Legal | 8,136 | 14,280 | 14,000 | 14,500 |
| Legal Publications | - | 100 | 100 | 100 |
| Miscellaneous Expenses | 104 | 1,000 | 1,000 | 1,000 |
| C&C of Denver Annual Fee | 3,000 | 3,000 | 3,000 | 3,000 |
| Payroll Taxes | 107 | 115 | 62 | 122 |
| Treasurer's Fees | 3,296 | 7,739 | 7,739 | 5,692 |
| Utilities | 101,912 | 90,000 | 90,000 | 90,000 |
| Landscape Maintenance | 85,185 | 95,000 | 95,000 | 95,000 |
| Contingency | - | 81,230 | 81,230 | 85,000 |
| Emergency Reserves | - | 18,225 | 18,225 | 14,133 |
| Total Expenditures | 232,678 | 346,310 | 343,751 | 344,548 |
| Transfers and Other Uses | | | | |
| Transfer to Capital | - | 350,000 | 170,000 | 380,000 |
| Transfer to Debt Service | | | | 2,042 |
| Total Expenditures Requiring Appropriation | 232,678 | 696,310 | 513,751 | 726,590 |
| ENDING FUND BALANCE | \$ 463,605 | \$ - | \$ 566,388 | \$ 310,897 |

SECTION 14 METROPOLITAN DISTRICT

DEBT SERVICE FUND 2019 Adopted Budget with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated

| | 2017 Actual | 2018 Adopted Budget | 2018 Estimated | 2019 Adopted Budget |
|---|------------------|------------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE | \$ 226,074 | \$ 230,726 | \$ 229,836 | \$ 65,467 |
| REVENUE | | | | |
| Property Taxes - Denver | 156,694 | 132,370 | 132,370 | 150,452 |
| Property Taxes - Jeff. Cty. | 693,124 | 591,505 | 591,505 | 670,168 |
| Ppty Taxes - Ex Denver | 92,627 | 75,881 | 75,881 | 84,782 |
| Ppty Taxes - Ex Jeff. Cty. | 93,779 | 75,758 | 75,758 | 88,183 |
| Interest Income | 8,576 | - | 13,000 | 2,380 |
| Transfer from General Fund | | | | 2,042 |
| Total Revenue | 1,044,799 | 875,514 | 888,514 | 998,007 |
| Total Funds Available | 1,270,873 | 1,106,240 | 1,118,350 | 1,063,474 |
| EXPENDITURES | | | | |
| Bond Principal 2000 | 885,000 | 940,000 | 940,000 | 995,000 |
| Bond Interest 2000 | 138,788 | 96,750 | 96,750 | 49,750 |
| Trustee/Paying Agent Fees | 2,750 | 4,000 | 3,000 | 3,821 |
| Treasurer's Fees | 14,499 | 13,133 | 13,133 | 14,904 |
| Total Expenditures | 1,041,036 | 1,053,883 | 1,052,883 | 1,063,475 |
| Total Expenditures Requiring Appropriation | 1,041,036 | 1,053,883 | 1,052,883 | 1,063,475 |
| ENDING FUND BALANCE | \$ 229,836 | \$ 52,357 | \$ 65,467 | \$ - |

SECTION 14 METROPOLITAN DISTRICT


CAPITAL PROJECTS FUND

2019 Adopted Budget

with 2017 Actual, 2018 Adopted Budget, and 2018 Estimated

| | 2017 Actual | 2018 Adopted Budget | 2018 Estimated | 2019 Adopted Budget |
|---|----------------|------------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE | \$ 1,762 | \$ 201,769 | \$ 1,769 | \$ 4,494 |
| REVENUE | | | | |
| Interest Income | 7 | - | 12 | - |
| Transfer from General Fund | - | 350,000 | 170,000 | 380,000 |
| Total Revenue | 7 | 350,000 | 170,012 | 380,000 |
| Total Funds Available | 1,769 | 551,769 | 171,781 | 384,494 |
| EXPENDITURES | | | | |
| Reimbrse developer- cap. proj. | - | 550,000 | 167,287 | 382,725 |
| Contingency | - | 1,769 | - | 1,769 |
| Total Expenditures | - | 551,769 | 167,287 | 384,494 |
| Total Expenditures Requiring Appropriation | - | 551,769 | 167,287 | 384,494 |
| ENDING FUND BALANCE | \$ 1,769 | \$ - | \$ 4,494 | \$ - |

I, Ann E. Finn, hereby certify that I am the duly appointed Secretary of the Section 14 Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2019, duly adopted at a meeting of the Board of Directors of the Section 14 Metropolitan District held on November 26, 2018.

By:  _____
Secretary

RESOLUTION NO. 2018 - 11 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SECTION 14 METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Section 14 Metropolitan District ("District") has adopted the 2019 annual budget in accordance with the Local Government Budget Law on November 26, 2018; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2019 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

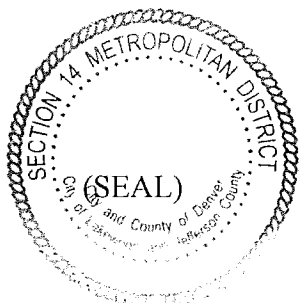
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Section 14 Metropolitan District:


1. That for the purposes of meeting all general fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the City Council of the City and County of Denver and the County Commissioners of Jefferson County, Colorado, the mill levies for the District as set forth in the District's Certifications of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessors in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 26th day of November, 2018.





Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Jefferson County, Colorado.On behalf of the Section 14 Metropolitan District (Bonds only) EX-04-4807 Grant Ranch Cove,(taxing entity)^Athe Board of Directors(governing body)^Bof the Section 14 Metropolitan District(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$
assessed valuation of:

3,689,155

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of:

3,689,155

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/15/2018 for budget/fiscal year 2019
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)**LEVY²****REVENUE²**1. General Operating Expenses^H

0.000

mills

\$

0

2. <Minus> Temporary General Property Tax Credit/
Temporary Mill Levy Rate Reduction^I

<

0.000

>

mills

\$

< 0 >

SUBTOTAL FOR GENERAL OPERATING:

0.000

mills

\$

0

3. General Obligation Bonds and Interest^J

16.150

mills

\$

59,580

4. Contractual Obligations^K

0.000

mills

\$

0

5. Capital Expenditures^L

0.000

mills

\$

0

6. Refunds/Abatements^M

0.000

mills

\$

0

7. Other^N (specify):

0.000

mills

\$

0

0.000

mills

\$

0

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]

16.150

mills

\$

59,580

Contact person:
(print)

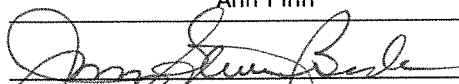
Ann Finn

Daytime
phone:

(303)

987-0835

Signed:



Title:

District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

| | General Obligation Funding Bonds |
|----------------------|----------------------------------|
| 1. Purpose of Issue: | _____ |
| Series: | 2000 |
| Date of Issue: | April 27, 2000 |
| Coupon Rate: | 4.5% to 5.0% |
| Maturity Date: | December 1, 2019 |
| Levy: | 16.150 |
| Revenue: | \$59,580 |
| 2. Purpose of Issue: | _____ |
| Series: | _____ |
| Date of Issue: | _____ |
| Coupon Rate: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |

CONTRACTS^K:

| | |
|-------------------------|-------|
| 3. Purpose of Contract: | _____ |
| Title: | _____ |
| Date: | _____ |
| Principal Amount: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |
| 4. Purpose of Contract: | _____ |
| Title: | _____ |
| Date: | _____ |
| Principal Amount: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Jefferson County, Colorado.On behalf of the Section 14 Metropolitan District (Bonds only) EX 94-4806,
(taxing entity)^Athe Board of Directors
(governing body)^Bof the Section 14 Metropolitan District
(local government)^CHereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 4,915,422
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be \$ 4,915,422
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10**Submitted: 12/15/2018 for budget/fiscal year 2019.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)**PURPOSE** (see end notes for definitions and examples)**LEVY²****REVENUE²**

| | | |
|--|------------------------|------------------|
| 1. General Operating Expenses ^H | <u>0.000</u> mills | \$ <u>0</u> |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < <u>0.000</u> > mills | \$ < <u>0</u> > |
| SUBTOTAL FOR GENERAL OPERATING: | <u>0.000</u> mills | \$ <u>0</u> |
| 3. General Obligation Bonds and Interest ^J | <u>5.819</u> mills | \$ <u>28,603</u> |
| 4. Contractual Obligations ^K | <u>0.000</u> mills | \$ <u>0</u> |
| 5. Capital Expenditures ^L | <u>0.000</u> mills | \$ <u>0</u> |
| 6. Refunds/Abatements ^M | <u>0.000</u> mills | \$ <u>0</u> |
| 7. Other ^N (specify): _____ | <u>0.000</u> mills | \$ <u>0</u> |
| | <u>0.000</u> mills | \$ <u>0</u> |

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]5.819

mills

\$ 28,603Contact person:
(print)

Ann Finn

Daytime
phone:

(303)

987-0835

Signed:

Title:

District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

| | General Obligation Funding Bonds |
|----------------------|----------------------------------|
| 1. Purpose of Issue: | _____ |
| Series: | 2000 |
| Date of Issue: | April 27, 2000 |
| Coupon Rate: | 4.5% to 5.0% |
| Maturity Date: | December 1, 2019 |
| Levy: | 5.819 |
| Revenue: | \$28,603 |
| 2. Purpose of Issue: | _____ |
| Series: | _____ |
| Date of Issue: | _____ |
| Coupon Rate: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |

CONTRACTS^K:

| | |
|-------------------------|-------|
| 3. Purpose of Contract: | _____ |
| Title: | _____ |
| Date: | _____ |
| Principal Amount: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |
| 4. Purpose of Contract: | _____ |
| Title: | _____ |
| Date: | _____ |
| Principal Amount: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Jefferson County, Colorado.On behalf of the Section 14 Metropolitan District,
(taxing entity)^Athe Board of Directors
(governing body)^Bof the Section 14 Metropolitan District
(local government)^CHereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 41,154,972
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be \$ 41,154,972
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10**Submitted: 12/15/2018 for budget/fiscal year 2019.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)**PURPOSE** (see end notes for definitions and examples)**LEVY²****REVENUE²**

| | | |
|--|------------------------|-------------------|
| 1. General Operating Expenses ^H | <u>7.519</u> mills | \$ <u>309,444</u> |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < <u>0.000</u> > mills | \$ < <u>0</u> > |
| SUBTOTAL FOR GENERAL OPERATING: | <u>7.519</u> mills | \$ <u>309,444</u> |
| 3. General Obligation Bonds and Interest ^J | <u>16.150</u> mills | \$ <u>664,653</u> |
| 4. Contractual Obligations ^K | <u>0.000</u> mills | \$ <u>0</u> |
| 5. Capital Expenditures ^L | <u>0.000</u> mills | \$ <u>0</u> |
| 6. Refunds/Abatements ^M | <u>0.134</u> mills | \$ <u>5,515</u> |
| 7. Other ^N (specify): _____ | <u>0.000</u> mills | \$ <u>0</u> |
| | <u>0.000</u> mills | \$ <u>0</u> |

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]23.803

mills

\$ 979,612Contact person:
(print)

Ann Finn

Daytime
phone:

(303)

987-0835

Signed:

Title:

District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

| | General Obligation Funding Bonds |
|----------------------|----------------------------------|
| 1. Purpose of Issue: | _____ |
| Series: | 2000 |
| Date of Issue: | April 27, 2000 |
| Coupon Rate: | 4.5% to 5.0% |
| Maturity Date: | December 1, 2019 |
| Levy: | 16.150 |
| Revenue: | \$664,653 |
| 2. Purpose of Issue: | _____ |
| Series: | _____ |
| Date of Issue: | _____ |
| Coupon Rate: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |

CONTRACTS^K:

| | |
|-------------------------|-------|
| 3. Purpose of Contract: | _____ |
| Title: | _____ |
| Date: | _____ |
| Principal Amount: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |
| 4. Purpose of Contract: | _____ |
| Title: | _____ |
| Date: | _____ |
| Principal Amount: | _____ |
| Maturity Date: | _____ |
| Levy: | _____ |
| Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of _____ City and County of Denver _____, Colorado.On behalf of the _____ Section 14 Metropolitan District (Bonds only) EX '95 Fairmark/Westlake _____,
(taxing entity)^Athe _____ Board of Directors _____
(governing body)^Bof the _____ Section 14 Metropolitan District _____
(local government)^CHereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ _____ 4,598,240
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be \$ _____ 4,598,240
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10**Submitted: _____ 12/15/2018 _____ for budget/fiscal year _____ 2019 _____
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)**PURPOSE** (see end notes for definitions and examples)**LEVY²****REVENUE²**

| | | | | |
|--|-----------|-------|----|--------|
| 1. General Operating Expenses ^H | 0.000 | mills | \$ | 0 |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < 0.000 > | mills | \$ | < 0 > |
| SUBTOTAL FOR GENERAL OPERATING: | 0.000 | mills | \$ | 0 |
| 3. General Obligation Bonds and Interest ^J | 5.819 | mills | \$ | 26,757 |
| 4. Contractual Obligations ^K | 0.000 | mills | \$ | 0 |
| 5. Capital Expenditures ^L | 0.000 | mills | \$ | 0 |
| 6. Refunds/Abatements ^M | 0.000 | mills | \$ | 0 |
| 7. Other ^N (specify): _____ | 0.000 | mills | \$ | 0 |
| | 0.000 | mills | \$ | 0 |

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]

5.819

mills

\$

26,757

Contact person:
(print)

Ann Finn

Daytime
phone:

(303)

987-0835

Signed:

Title:

District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form
for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of
Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

| | | |
|----|-------------------|------------------------------------|
| 1. | Purpose of Issue: | General Obligation Refunding Bonds |
| | Series: | 2000 |
| | Date of Issue: | April 27, 2000 |
| | Coupon Rate: | 4.5% to 5.0% |
| | Maturity Date: | December 1, 2019 |
| | Levy: | 5.819 |
| | Revenue: | \$26,757 |
| 2. | Purpose of Issue: | |
| | Series: | |
| | Date of Issue: | |
| | Coupon Rate: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

CONTRACTS^K:

| | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |
| 4. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of _____ City and County of Denver _____, Colorado.

On behalf of the _____ Section 14 Metropolitan District (Bonds only) EX '95 Villages at Raccoon Creek _____,

(taxing entity)^A

the _____ Board of Directors _____

(governing body)^B

of the _____ Section 14 Metropolitan District _____

(local government)^C**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ assessed valuation of:

3,592,890

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

3,592,890

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**Submitted:** _____ 12/15/2018 _____ for budget/fiscal year _____ 2019 _____
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)**PURPOSE** (see end notes for definitions and examples)**LEVY²****REVENUE²**

| | | |
|--|-----------------|-----------|
| 1. General Operating Expenses ^H | 0.000 mills | \$ 0 |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < 0.000 > mills | \$ < 0 > |
| SUBTOTAL FOR GENERAL OPERATING: | 0.000 mills | \$ 0 |
| 3. General Obligation Bonds and Interest ^J | 16.150 mills | \$ 58,025 |
| 4. Contractual Obligations ^K | 0.000 mills | \$ 0 |
| 5. Capital Expenditures ^L | 0.000 mills | \$ 0 |
| 6. Refunds/Abatements ^M | 0.000 mills | \$ 0 |
| 7. Other ^N (specify): _____ | 0.000 mills | \$ 0 |
| _____ | 0.000 mills | \$ 0 |

TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]

16.150

mills

\$

58,025

Contact person:
(print)

Ann Finn

Daytime
phone:

(303)

987-0835

Signed:

Title:

District Accountant

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

| | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | <u>General Obligation Refunding Bonds</u> |
| | Series: | <u>2000</u> |
| | Date of Issue: | <u>April 27, 2000</u> |
| | Coupon Rate: | <u>4.5% to 5.0%</u> |
| | Maturity Date: | <u>December 1, 2019</u> |
| | Levy: | <u>16.150</u> |
| | Revenue: | <u>\$58,025</u> |
| 2. | Purpose of Issue: | <u></u> |
| | Series: | <u></u> |
| | Date of Issue: | <u></u> |
| | Coupon Rate: | <u></u> |
| | Maturity Date: | <u></u> |
| | Levy: | <u></u> |
| | Revenue: | <u></u> |

CONTRACTS^K:

| | | |
|----|----------------------|---------|
| 3. | Purpose of Contract: | <u></u> |
| | Title: | <u></u> |
| | Date: | <u></u> |
| | Principal Amount: | <u></u> |
| | Maturity Date: | <u></u> |
| | Levy: | <u></u> |
| | Revenue: | <u></u> |
| 4. | Purpose of Contract: | <u></u> |
| | Title: | <u></u> |
| | Date: | <u></u> |
| | Principal Amount: | <u></u> |
| | Maturity Date: | <u></u> |
| | Levy: | <u></u> |
| | Revenue: | <u></u> |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of _____ City and County of Denver _____, Colorado.

On behalf of the _____ Section 14 Metropolitan District _____,

(taxing entity)^A

the _____ Board of Directors _____

(governing body)^B

of the _____ Section 14 Metropolitan District _____

(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$
assessed valuation of:

9,315,930

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be
calculated using the NET AV. The taxing entity's total
property tax revenue will be derived from the mill levy
multiplied against the NET assessed valuation of:

9,315,930

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
BY ASSESSOR NO LATER THAN DECEMBER 10**

Submitted: _____ 12/15/2018 _____ for budget/fiscal year _____ 2019 _____
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)**LEVY²****REVENUE²**

| | | |
|--|-----------------|------------|
| 1. General Operating Expenses ^H | 7.519 mills | \$ 70,046 |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < 0.000 > mills | \$ < 0 > |
| SUBTOTAL FOR GENERAL OPERATING: | 7.519 mills | \$ 70,046 |
| 3. General Obligation Bonds and Interest ^J | 16.150 mills | \$ 150,452 |
| 4. Contractual Obligations ^K | 0.000 mills | \$ 0 |
| 5. Capital Expenditures ^L | 0.000 mills | \$ 0 |
| 6. Refunds/Abatements ^M | 0.000 mills | \$ 0 |
| 7. Other ^N (specify): _____ | 0.000 mills | \$ 0 |
| | 0.000 mills | \$ 0 |

TOTAL: [Sum of General Operating
Subtotal and Lines 3 to 7]

23.669

mills

\$ 220,498

Contact person:
(print)

Ann Finn

Daytime
phone:

(303)

987-0835

Signed:

Title:

District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the
Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

| | | |
|----|-------------------|------------------------------------|
| 1. | Purpose of Issue: | General Obligation Refunding Bonds |
| | Series: | 2000 |
| | Date of Issue: | April 27, 2000 |
| | Coupon Rate: | 4.5% to 5.0% |
| | Maturity Date: | December 1, 2019 |
| | Levy: | 16.150 |
| | Revenue: | \$150,452 |
| 2. | Purpose of Issue: | |
| | Series: | |
| | Date of Issue: | |
| | Coupon Rate: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

CONTRACTS^K:

| | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |
| 4. | Purpose of Contract: | |
| | Title: | |
| | Date: | |
| | Principal Amount: | |
| | Maturity Date: | |
| | Levy: | |
| | Revenue: | |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**FIRST AMENDMENT TO RESOLUTION NO. 2018-11-01,
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES**

A. On November 26, 2018, Section 14 Metropolitan District (the “**District**”) adopted Resolution No. 2018-11-01 Establishing Regular Meeting Dates, Time and Location, and Designating Locations for Posting of 72-Hour and 24-Hour Notices (the “**Resolution**”); and

B. The District desires to amend the Resolution due to Colorado legislative changes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Section 14 Metropolitan District, Jefferson County, Colorado:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Resolution.

2. Amendment to Recital C of Resolution. Recital C of the Resolution is hereby deleted in its entirety.

3. Amendment to Section 7 of Resolution. Section 7 of the Resolution is hereby deleted in its entirety.

4. Amendment to Section 8 of Resolution. Section 8 of the Resolution is hereby deleted in its entirety.

5. Except as expressly set forth herein, the Resolution continues to be effective without modification.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO FIRST AMENDMENT TO RESOLUTION NO. 2018-11-01,
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES]**

RESOLUTION APPROVED AND ADOPTED ON July 11, 2019.

**SECTION 14 METROPOLITAN
DISTRICT**

By: _____
President

Attest:

Secretary

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total | Void/I |
|-------------------|------------------------------------|--------------|---------------------------|---------|----------|----------|--------|
| 4078 | | | | | | | |
| 12/13/2018 | Bowles Village Center | 11/2018 | Landscape Maintenance | 1-786 | 468.00 | 468.00 | |
| 12/13/2018 | Bowles Village Center | 11/2018 | Utilities | 1-710 | 1,165.00 | 1,165.00 | |
| Total 4078: | | | | | | 1,633.00 | |
| 4079 | | | | | | | |
| 12/13/2018 | Chanson, LLC | 11/2018 | Landscape Maintenance | 1-786 | 1,904.00 | 1,904.00 | |
| 12/13/2018 | Chanson, LLC | 11/2018 | Utilities | 1-710 | 4,442.00 | 4,442.00 | |
| Total 4079: | | | | | | 6,346.00 | |
| 4080 | | | | | | | |
| 12/13/2018 | Colorado Community Media | 00188736 | Legal Publications | 1-680 | 18.72 | 18.72 | |
| Total 4080: | | | | | | 18.72 | |
| 4081 | | | | | | | |
| 12/13/2018 | Dodge Data & Analytics | A40015648 | Legal Publications | 1-680 | 48.96 | 48.96 | |
| Total 4081: | | | | | | 48.96 | |
| 4082 | | | | | | | |
| 12/13/2018 | McGeady Becher P.C. | 198C 11/2018 | Legal | 1-675 | 85.00 | 85.00 | |
| Total 4082: | | | | | | 85.00 | |
| 4083 | | | | | | | |
| 12/13/2018 | Section 14 Development Company | 11/2018 | Landscape Maintenance | 1-786 | 2,012.00 | 2,012.00 | |
| 12/13/2018 | Section 14 Development Company | 11/2018 | Utilities | 1-710 | 3,310.00 | 3,310.00 | |
| Total 4083: | | | | | | 5,322.00 | |
| 4084 | | | | | | | |
| 12/13/2018 | Special District Management Servic | 42246 | District Management | 1-614 | 1,486.40 | 1,486.40 | |
| 12/13/2018 | Special District Management Servic | 42246 | Accounting | 1-613 | 1,616.60 | 1,616.60 | |
| 12/13/2018 | Special District Management Servic | 42246 | Election Expense | 1-635 | 27.40 | 27.40 | |
| Total 4084: | | | | | | 3,130.40 | |
| 4085 | | | | | | | |
| 12/13/2018 | US Bank | 5192884 | Trustee/Paying Agent Fees | 2-668 | 1,512.50 | 1,512.50 | |
| Total 4085: | | | | | | 1,512.50 | |
| 20181201 | | | | | | | |
| 12/13/2018 | Denver Water | 5261 12/18 | Utilities | 1-710 | 15.39 | 15.39 | M |
| Total 20181201: | | | | | | 15.39 | |
| 20181202 | | | | | | | |
| 12/13/2018 | Denver Water | 5256 12/18 | Utilities | 1-710 | 21.44 | 21.44 | M |
| Total 20181202: | | | | | | 21.44 | |
| 20181203 | | | | | | | |
| 12/13/2018 | Denver Water | 5392 12/18 | Utilities | 1-710 | 15.39 | 15.39 | M |

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total | Void/I |
|-------------------|-------|------------|------------------|---------|--------|-----------|--------|
| Total 20181203: | | | | | | 15.39 | |
| Grand Totals: | | | | | | 18,148.80 | |

| Check Issue Date | Check Number | Payee | Amount |
|---------------------|-----------------|-------------------|--------|
| 12/13/2018 | 9084 | Ernst, Douglas C | 92.35 |
| 12/13/2018 | 9085 | Toll Jr, G Darwin | 92.35 |
| 12/13/2018 | 9086 | Perlmutter, Jay | 92.35 |
| 12/13/2018 | 9087 | Jenkins, Kenya | 92.35 |
| Grand Totals: | | | |
| | 4 | | 369.40 |

Section 14 Metropolitan District
December-18

| | General | Debt | Capital | Totals |
|--|--------------|-------------|---------|--------------|
| Disbursements | \$ 16,636.30 | \$ 1,512.50 | \$ - | \$ 18,148.80 |
| Payroll | \$ 369.40 | | | \$ 369.40 |
| Payroll Taxes (Annually) | \$ - | | | \$ - |
| Total Disbursements from Checking Acct | \$ 17,005.70 | \$ 1,512.50 | \$ - | \$ 18,518.20 |

Other Disbursements

| | | | |
|----------------------|---------------|---------------|------|
| US Bank Bond payment | \$ 988,124.02 | \$ 988,124.02 | \$ - |
| TOTAL BOND INTEREST | | \$ 988,124.02 | |

| | | | | |
|---------------------|--------------|---------------|------|-----------------|
| Total Disbursements | \$ 17,005.70 | \$ 989,636.52 | \$ - | \$ 1,006,642.22 |
|---------------------|--------------|---------------|------|-----------------|

Section 14 Metropolitan District

Check Register - S14
Check Issue Dates: 1/1/2019 - 1/31/2019Page: 1
Jan 17, 2019 03:30PM

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total | Void/I |
|-------------------|------------------------------------|---------------|-----------------------|---------|----------|-----------|--------|
| 4086 | | | | | | | |
| 01/17/2019 | Bowles Village Center | DECEMBER 2018 | Landscape Maintenance | 1-786 | 515.00 | 515.00 | |
| 01/17/2019 | Bowles Village Center | DECEMBER 2018 | Utilities | 1-710 | 361.00 | 361.00 | |
| Total 4086: | | | | | | 876.00 | |
| 4087 | | | | | | | |
| 01/17/2019 | Chanson, LLC | DECEMBER 2018 | Landscape Maintenance | 1-786 | 1,783.00 | 1,783.00 | |
| 01/17/2019 | Chanson, LLC | DECEMBER 2018 | Utilities | 1-710 | 1,395.00 | 1,395.00 | |
| Total 4087: | | | | | | 3,178.00 | |
| 4088 | | | | | | | |
| 01/17/2019 | Colorado Special District P&L | 32C60144-772 | Insurance | 1-670 | 4,002.89 | 4,002.89 | |
| Total 4088: | | | | | | 4,002.89 | |
| 4089 | | | | | | | |
| 01/17/2019 | McGeady Becher P.C. | 198C DEC 18 | Legal | 1-675 | 2,426.67 | 2,426.67 | |
| Total 4089: | | | | | | 2,426.67 | |
| 4090 | | | | | | | |
| 01/17/2019 | Section 14 Development Company | DECEMBER 2018 | Utilities | 1-710 | 307.00 | 307.00 | |
| Total 4090: | | | | | | 307.00 | |
| 4091 | | | | | | | |
| 01/17/2019 | Special District Management Servic | DECEMBER 2018 | District Management | 1-614 | 1,229.03 | 1,229.03 | |
| 01/17/2019 | Special District Management Servic | DECEMBER 2018 | Accounting | 1-613 | 808.30 | 808.30 | |
| Total 4091: | | | | | | 2,037.33 | |
| 4092 | | | | | | | |
| 01/17/2019 | T Charles Wilson Insurance | 7123 | Insurance | 1-670 | 775.00 | 775.00 | |
| Total 4092: | | | | | | 775.00 | |
| 20190101 | | | | | | | |
| 01/17/2019 | Denver Water | 5261 1/19 | Utilities | 1-710 | 15.39 | 15.39 | M |
| Total 20190101: | | | | | | 15.39 | |
| 20190102 | | | | | | | |
| 01/17/2019 | Denver Water | 5392 1/19 | Utilities | 1-710 | 15.39 | 15.39 | M |
| Total 20190102: | | | | | | 15.39 | |
| 20190103 | | | | | | | |
| 01/17/2019 | Denver Water | 5256 1/19 | Utilities | 1-710 | 21.44 | 21.44 | M |
| Total 20190103: | | | | | | 21.44 | |
| Grand Totals: | | | | | | 13,655.11 | |

M = Manual Check, V = Void Check

Section 14 Metropolitan District
January-19

| | General | Debt | Capital | Totals |
|--|--------------|------|---------|--------------|
| Disbursements | \$ 13,655.11 | \$ - | \$ - | \$ 13,655.11 |
| Payroll | \$ - | | | \$ - |
| Payroll Taxes (Annually) | \$ - | | | \$ - |
| Total Disbursements from Checking Acct | \$ 13,655.11 | \$ - | \$ - | \$ 13,655.11 |

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total | Void/I |
|-------------------|------------------------------------|--------------|-----------------------|---------|----------|-----------|--------|
| 4093 | | | | | | | |
| 02/13/2019 | Bowles Village Center | JANUARY 2019 | Landscape Maintenance | 1-786 | 556.00 | 556.00 | |
| 02/13/2019 | Bowles Village Center | JANUARY 2019 | Utilities | 1-710 | 307.00 | 307.00 | |
| Total 4093: | | | | | | 863.00 | |
| 4094 | | | | | | | |
| 02/13/2019 | Chanson, LLC | JANUARY 2019 | Landscape Maintenance | 1-786 | 2,523.00 | 2,523.00 | |
| 02/13/2019 | Chanson, LLC | JANUARY 2019 | Utilities | 1-710 | 1,136.00 | 1,136.00 | |
| Total 4094: | | | | | | 3,659.00 | |
| 4095 | | | | | | | |
| 02/13/2019 | Section 14 Development Company | JANUARY 2019 | Landscape Maintenance | 1-786 | 2,010.00 | 2,010.00 | |
| 02/13/2019 | Section 14 Development Company | JANUARY 2019 | Utilities | 1-710 | 9,917.00 | 9,917.00 | |
| Total 4095: | | | | | | 11,927.00 | |
| 4096 | | | | | | | |
| 02/13/2019 | Special District Management Servic | JANUARY 2019 | District Management | 1-614 | 688.71 | 688.71 | |
| 02/13/2019 | Special District Management Servic | JANUARY 2019 | Accounting | 1-613 | 1,260.00 | 1,260.00 | |
| Total 4096: | | | | | | 1,948.71 | |
| 20190201 | | | | | | | |
| 02/13/2019 | Denver Water | 5261 2/19 | Utilities | 1-710 | 15.94 | 15.94 | M |
| Total 20190201: | | | | | | 15.94 | |
| 20190202 | | | | | | | |
| 02/13/2019 | Denver Water | 5392 S 2/19 | Utilities | 1-710 | 15.94 | 15.94 | M |
| Total 20190202: | | | | | | 15.94 | |
| 20190203 | | | | | | | |
| 02/13/2019 | Denver Water | 5256 2/19 | Utilities | 1-710 | 22.26 | 22.26 | M |
| Total 20190203: | | | | | | 22.26 | |
| Grand Totals: | | | | | | 18,451.85 | |

Section 14 Metropolitan District
February-19

| | General | Debt | Capital | Totals |
|--|--------------|------|---------|--------------|
| Disbursements | \$ 18,451.85 | \$ - | \$ - | \$ 18,451.85 |
| Payroll | \$ - | | | \$ - |
| Payroll Taxes (Annually) | \$ - | | | \$ - |
| Total Disbursements from Checking Acct | \$ 18,451.85 | \$ - | \$ - | \$ 18,451.85 |

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total | Void/ |
|-------------------|------------------------------------|-------------|-----------------------|---------|----------|-----------|-------|
| 4097 | | | | | | | |
| 03/15/2019 | Bowles Village Center | FEB 2019 | Landscape Maintenance | 1-786 | 1,828.00 | 1,828.00 | |
| 03/15/2019 | Bowles Village Center | FEB 2019 | Utilities | 1-710 | 358.00 | 358.00 | |
| Total 4097: | | | | | | 2,186.00 | |
| 4098 | | | | | | | |
| 03/15/2019 | Chanson, LLC | FEB 2019 | Landscape Maintenance | 1-786 | 2,658.00 | 2,658.00 | |
| 03/15/2019 | Chanson, LLC | FEB 2019 | Utilities | 1-710 | 976.00 | 976.00 | |
| Total 4098: | | | | | | 3,634.00 | |
| 4099 | | | | | | | |
| 03/15/2019 | McGeady Becher P.C. | 198C JAN 19 | Legal | 1-675 | 320.00 | 320.00 | |
| Total 4099: | | | | | | 320.00 | |
| 4100 | | | | | | | |
| 03/15/2019 | SDA | 2019 | Insurance | 1-670 | 773.96 | 773.96 | |
| Total 4100: | | | | | | 773.96 | |
| 4101 | | | | | | | |
| 03/15/2019 | Section 14 Development Company | FEB 2019 | Landscape Maintenance | 1-786 | 2,209.00 | 2,209.00 | |
| 03/15/2019 | Section 14 Development Company | FEB 2019 | Utilities | 1-710 | 259.00 | 259.00 | |
| Total 4101: | | | | | | 2,468.00 | |
| 4102 | | | | | | | |
| 03/15/2019 | Special District Management Servic | FEB 2019 | District Management | 1-614 | 696.05 | 696.05 | |
| 03/15/2019 | Special District Management Servic | FEB 2019 | Accounting | 1-613 | 574.00 | 574.00 | |
| Total 4102: | | | | | | 1,270.05 | |
| 20190301 | | | | | | | |
| 03/15/2019 | Denver Water | 5261 3/19 | Utilities | 1-710 | 15.94 | 15.94 | M |
| Total 20190301: | | | | | | 15.94 | |
| 20190302 | | | | | | | |
| 03/15/2019 | Denver Water | 5392 3/19 | Utilities | 1-710 | 15.94 | 15.94 | M |
| Total 20190302: | | | | | | 15.94 | |
| 20190303 | | | | | | | |
| 03/15/2019 | Denver Water | 5256 3/19 | Utilities | 1-710 | 22.26 | 22.26 | M |
| Total 20190303: | | | | | | 22.26 | |
| Grand Totals: | | | | | | 10,706.15 | |

Section 14 Metropolitan District
March-19

| | General | Debt | Capital | Totals |
|--|--------------|------|---------|--------------|
| Disbursements | \$ 10,706.15 | \$ - | \$ - | \$ 10,706.15 |
| Payroll | \$ - | | | \$ - |
| Payroll Taxes (Annually) | \$ - | | | \$ - |
| Total Disbursements from Checking Acct | \$ 10,706.15 | \$ - | \$ - | \$ 10,706.15 |

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total | Void/ |
|-------------------|------------------------------------|-------------|-----------------------|---------|----------|-----------|-------|
| 4103 | | | | | | | |
| 04/19/2019 | Bowles Village Center | 20190321 | Utilities | 1-710 | 2,209.00 | 2,209.00 | |
| Total 4103: | | | | | | 2,209.00 | |
| 4104 | | | | | | | |
| 04/19/2019 | Chanson, LLC | 20190321 | Landscape Maintenance | 1-786 | 560.00 | 560.00 | |
| 04/19/2019 | Chanson, LLC | 20190321 | Utilities | 1-710 | 5,345.00 | 5,345.00 | |
| Total 4104: | | | | | | 5,905.00 | |
| 4105 | | | | | | | |
| 04/19/2019 | McGeady Becher P.C. | 198C FEB 19 | Legal | 1-675 | 640.00 | 640.00 | |
| 04/19/2019 | McGeady Becher P.C. | 198C MAR 19 | Legal | 1-675 | 467.50 | 467.50 | |
| Total 4105: | | | | | | 1,107.50 | |
| 4106 | | | | | | | |
| 04/19/2019 | Section 14 Development Company | 20190321 | Utilities | 1-710 | 2,409.00 | 2,409.00 | |
| Total 4106: | | | | | | 2,409.00 | |
| 4107 | | | | | | | |
| 04/19/2019 | Special District Management Servic | MARCH 2019 | District Management | 1-614 | 480.75 | 480.75 | |
| 04/19/2019 | Special District Management Servic | MARCH 2019 | Accounting | 1-613 | 546.00 | 546.00 | |
| Total 4107: | | | | | | 1,026.75 | |
| 20190401 | | | | | | | |
| 04/19/2019 | Denver Water | 5261 4/19 | Utilities | 1-710 | 15.94 | 15.94 | M |
| Total 20190401: | | | | | | 15.94 | |
| 20190402 | | | | | | | |
| 04/19/2019 | Denver Water | 5392 4/19 | Utilities | 1-710 | 15.94 | 15.94 | M |
| Total 20190402: | | | | | | 15.94 | |
| 20190403 | | | | | | | |
| 04/19/2019 | Denver Water | 5256 4/19 | Utilities | 1-710 | 22.26 | 22.26 | M |
| Total 20190403: | | | | | | 22.26 | |
| Grand Totals: | | | | | | 12,711.39 | |

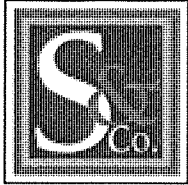
Section 14 Metropolitan District
April-19

| | General | Debt | Capital | Totals |
|--|--------------|------|---------|--------------|
| Disbursements | \$ 12,711.39 | \$ - | \$ - | \$ 12,711.39 |
| Payroll | \$ - | | | \$ - |
| Payroll Taxes (Annually) | \$ - | | | \$ - |
| Total Disbursements from Checking Acct | \$ 12,711.39 | \$ - | \$ - | \$ 12,711.39 |

| Check No and Date | Payee | Invoice No | GL Account Title | GL Acct | Amount | Total | Void/I |
|-------------------|------------------------------------|------------|-----------------------|---------|----------|-----------|--------|
| 4108 | | | | | | | |
| 05/16/2019 | Bowles Village Center | 20190501 | Landscape Maintenance | 1-786 | 692.00 | 692.00 | |
| 05/16/2019 | Bowles Village Center | 20190501 | Utilities | 1-710 | 795.00 | 795.00 | |
| Total 4108: | | | | | | 1,487.00 | |
| 4109 | | | | | | | |
| 05/16/2019 | Chanson, LLC | 20190501 | Landscape Maintenance | 1-786 | 3,829.00 | 3,829.00 | |
| 05/16/2019 | Chanson, LLC | 20190501 | Utilities | 1-710 | 990.00 | 990.00 | |
| Total 4109: | | | | | | 4,819.00 | |
| 4110 | | | | | | | |
| 05/16/2019 | Section 14 Development Company | 20190501 | Landscape Maintenance | 1-786 | 3,431.00 | 3,431.00 | |
| 05/16/2019 | Section 14 Development Company | 20190501 | Utilities | 1-710 | 247.00 | 247.00 | |
| Total 4110: | | | | | | 3,678.00 | |
| 4111 | | | | | | | |
| 05/16/2019 | Special District Management Servic | APRIL 2019 | District Management | 1-614 | 171.94 | 171.94 | |
| 05/16/2019 | Special District Management Servic | APRIL 2019 | Accounting | 1-613 | 1,064.00 | 1,064.00 | |
| Total 4111: | | | | | | 1,235.94 | |
| 20190501 | | | | | | | |
| 05/16/2019 | Denver Water | 5256 5/19 | Utilities | 1-710 | 22.26 | 22.26 | M |
| Total 20190501: | | | | | | 22.26 | |
| 20190502 | | | | | | | |
| 05/16/2019 | Denver Water | 5392 5/19 | Utilities | 1-710 | 87.22 | 87.22 | M |
| Total 20190502: | | | | | | 87.22 | |
| 20190503 | | | | | | | |
| 05/16/2019 | Denver Water | 5261 5/19 | Utilities | 1-710 | 15.94 | 15.94 | M |
| Total 20190503: | | | | | | 15.94 | |
| Grand Totals: | | | | | | 11,345.36 | |

Section 14 Metropolitan District
May-19

| | General | Debt | Capital | Totals |
|--|--------------|------|---------|--------------|
| Disbursements | \$ 11,345.36 | \$ - | \$ - | \$ 11,345.36 |
| Payroll | \$ - | | | \$ - |
| Payroll Taxes (Annually) | \$ - | | | \$ - |
| Total Disbursements from Checking Acct | \$ 11,345.36 | \$ - | \$ - | \$ 11,345.36 |



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

_____, 2019

To the Board of Directors
Section 14 Metropolitan District
Jefferson and Denver Counties, Colorado

We have audited the financial statements of the governmental activities and the major funds of Section 14 Metropolitan District (District) for the year ended December 31, 2018 and have issued our report thereon dated _____, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit.

Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in the engagement letter dated November 12, 2018, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We generally communicate our significant findings at the conclusion of the audit. However, some matters may have been communicated sooner, particularly if significant difficulties were encountered during the audit where assistance was needed to overcome the difficulties or if the difficulties may have led to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

The audit was performed in June 2019, and we issued our report on _____, 2019.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There were no accounting estimates that are considered particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. See Exhibit I for corrected misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that there were no such disagreements during the course of the audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated _____, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

We were engaged to report on supplementary information, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

SCHILLING & COMPANY, INC.

Schilling & Company, Inc.

Adj. Journal Entries
Section 14 Metropolitan District
December 31, 2018

6/15/2019 7:03:59 PM

| | | |
|-----------|-------|--------|
| Done by: | Date: | Index: |
| Reviewer: | Date: | |

| AJE No. | Account Description | W/P Ref | Account Number | Debits | Credits |
|------------|---------------------------|------------|-------------------|------------|------------|
| 1 | Property Taxes Receivable | B | 1-135 | 366,477.56 | |
| 1 | Deferred Property Taxes | | 1-320 | | 366,477.56 |
| 1 | Property Taxes Receivable | | 2-135 | 966,371.86 | |
| 1 | Deferred Property Taxes | | 2-320 | | 966,371.86 |

To record property taxes receivable - deferred revenue at December 31, 2018.

| | | | | | |
|---|-------------------------|-------|-------|----------|----------|
| 2 | Due to County Treasurer | 100-1 | 1-311 | | 2,667.48 |
| 2 | Property Taxes - Denver | | 1-510 | 2,667.48 | |
| 2 | Due to County Treasurer | | 2-311 | | 3,737.78 |
| 2 | Property Taxes - Denver | | 2-510 | 3,737.78 | |

To record property taxes due to Denver County at December 31, 2018.

| | | | | | |
|--------|--|--|--|---------------------|---------------------|
| Totals | | | | <u>1,339,254.68</u> | <u>1,339,254.68</u> |
|--------|--|--|--|---------------------|---------------------|

DRAFT 7/1/2019

SECTION 14
METROPOLITAN DISTRICT
Denver and Jefferson Counties, Colorado

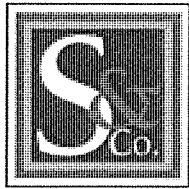
FINANCIAL STATEMENTS
DECEMBER 31, 2018

DRAFT 7/1/2019

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DRAFT 7/1/2019



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

Independent Auditor's Report

Board of Directors
Section 14 Metropolitan District
Denver and Jefferson Counties, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Section 14 Metropolitan District (District) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Section 14 Metropolitan District, as of December 31, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that governmental 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental information 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.

Other Information

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Highlands Ranch, Colorado
 , 2019

BASIC FINANCIAL STATEMENTS

DRAFT 7/1/2019

SECTION 14 METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2018

ASSETS

| | |
|-------------------------------------|------------------|
| Cash and investments - unrestricted | \$ 853,802 |
| Cash and investments - restricted | 49,915 |
| Cash with County Treasurer | 10,647 |
| Property taxes receivable | 1,373,075 |
| Prepaid expense | 350 |
| Bond insurance, net of amortization | 2,262 |
| Capital assets, net of depreciation | 324,815 |
| Total assets | <u>2,614,866</u> |

LIABILITIES

| | |
|---------------------------|------------------|
| Accounts payable | 33,737 |
| Due to County Treasurer | 6,405 |
| Accrued interest payable | 4,146 |
| Bonds payable | |
| Due within one year | 999,119 |
| Due in more than one year | 184,488 |
| Total liabilities | <u>1,227,895</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------------------|------------------|
| Property tax revenue | 1,373,075 |
| Total deferred inflows of resources | <u>1,373,075</u> |

NET POSITION

| | |
|---------------------------------|------------------|
| Investment in capital assets | 324,815 |
| Restricted for emergencies | 19,100 |
| Restricted for debt service | 40,248 |
| Restricted for capital projects | 1,783 |
| Unrestricted | (372,050) |
| Total net position | <u>\$ 13,896</u> |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

SECTION 14 METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2018

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|-----------------------------|-------------------|-------------------------|---|---|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| General government | \$ 169,939 | \$ - | \$ - | \$ - | \$ (169,939) |
| Interest and fiscal charges | 276,735 | - | - | - | (276,735) |
| | <u>\$ 446,674</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(446,674)</u> |

General revenues:

Taxes:

Property taxes

1,352,795

Specific ownership taxes

118,881

Net investment income

30,546

Total general revenues

1,502,222

Change in net position

1,055,548

Net position - beginning

(1,041,652)

Net position - ending

\$ 13,896

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**SECTION 14 METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|---|---------------------|---------------------|---------------------|--------------------------------|
| ASSETS | | | | |
| Cash and investments - unrestricted | \$ 853,802 | \$ - | \$ - | \$ 853,802 |
| Cash and investments - restricted | - | 48,132 | 1,783 | 49,915 |
| Cash with County Treasurer | 10,647 | - | - | 10,647 |
| Property tax receivable | 379,490 | 993,585 | - | 1,373,075 |
| Prepaid expense | 350 | - | - | 350 |
| TOTAL ASSETS | <u>\$ 1,244,289</u> | <u>\$ 1,041,717</u> | <u>\$ 1,783</u> | <u>\$ 2,287,789</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 33,737 | \$ - | \$ - | \$ 33,737 |
| Due to County Treasurer | 2,667 | 3,738 | - | 6,405 |
| Total liabilities | <u>36,404</u> | <u>3,738</u> | <u>-</u> | <u>40,142</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred property tax revenue | 379,490 | 993,585 | - | 1,373,075 |
| Total deferred inflows of resources | <u>379,490</u> | <u>993,585</u> | <u>-</u> | <u>1,373,075</u> |
| FUND BALANCES | | | | |
| Nonspendable - prepaid items | 350 | - | - | 350 |
| Spendable: | | | | |
| Restricted for: | | | | |
| Emergencies | 19,100 | - | - | 19,100 |
| Debt service | - | 44,394 | - | 44,394 |
| Capital projects | - | - | 1,783 | 1,783 |
| Assigned for subsequent year's expenditures | 255,492 | - | - | 255,492 |
| Unassigned | 553,453 | - | - | 553,453 |
| Total fund balances | <u>828,395</u> | <u>44,394</u> | <u>1,783</u> | <u>874,572</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 1,244,289</u> | <u>\$ 1,041,717</u> | <u>\$ 1,783</u> | |

Amounts reported for governmental activities in the Statement of Net Position are different because:

| | |
|---|--------------------|
| Prepaid bond insurance premiums are not financial resources and therefore are not reported as assets in the governmental funds but are capitalized and amortized on the government-wide Statement of Net Position | <u>2,262</u> |
| Some long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds. Capital assets | <u>324,815</u> |
| Some liabilities, including bonds payable and other accrued payables, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds. | |
| General obligation bonds payable | (995,000) |
| Bond premium, net of amortization | (4,119) |
| Accrued interest payable - bonds | (4,146) |
| Developer advances payable | (167,287) |
| Accrued interest payable - developer advances | (17,201) |
| | <u>(1,187,753)</u> |
| Net position of governmental activities | <u>\$ 13,896</u> |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**SECTION 14 METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2018**

| | General | Debt Service | Capital Projects | Total Governmental Funds |
|--|-------------------|------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Property tax | \$ 501,123 | \$ 851,672 | \$ - | \$ 1,352,795 |
| Specific ownership tax | 118,881 | - | - | 118,881 |
| Net investment income | 16,067 | 14,465 | 14 | 30,546 |
| Total revenues | <u>636,071</u> | <u>866,137</u> | <u>14</u> | <u>1,502,222</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Management fees | 8,443 | - | - | 8,443 |
| Accounting | 11,261 | - | - | 11,261 |
| Audit | 5,685 | - | - | 5,685 |
| Legal | 9,360 | - | - | 9,360 |
| Insurance | 5,740 | - | - | 5,740 |
| Election expense | 998 | - | - | 998 |
| Directors fees | 800 | - | - | 800 |
| C&C of Denver annual fee | 3,000 | - | - | 3,000 |
| County Treasurer's fees | 7,092 | 11,804 | - | 18,896 |
| Payroll taxes | 61 | - | - | 61 |
| Utilities | 109,366 | - | - | 109,366 |
| Landscape maintenance | 109,188 | - | - | 109,188 |
| Miscellaneous | 288 | - | - | 288 |
| Debt service | | | | |
| Paying agent fees and other fees | - | 3,025 | - | 3,025 |
| Bond principal | - | 940,000 | - | 940,000 |
| Bond interest | - | 96,750 | - | 96,750 |
| Total expenditures | <u>271,282</u> | <u>1,051,579</u> | <u>-</u> | <u>1,322,861</u> |
| NET CHANGE IN FUND BALANCES | <u>364,789</u> | <u>(185,442)</u> | <u>14</u> | <u>179,361</u> |
| FUND BALANCES - BEGINNING OF YEAR | <u>463,606</u> | <u>229,836</u> | <u>1,769</u> | <u>695,211</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 828,395</u> | <u>\$ 44,394</u> | <u>\$ 1,783</u> | <u>\$ 874,572</u> |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**SECTION 14 METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2018**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

| | |
|---|---------------------|
| Net change in fund balances - Total governmental funds | \$ 179,361 |
| Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. Instead the cost of the asset is allocated over its estimated useful life, and recorded as depreciation expense in each of those years. | |
| Capital contributions | 167,287 |
| Depreciation | (18,679) |
| Loss on disposition of assets | (35,461) |
| | <u>113,147</u> |
| The repayment of the principal of long-term debt consumes current financial resources of governmental funds. However, it has no effect on net position. | |
| Bond principal payments | <u>940,000</u> |
| 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 governmental funds. | |
| Developer advances - capital | (167,287) |
| Amortization of bond insurance | (4,398) |
| Amortization of bond premium | 8,009 |
| Change in accrued interest payable - bonds | 3,917 |
| Change in accrued interest payable - advances | (17,201) |
| | <u>(176,960)</u> |
| Change in net position - Governmental activities | <u>\$ 1,055,548</u> |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

SECTION 14 METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2018

| | Original and Final Budgeted Amounts | Actual | Variance with Final Budget - Positive (Negative) |
|---|--|-------------------|---|
| REVENUES | | | |
| Property tax | \$ 515,926 | \$ 501,123 | \$ (14,803) |
| Specific ownership taxes | 86,608 | 118,881 | 32,273 |
| Net investment income | 5,000 | 16,067 | 11,067 |
| Total Revenues | <u>607,534</u> | <u>636,071</u> | <u>28,537</u> |
| EXPENDITURES | | | |
| Management fees | 9,017 | 8,443 | 574 |
| Accounting | 11,220 | 11,261 | (41) |
| Audit | 6,000 | 5,685 | 315 |
| Legal | 14,380 | 9,360 | 5,020 |
| Insurance | 6,284 | 5,740 | 544 |
| Directors fees | 1,500 | 800 | 700 |
| Election expense | 1,000 | - | 1,000 |
| C&C of Denver annual fee | 3,000 | 3,000 | - |
| County Treasurer's fees | 7,739 | 7,092 | 647 |
| Dues and subscriptions | 600 | - | 600 |
| Payroll taxes | 115 | 61 | 54 |
| Utilities | 90,000 | 109,366 | (19,366) |
| Landscape maintenance | 95,000 | 109,188 | (14,188) |
| Miscellaneous | 1,000 | 288 | 712 |
| Contingency | 81,230 | - | 81,230 |
| Emergency reserves | 18,226 | - | 18,226 |
| Total Expenditures | <u>346,311</u> | <u>270,284</u> | <u>76,027</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>261,223</u> | <u>365,787</u> | <u>104,564</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer to other funds | 350,000 | - | (350,000) |
| Total other financing sources (uses) | <u>350,000</u> | <u>-</u> | <u>(350,000)</u> |
| NET CHANGE IN FUND BALANCE | 611,223 | 365,787 | (245,436) |
| FUND BALANCE - BEGINNING OF YEAR | 88,776 | 463,606 | 374,830 |
| FUND BALANCE - END OF YEAR | <u>\$ 699,999</u> | <u>\$ 829,393</u> | <u>\$ 129,394</u> |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Section 14 Metropolitan District (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Jefferson and Denver Counties, Colorado. The District was established to provide financing for the acquisition, construction and installation of water and sewer facilities and park and open space facilities. The majority of the facilities constructed by the District have been conveyed to other entities for perpetual maintenance except certain roadway median landscaping 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, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. 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 the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, being 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. 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.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 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 funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund accounts for the financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

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

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each funds' average equity balance in total cash.

Capital Assets

Capital assets, which include land and infrastructure improvements, 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in process and are not included in the calculation of net investment in capital assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

| | |
|---------------------|----------|
| Monuments and signs | 25 years |
| Streets | 20 years |

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 property tax revenues are recorded as revenue in the year they are available or collected.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Deferred Inflows/Outflows of Resources

In addition to liabilities, the statement of financial 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues are property taxes levied for the ensuing year.

Debt Issue Costs and Original Issue Discount/Premium

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method, with the unamortized amount included as a component of the debt. Debt issuance costs are treated as a period cost and expensed in the year incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. 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 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.

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 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.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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. 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.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

| | |
|-------------------------------------|-------------------|
| Cash and investments - unrestricted | \$ 853,802 |
| Cash and investments - restricted | 49,915 |
| | <u>\$ 903,717</u> |

Cash and investments as of December 31, 2018 consist of the following:

| | |
|--------------------------------------|-------------------|
| Deposits with financial institutions | \$ 10,998 |
| Investments | 892,719 |
| | <u>\$ 903,717</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, 2018, the District's cash deposits had a bank balance of \$11,091 and carrying balance of \$10,998.

Investments

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

The District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

- . 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
- . 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

At December 31, 2018, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Carrying Value</u> |
|--|--------------------------------|-----------------------|
| Colorado Local Government Liquid Asset Trust (COLOTRUST) | Weighted average under 60 days | \$ 892,172 |
| First American Treasury Obligations Fund | Weighted average under 60 days | 547 |
| | | <u>\$ 892,719</u> |

COLOTRUST

The District invested in the 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 is rated AAAM by Standard and Poor's. A designated custodial bank serves as custodian for COLOTRUST's portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for COLOTRUST's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. As of December 31, 2018, the District had \$892,172 invested in COLOTRUST held directly by the District. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotrust.com.

First American Treasury Obligations Fund

The debt service money in the trust accounts at US Bank has been invested in the First American Treasury Obligations Fund. This portfolio is a money market fund which invests in U.S. Treasury obligations which are fully guaranteed as to principal and interest by the United States, with maturities of 60 days or less and repurchase agreements collateralized by U.S. Treasury obligations. The First American Treasury Obligations Fund is rated AAAM by Standards & Poor's. As of December 31, 2018, the District had \$547 invested in the First American Treasury Obligations Fund held by the trustee.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Investment Valuation

Certain investments 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; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST and the First American Treasury Obligation Fund at yearend for which the investment valuations were determined as follows.

COLOTRUST and the First American Treasury Obligation Fund determines the NAV of the shares of each portfolio as of the close of business of 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 COLOTRUST and the First American Treasury Obligation Fund, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and the First American Treasury Obligation Fund and there can be no assurance that the NAV will not vary from \$1.00 per share.

Restricted Cash and Investments

At December 31, 2018, cash and investments in the amount of \$48,132 are restricted for debt service in accordance with the indenture of trust related to the Series 2000 General Obligation Bonds (See Note 5).

At December 31, 2018, cash and investments in the amount of \$1,783 are restricted for capital asset construction.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2018 follows:

| <u>Governmental Activities</u> | <u>Balance at January 1, 2018</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance at December 31, 2018</u> |
|--|---|-------------------|------------------|---|
| Capital assets, being depreciated: | | | | |
| Monuments and signs | \$ 344,017 | \$ 167,287 | \$ 52,148 | \$ 459,156 |
| Streets | 157,386 | - | - | 157,386 |
| Total capital assets, being depreciated | 501,403 | 167,287 | 52,148 | 616,542 |
| Less accumulated depreciation for: | | | | |
| Monuments and signs | 246,454 | 10,809 | 16,687 | 240,576 |
| Streets | 43,281 | 7,870 | - | 51,151 |
| Total accumulated depreciation | 289,735 | 18,679 | 16,687 | 291,727 |
| Total capital assets, being depreciated, net | 211,668 | 148,608 | 35,461 | 324,815 |
| Governmental activities capital assets, net | <u>\$ 211,668</u> | <u>\$ 148,608</u> | <u>\$ 35,461</u> | <u>\$ 324,815</u> |

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2018:

| | <u>Balance at December 31, 2017</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance at December 31, 2018</u> | <u>Due Within One Year</u> |
|--------------------------------------|---|-------------------|---------------------|---|------------------------------------|
| Series 2000 G.O. Refunding Bonds | \$ 1,935,000 | \$ - | \$ (940,000) | \$ 995,000 | \$ 995,000 |
| Bond premium, net of amortization | 12,128 | - | (8,009) | 4,119 | 4,119 |
| Chanson, LLC advances | - | 167,287 | | 167,287 | - |
| Chanson, LLC interest | - | 17,201 | | 17,201 | - |
| | <u>\$ 1,947,128</u> | <u>\$ 184,488</u> | <u>\$ (948,009)</u> | <u>\$ 1,183,607</u> | <u>\$ 999,119</u> |

The detail of the District's long-term debt is as follows:

General Obligation Refunding Bonds, Series 2000

On April 27, 2000, the District issued \$5,995,000 General Obligation Refunding Bonds, Series 2000, (2000 Bonds). The bonds initially bore interest in the variable pricing long-term mode at an interest rate of 5.2% until November 30, 2006. On December 1, 2006, the interest rate mode was changed from an annual mode to a monthly mode. The Series 2000 bonds were secured by an irrevocable direct pay letter of credit issued by the U.S. Bank National Association.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Interest payments on the bonds are due on June 1 and December 1 each year. The bonds are subject to mandatory redemption upon notice and upon certain conditions and terms as contained in the First Supplemental Indenture of Trust through December 1, 2019. The bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2016, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

On January 2, 2007, the 2000 Bonds were remarketed from a variable interest rate to a fixed interest rate as permitted by the Bond Indenture. The interest rate ranges from 4.00% to 5.00%. As part of the remarketing, the letter of credit was terminated. Repayment of principal and interest on the remarketed 2000 Bonds is insured by Radian Asset Assurance, Inc. (Radian). As of April 1, 2015, Radian was acquired by Assured Guaranty Corp. (AGC). AGC has assumed all of Radian's insurance policies. Therefore, all outstanding bonds insured by Radian will now carry AGC's Moody's rating of A3.

The District's 2000 General Obligation Refunding Bonds will mature as follows:

| Year Ending December 31, | Principal | Interest | Total |
|-----------------------------|------------|-----------|--------------|
| 2019 | \$ 995,000 | \$ 49,750 | \$ 1,044,750 |

Project Funding and Reimbursement Agreement (Future Projects) – Chanson, LLC

On June 25, 2012, the District entered into a Project Funding and Reimbursement Agreement (Future Projects) with Chanson as amended , 2019. Per this agreement, Chanson will design, construct, install and complete future improvements to the District's infrastructure. Once the District has received written verification and certification from an independent engineer, the District will reimburse Chanson for the verified costs using annually appropriated amounts available after the payment of its annual costs of operation and debt. This reimbursement will be on an annual basis. Interest will accrue at the rate of 7% per annum commencing on the date that the verified costs are expended by Chanson. At December 31, 2018, the District owed \$167,287 in principal and \$17,201 in accrued interest under the agreement.

Project Funding and Reimbursement Agreement (Future Projects) – Bowles Village Center, LLC

On June 25, 2012, the District entered into a Project Funding and Reimbursement Agreement (Future Projects) with Bowles Village Center, LLC (Bowles). Per this agreement, Bowles will design, construct, install and complete future improvements to the District's infrastructure. Once the District has received written verification and certification from an independent engineer, the District will reimburse Bowles for the verified costs using annually appropriated amounts available after the payment of its annual costs of operation and debt. This reimbursement will be on an annual basis. Interest will accrue at the rate of 7% per annum commencing on the date that the verified costs are expended by Bowles. At December 31, 2018, there were no advances due under the agreement.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Project Funding and Reimbursement Agreement (Future Projects) – Section 14 Development Co.

On June 25, 2012, the District entered into a Project Funding and Reimbursement Agreement (Future Projects) with Section 14 Development Co. (Section 14 Development). Per this agreement, Section 14 Development will design, construct, install and complete future improvements to the District's infrastructure. Once the District has received written verification and certification from an independent engineer, the District will reimburse Section 14 Development for the verified costs using annually appropriated amounts available after the payment of its annual costs of operation and debt. This reimbursement will be on an annual basis. Interest will accrue at the rate of 7% per annum commencing on the date that the verified costs are expended by Section 14 Development. At December 31, 2018, there were no advances due under the agreement.

NOTE 6 – DEBT AUTHORIZATION

At December 31, 2018, the District had \$14,000,000 of authorized by unissued indebtedness for refunding purposes.

NOTE 7 – FUND EQUITY

At December 31, 2018, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$350 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$19,100 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

The restricted fund balance in the Debt Service Fund in the amount of \$44,394 is to be used exclusively for debt service requirements (see Note 5).

The restricted fund balance in the Capital Projects Fund in the amount of \$1,783 is to be used exclusively for capital asset construction.

Assigned Fund Balance

The assigned fund balance in the General Fund in the amount of \$255,492 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 - NET POSITION

The District's net position consists of three components – investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, developer advances, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2018, the District reported \$324,815 as its investment in capital assets as no debt was issued to pay for construction.

The restricted portion of net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position at December 31, 2018 is as follows:

Restricted net position:

| | |
|----------------------------------|------------------|
| Emergency reserves (see Note 12) | \$ 19,100 |
| Debt Service | 40,248 |
| Capital Projects | 1,783 |
| | <u>\$ 61,131</u> |

The District's unrestricted net position at December 31, 2018 totaled \$(372,050). This deficit amount was a result of the District being responsible for repayment of bonds issued for public improvements conveyed to other governmental entities.

NOTE 9 – RELATED PARTIES

The primary Developer of the property which constitutes the District is Jordon Perlmutter & Co. (Developer). During 2018, a majority of the members of the Board of Directors were officers or employees for, or otherwise associated with the Developer and may have conflicts of interest in matters involving the District.

Cost Sharing Agreement

On June 26, 1998 and most recently revised on May 3, 2006, the District entered into a Cost Sharing Agreement with the Developer, pursuant to which the District and Developer agreed to share the cost of providing landscape maintenance services and irrigation to property in and around the District. The District's share of these expenses ranges from 28-60%, depending on the location. The District reimbursed the Developer approximately \$167,260 for landscape maintenance and utilities under the terms of this agreement during the year ended December 31, 2018.

NOTE 10- AGREEMENTS

Intergovernmental Agreement – Grant Water and Sanitation District

The District has a mutual service agreement with Grant Water and Sanitation District (Grant) which recognizes that the District has been formed to provide services as set forth in its service

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

plan, including construction of water and sanitation facilities which Grant has determined it cannot currently construct. Facilities are to be constructed by the District in accordance with the master plan and the rules and regulations of the Grant Water and Sanitation District. All water and sanitation facilities shall be conveyed to Grant or the City of Denver for ownership and maintenance purposes.

License Agreement (Existing Signage and Monumentation) – Chanson, LLC

On November 22, 2010, the District entered into a License Agreement with Chanson, LLC (Chanson). Per this agreement, Chanson grants the District a non-exclusive license for access to the existing signage and monumentation (Existing signage) on property owned by Chanson. In return, the District agrees to operate and maintain the Existing signage at its own expense.

License Agreement (Signage and Monumentation) – Chanson, LLC

On November 22, 2010, the District entered into a License Agreement with Chanson, LLC (Chanson). Per this agreement, Chanson grants the District a non-exclusive license for access to any newly constructed signage and monumentation (Signage) on property owned by Chanson. In return, the District agrees to operate and maintain the Signage at its own expense.

License Agreement (Existing Signage and Monumentation) – Bowles Village Center, LLC

On November 22, 2010, the District entered into a License Agreement with Bowles Village Center, LLC (Bowles). Per this agreement, Bowles grants the District a non-exclusive license for access to the existing signage and monumentation (Existing signage) on property owned by Chanson. In return, the District agrees to operate and maintain the Existing signage at its own expense.

License Agreement (Existing Signage and Monumentation) – Section 14 Development Co.

On November 22, 2010, the District entered into a License Agreement with Section 14 Development Co. (Section 14 Development). Per this agreement, Section 14 Development grants the District a non-exclusive license for access to the existing signage and monumentation (Existing signage) on property owned by Chanson. In return, the District agrees to operate and maintain the Existing signage at its own expense.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2018. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for 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

**SECTION 14 METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 12 - 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 that 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.

On May 3, 1994, the District's electors authorized the District to retain and spend all revenue derived from property taxes up to a maximum of \$2,000,000, program payment fees up to a maximum of \$2,000,000, revenues collected from rates, tolls, fees and charges for services or facilities furnished by the District up to a maximum of \$2,000,000 annually commencing in 1994 and all subsequent years without limitations under TABOR. On November 6, 2012, a majority of the District's electors authorized the District to increase its taxes by \$320,296 annually beginning in 2013 and in each year thereafter without limitation under TABOR to pay administration, operations and capital expenses.

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.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

DRAFT 7/12/2019

SECTION 14 METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2018

| | Original and Final Budgeted Amounts | Actual | Variance with Final Budget - Positive (Negative) |
|---|--|------------------|---|
| REVENUES | | | |
| Property taxes | \$ 875,514 | \$ 851,672 | \$ (23,842) |
| Net investment income | - | 14,465 | 14,465 |
| Total Revenues | <u>875,514</u> | <u>866,137</u> | <u>(9,377)</u> |
| EXPENDITURES | | | |
| Bond principal | 940,000 | 940,000 | - |
| Bond interest | 96,750 | 96,750 | - |
| Paying agent and other fees | 4,000 | 3,025 | 975 |
| County treasurer's fees | 13,133 | 11,804 | 1,329 |
| Total Expenditures | <u>1,053,883</u> | <u>1,051,579</u> | <u>2,304</u> |
| NET CHANGE IN FUND BALANCE | <u>(178,369)</u> | <u>(185,442)</u> | <u>(7,073)</u> |
| FUND BALANCE - BEGINNING OF YEAR | <u>230,726</u> | <u>229,836</u> | <u>(890)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 52,357</u> | <u>\$ 44,394</u> | <u>\$ (7,963)</u> |

SECTION 14 METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2018

| | Original and Final Budgeted Amounts | Actual | Variance with Final Budget - Positive (Negative) |
|--|--|-----------------|---|
| REVENUES | | | |
| Net investment income | \$ - | 14 | 14 |
| Total Revenues | <u>-</u> | <u>14</u> | <u>14</u> |
| EXPENDITURES | | | |
| Developer reimbursement | 550,000 | - | 550,000 |
| Contingency | 1,769 | - | 1,769 |
| Total Expenditures | <u>551,769</u> | <u>-</u> | <u>551,769</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(551,769)</u> | <u>14</u> | <u>551,783</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers from other funds | 350,000 | - | (350,000) |
| Total other financing sources (uses) | <u>350,000</u> | <u>-</u> | <u>(350,000)</u> |
| NET CHANGE IN FUND BALANCE | (201,769) | 14 | 201,783 |
| FUND BALANCE - BEGINNING OF YEAR | <u>201,769</u> | <u>1,769</u> | <u>(200,000)</u> |
| FUND BALANCE - END OF YEAR | <u>\$ -</u> | <u>\$ 1,783</u> | <u>\$ 1,783</u> |

OTHER INFORMATION

DRAFT 7/1/2019

SECTION 14 METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED FOR YEARS 2013 TO 2018
Year Ended December 31, 2018
(UNAUDITED)

| <u>Year Ended December 31,</u> | <u>Assessed Valuation</u> | <u>Mills Levied</u> | <u>Total Property Taxes</u> | | <u>Percent Collected to Levied</u> |
|---|-------------------------------|-------------------------|-----------------------------|---------------------|--|
| | | | <u>Levied</u> | <u>Collected</u> | |
| 2013 Total Collections | | | | | |
| Jefferson County | \$ 36,658,333 | 23.290 | \$ 853,773 | | |
| City & County of Denver | \$ 7,589,970 | 23.681 | \$ 179,738 | | |
| <u>Plus Excluded Property Subject to Debt Levy Only</u> | | | | | |
| Jefferson County 1994 Exclusion | \$ 3,109,891 | 12.573 | \$ 39,101 | | |
| Grant Ranch Cove Exclusion | \$ 2,307,921 | 16.798 | \$ 38,768 | | |
| Westlake Exclusion | \$ 2,482,410 | 12.573 | \$ 31,211 | | |
| Village @ Raccoon Creek Exclusion | \$ 2,993,550 | 16.798 | \$ 50,286 | | |
| | <u>\$ 55,142,075</u> | | <u>\$ 1,192,877</u> | <u>\$ 1,186,769</u> | <u>99.5%</u> |
| 2014 Total Collections | | | | | |
| Jefferson County | \$ 36,323,653 | 23.356 | \$ 848,375 | | |
| City & County of Denver | \$ 7,982,870 | 23.290 | \$ 185,921 | | |
| <u>Plus Excluded Property Subject to Debt Levy Only</u> | | | | | |
| Jefferson County 1994 Exclusion | \$ 3,702,312 | 6.832 | \$ 25,294 | | |
| Grant Ranch Cove Exclusion | \$ 2,656,180 | 18.961 | \$ 50,364 | | |
| Westlake Exclusion | \$ 3,314,880 | 6.832 | \$ 22,647 | | |
| Village @ Raccoon Creek Exclusion | \$ 3,078,680 | 18.961 | \$ 58,375 | | |
| | <u>\$ 57,058,575</u> | | <u>\$ 1,190,976</u> | <u>\$ 1,184,040</u> | <u>99.42%</u> |
| 2015 Total Collections | | | | | |
| Jefferson County | \$ 36,808,664 | 23.422 | \$ 862,132 | | |
| City & County of Denver | \$ 7,870,650 | 23.552 | \$ 185,369 | | |
| <u>Plus Excluded Property Subject to Debt Levy Only</u> | | | | | |
| Jefferson County 1994 Exclusion | \$ 3,745,159 | 6.846 | \$ 25,639 | | |
| Grant Ranch Cove Exclusion | \$ 3,038,017 | 19.088 | \$ 57,989 | | |
| Westlake Exclusion | \$ 3,369,410 | 6.846 | \$ 23,067 | | |
| Village @ Raccoon Creek Exclusion | \$ 3,028,900 | 19.038 | \$ 57,664 | | |
| | <u>\$ 57,860,800</u> | | <u>\$ 1,211,860</u> | <u>\$ 1,211,116</u> | <u>99.94%</u> |
| 2016 Total Collections | | | | | |
| Jefferson County | \$ 38,108,589 | 23.290 | \$ 887,549 | | |
| City & County of Denver | \$ 8,464,690 | 23.290 | \$ 197,143 | | |
| <u>Plus Excluded Property Subject to Debt Levy Only</u> | | | | | |
| Jefferson County 1994 Exclusion | \$ 4,320,335 | 6.550 | \$ 28,298 | | |
| Grant Ranch Cove Exclusion | \$ 3,537,679 | 18.180 | \$ 64,315 | | |
| Westlake Exclusion | \$ 4,221,010 | 6.550 | \$ 27,648 | | |
| Village @ Raccoon Creek Exclusion | \$ 3,512,810 | 18.180 | \$ 63,863 | | |
| | <u>\$ 62,165,113</u> | | <u>\$ 1,268,816</u> | <u>\$ 1,262,599</u> | <u>99.51%</u> |
| 2017 Total Collections | | | | | |
| Jefferson County | \$ 37,534,351 | 23.669 | \$ 888,401 | | |
| City & County of Denver | \$ 8,443,000 | 23.669 | \$ 199,837 | | |
| <u>Plus Excluded Property Subject to Debt Levy Only</u> | | | | | |
| Jefferson County 1994 Exclusion | \$ 4,220,332 | 6.687 | \$ 28,221 | | |
| Grant Ranch Cove Exclusion | \$ 3,546,470 | 18.559 | \$ 65,819 | | |
| Westlake Exclusion | \$ 4,150,630 | 6.687 | \$ 27,755 | | |
| Village @ Raccoon Creek Exclusion | \$ 3,506,510 | 18.559 | \$ 65,077 | | |
| | <u>\$ 61,401,293</u> | | <u>\$ 1,275,110</u> | <u>\$ 1,270,210</u> | <u>99.62%</u> |
| 2018 Total Collections | | | | | |
| Jefferson County | \$ 42,757,296 | 23.691 | \$ 1,012,964 | | |
| City & County of Denver | \$ 9,583,720 | 23.669 | \$ 226,837 | | |
| <u>Plus Excluded Property Subject to Debt Levy Only</u> | | | | | |
| Jefferson County 1994 Exclusion | \$ 4,886,852 | 4.976 | \$ 24,317 | | |
| Grant Ranch Cove Exclusion | \$ 3,672,778 | 14.006 | \$ 51,441 | | |
| Westlake Exclusion | \$ 4,806,530 | 4.976 | \$ 23,917 | | |
| Village @ Raccoon Creek Exclusion | \$ 3,762,240 | 13.812 | \$ 51,964 | | |
| | <u>\$ 69,469,416</u> | | <u>\$ 1,391,440</u> | <u>\$ 1,352,795</u> | <u>97.22%</u> |
| Estimated 2019 Total Collections | | | | | |

**SECTION 14 METROPOLITAN DISTRICT
TEN LARGEST TAXPAYERS WITHIN THE DISTRICT
Year Ended December 31, 2018
(UNAUDITED)**

| Name | 2018 Assessed Valuation | Percent of District Total Assessed Valuation¹ |
|-------------------------------|--|---|
| VESTAR BOWLES CROSSING LLC | | 0.00% |
| THE SECTION 14 DEVELOPMENT CO | | 0.00% |
| BOWLES VILLAGE CENTER LLC | | 0.00% |
| CHANSON LLC | | 0.00% |
| CHANSON LLC | | 0.00% |
| CHANSON LLC | | 0.00% |
| THE SECTION 14 DEVELOPMENT CO | | 0.00% |
| CHANSON LLC | | 0.00% |
| THE SECTION 14 DEVELOPMENT CO | | 0.00% |
| THE SECTION 14 DEVELOPMENT CO | | 0.00% |
| Total | <u>\$ -</u> | <u>0.00%</u> |

¹ Based on District 2018 assessed valuation of \$67,266,609 to be collected in 2019.

Source: Denver and Jefferson County Assessor's Office

SECTION 14 METROPOLITAN DISTRICT
2018 ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE
DISTRICT - (FOR COLLECTION IN 2019)
Year Ended December 31, 2018
(UNAUDITED)

| Class | Assessed Valuation | Percent of Assessed Valuation |
|----------------|-----------------------|----------------------------------|
| Commercial | | #DIV/0! |
| Residential | | #DIV/0! |
| Vacant | | #DIV/0! |
| State Assessed | | #DIV/0! |
| Total | \$ - | #DIV/0! |

Source: Denver and Jefferson County Assessor's Office

**SECTION 14 METROPOLITAN DISTRICT
SELECTED DEBT RATIOS OF THE DISTRICT
Year Ended December 31, 2018
(UNAUDITED)**

| | |
|---|-------------------|
| Direct Debt as of December 31, 2018 | \$ <u>995,000</u> |
| 2018 Assessed Valuation, Current District & Exclusions | \$ 67,266,609 |
| Direct Debt to Assessed Valuation, Current District & Exclusions | 1.5% |
| 2018 Estimated Statutory "Actual" Value, Current District & Exclusions | \$ 382,227,966 |
| Direct Debt to 2018 Estimated Statutory "Actual" Value, Current District & Exclusions | 0.26% |

DRAFT 7/1/2019

SECTION 14 METROPOLITAN DISTRICT

_____, 2019

Schilling & Company, Inc.
PO Box 631579
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audit of the financial statements of Section 14 Metropolitan District, which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2018, and the respective changes in financial for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 15, 2019 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or

payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We have reviewed the attached Exhibit I of corrected misstatements and are in agreement with them. We have directed that these correcting entries be posted to the accounting records of the District.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 32) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 34) Components of net position (restricted and unrestricted), and components of fund balance (nonspendable, restricted, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments are properly valued.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) The Management's Discussion and Analysis which is required supplementary information (RSI) has been omitted from the financial statements. We are aware that such information is required by accounting principles generally accepted in the United States.
- 44) With respect to the Supplementary Information as listed in the table of contents:
 - a) We acknowledge our responsibility for presenting the Supplementary Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplementary Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 45) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.

- 46) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

SECTION 14 METROPOLITAN DISTRICT

Member of the Board of Directors

District Accountant

Adj. Journal Entries
Section 14 Metropolitan District
December 31, 2018

6/15/2019 7:03:59 PM

| | | |
|-----------|-------|--------|
| Done by: | Date: | Index: |
| Reviewer: | Date: | |

| AJE No. | Account Description | W/P Ref | Account Number | Debits | Credits |
|--|---------------------------|------------|-------------------|---------------------|---------------------|
| 1 | Property Taxes Receivable | B | 1-135 | 366,477.56 | |
| 1 | Deferred Property Taxes | | 1-320 | | 366,477.56 |
| 1 | Property Taxes Receivable | | 2-135 | 966,371.86 | |
| 1 | Deferred Property Taxes | | 2-320 | | 966,371.86 |
| To record property taxes receivable - deferred revenue at December 31, 2018. | | | | | |
| 2 | Due to County Treasurer | 100-1 | 1-311 | | 2,667.48 |
| 2 | Property Taxes - Denver | | 1-510 | 2,667.48 | |
| 2 | Due to County Treasurer | | 2-311 | | 3,737.78 |
| 2 | Property Taxes - Denver | | 2-510 | 3,737.78 | |
| To record property taxes due to Denver County at December 31, 2018. | | | | | |
| Totals | | | | <u>1,339,254.68</u> | <u>1,339,254.68</u> |



Civil Engineering
Surveying
Water Resources Management
Construction Management

June 25, 2019

Ms. Ann Finn
Section 14 Metropolitan District c/o SDMS
141 Union Boulevard, Suite 150
Lakewood, CO 80228

**RE: PROPOSAL FOR SURVEYING SERVICES
SECTION 14 METROPOLITAN DISTRICT
JEFFERSON COUNTY, COLORADO**

Dear Ms. Finn:

We appreciate the opportunity to submit a proposal to provide surveying services to Section 14 Metropolitan District as agent for the, Owner of the subject property. Services are in connection the Chanson Plaza property generally located at the southeast corner of South Wadsworth Boulevard and West Bowles Avenue in Jefferson County, Colorado. Manhard Consulting offers to provide the following services:

SCOPE OF SERVICES

I. SURVEYING SERVICES

A. METROPOLITAN DISTRICT MAP

This fee would include:

Prepare one (1) Metropolitan District Map indicating the relative locations of easements and other property as disclosed in Exhibit A to Storm Drainage Agreement recorded at Reception 92115766; together with that property identified in the Bill of Sale – Personal Property dated November 29, 2018. Each legal description shall be plotted and graphically shown in exhibit format.

LUMP SUM FEE \$2,000

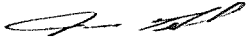
We have included “Exhibit A”, which details services not included in the scope of this Proposal. If you would like to add any of the listed additional services, please notify us and we will revise this Proposal accordingly.

The terms of the attached “General Terms & Conditions” dated January 26, 2015, which Client hereby acknowledges receiving, are incorporated and made a part of this Proposal. The lump sum fees for all services to be completed that are not authorized to begin by December 31, 2019 will be increased by 5 percent per annum. If the above is acceptable, please have this Proposal executed. We will begin work as soon as we receive an executed copy of this Proposal. This Proposal will be null and void if not accepted by December 31, 2019.

Thank you again for the opportunity to submit this Proposal. Should you have any questions, please do not hesitate to contact us.

Yours truly,

MANHARD CONSULTING



James M. Roake, P.L.S.
National Director of Land Surveying



Brian J. Pfohl, P.L.S.
Survey Project Manager

The undersigned is the (a) _____ actual owner of record of the property; (b) _____ authorized agent of the owner of the property; (c) _____ contract purchaser of the Property; (d) _____ general contractor (e) _____ uncertain

If (b), (c), (d) or (e) is checked, the property owner's name and address is _____.

ACCEPTED: SECTION 14 METROPOLITAN DISTRICT

By: _____
(Authorized Representative)

(Printed Name)

TITLE: _____

DATE: _____

GENERAL TERMS AND CONDITIONS

January 26, 2015

1. **ONE INSTRUMENT/INCONSISTENCIES** – These GENERAL TERMS AND CONDITIONS, and the Manhard PROPOSAL to which these terms are attached (collectively this “Agreement”) shall be deemed one instrument. Wherever there is a conflict or inconsistency between the provisions of these GENERAL TERMS AND CONDITIONS, the PROPOSAL, and any plans or specifications, as applicable, the provisions provided for in these GENERAL TERMS AND CONDITIONS shall, in all instances, control and prevail. These GENERAL TERMS AND CONDITIONS shall apply to the work provided in the PROPOSAL to which this is attached or an amendment or modification, including an AGREEMENT FOR ADDITIONAL SERVICES.
2. **ENTIRE AGREEMENT** – These GENERAL TERMS AND CONDITIONS, the PROPOSAL, and any plans or specifications represent the entire Agreement between the Parties and supercedes any and all prior oral or written understandings between the Parties. Changes to these GENERAL TERMS AND CONDITIONS shall only be binding when in writing and agreed to by both parties.
3. **MEDIATION** – All disputes between relating to this Agreement or the Project (as defined in the Proposal) shall first be submitted to mediation with a mediator selected by the Parties. The costs of the mediator shall be split evenly between Client and Manhard. If the Client and Manhard cannot agree on a mediator, then each of Client and Manhard shall nominate a mediator and the two nominated mediators shall select the ultimate mediator. Client and Manhard shall include a similar mediation provision in all of their respective agreements with other parties regarding the Project and will require all such other persons or entities to include a similar mediation provision in all agreements with their respective subcontractors, subconsultants, suppliers and fabricators. Such mediation shall be a condition precedent to a party filing any judicial or other proceeding against the other, except with regard to delinquent fees owed to Manhard.
4. **AUTHORIZATION TO SIGN** – The person signing this Agreement represents and warrants that he/she is signing this Agreement on behalf of the Client and is authorized to enter into this Agreement on the Client’s behalf.
5. **BREACH AND COST OF COLLECTION** – In the event Client breaches the terms of this Agreement, Manhard shall be entitled, in addition to the specific remedies provided for in this Agreement, to pursue all remedies available at law or in equity. Client further agrees that Manhard shall be entitled to recover all costs incurred in enforcing any provision of this Agreement, including court costs and reasonable attorney’s fees. All payments received from the Client will be credited first to interest, then to the cost of enforcement, and then to the amount due to Manhard.
6. **CHANGES IN REGULATORY ENVIRONMENT** – The services provided by Manhard under this Agreement were determined based upon the applicable municipal, county, state and/or federal regulations, codes, laws and requirements that were in existence on the date of this Agreement. Any material additions, deletions or changes in the regulatory environment, which require an increase in the scope of services to be performed, will be an Additional Service.
7. **CONTROLLING LAW** – This Agreement is to be governed by the laws of the State of Illinois.
8. **CURE PERIOD** – If during the project term, Client observes or becomes aware of any improper service which has been provided by Manhard, Client agrees to immediately notify Manhard of the same, in writing. Manhard shall then have five working days to cure, or begin to cure in a diligent manner, such improper service before Client may exercise its rights under any default and remedy provision provided for in this Agreement, including the right to take corrective action prior to the termination of the cure period. If Client fails to notify Manhard of any defects within thirty (30) working days of learning of the defects, any objections to Manhard’s work shall be waived. Manhard will not accept any backcharges unless Client has complied with the foregoing and allowed Manhard the opportunity to cure any problem.
9. **DELAYS** – Client agrees that Manhard shall not be responsible for damages arising directly from any delays for causes beyond Manhard’s control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes, severe weather disruptions or other natural disasters; fires, riots, war or other emergencies or acts of God; failure of any government agency to act in a timely manner; failure of performance by the Client or the Client’s contractors or consultants; or discovery of any hazardous substances or differing site conditions. In addition, if delays resulting from any such causes increase the cost or time required by Manhard to perform its services in an orderly and efficient manner, Manhard shall be entitled to an equitable adjustment in schedule and/or compensation.
10. **ENGINEER’S OPINION OF PROBABLE COST** – Manhard’s Opinions of Probable Cost provided for herein, if applicable, are to be made on the basis of Manhard’s experience and qualifications and represents Manhard’s judgment as an experienced and qualified professional engineer generally familiar with the construction industry. However, because Manhard has no control over the cost of labor, materials, equipment or services furnished by others, the Contractor’s methods of determining prices, or competitive bidding or market conditions, Manhard cannot and does not warrant, represent or guarantee that proposals, bids or actual construction cost will not vary from Manhard’s Opinions of Probable Cost. If Client wishes greater assurance as to probable construction cost, Client shall employ an independent cost estimator.
11. **INDEMNITY** – To the fullest extent permitted by law, the Client shall waive any right of contribution and shall indemnify and hold harmless Manhard, its agents, employees and consultants from and against all claims, damages, losses and expenses, including but not limited to, attorneys’ fees, arising out of or resulting from or in connection with the performance of the work which results from Client’s negligence or the negligence of Client’s agents. This indemnity shall not require the Client to indemnify Manhard for the negligent acts of Manhard or its agents.

To the fullest extent permitted by law, Manhard shall waive any right of contribution and shall indemnify and hold harmless the Client, its agents, employees and consultants from and against all claims, damages, losses and expenses, including but not limited to attorneys’ fees, arising out of or resulting from or in connection with the performance of the work which results from Manhard’s negligence or the negligence of Manhard’s agents. This indemnity shall not require Manhard to indemnify the Client for the negligent acts of the Client or its agents.
12. **MANHARD’S INSURANCE COVERAGE** – Before work is commenced on the site, and throughout the duration of the project, Manhard shall maintain the following insurance coverage so as to indemnify Client from all claims of bodily injury or property damage that may occur from Manhard’s negligence:
 - a. Workmen’s compensation and occupational disease insurance covering all employees in statutory limits who perform any obligations assumed under Contract.

- b. Public liability and property damage liability insurance covering all operations under contract; the limits for bodily injury or death not less than \$2,000,000 for each accident; for property damage, not less than \$500,000 for each accident.
- c. Automobile liability insurance on all self-propelled vehicles used in connection with the Project, whether owned, non-owned or hired; public liability limits of not less than \$1,000,000 for each accident.

At the Client's request, Manhard shall (i) provide a Certificate of Insurance evidencing Manhard's compliance with the above requirements, and (ii) include Client as an "additional insured" on the insurance policy.

- 13. **LIMITATION OF MANHARD'S LIABILITY** – In recognition of the relative risks of the Project to the Client and Manhard, the risks have been allocated such that the Client agrees, to the fullest extent permitted by law, to limit the liability of Manhard and Manhard's consultants to Client, to Contractor and any Subcontractors on the Project and to those claiming by or through Client for any and all claims, losses, costs, damages or claim expenses from any cause or liability of Manhard's or Manhard's consultants to all of those named herein with respect to the Project shall not exceed \$50,000.00 or the agreed upon professional services fee, whichever is greater. Should Client desire a greater limitation of liability it is available for an additional fee as agreed to in writing by Client and Manhard.

Client acknowledges and understands that Manhard's liability exposure for potential claims related to its performance of services is being specifically limited by this Agreement, and that Client's potential recovery in a claim situation is limited to the amount herein. Client agrees that based upon Manhard's fee and services, it is unreasonable to hold Manhard responsible for liability exposure greater than the set limit.

- 14. **INFORMATION TO BE PROVIDED TO MANHARD** – Client agrees to provide Manhard with such site information as may be needed to enable Manhard to perform its services. Such information may include but shall not be limited to: latest plat of record; current title report and the documents contained therein; previous reports; title search report/chain-of-title documents; copies of environmental permits, registrations, liens, or cleanup records for the property; building plans and specifications; location, elevation and sizes of existing gas, telephone, electrical, street lighting and cable television lines on-site and off-site; boundary survey; wetland delineation; soil borings; archaeological phase 1 survey; first floor foundation plan and such other information as may be requested by Manhard, from time to time. Client shall not be responsible for providing site information which Manhard has specifically agreed to provide in its Proposal.
- 15. **MANHARD'S RELIANCE ON INFORMATION PROVIDED** – Manhard may rely on the accuracy and completeness of any information furnished to Manhard by or on Client's behalf. Furthermore, Client agrees to hold Manhard harmless from any engineering errors, including but not limited to, grading, earthwork analysis and off-site stormwater outlets, resulting from inaccurate site information which is provided by Client, including topographical surveys which have been prepared by consultants other than Manhard.
- 16. **PAYMENT** – Invoices will be submitted to the Client for payment on a monthly basis as the work progresses. Invoices are due within thirty days of rendering. Within thirty days of receipt of Invoice, Client shall examine the invoice in detail to satisfy themselves as to its accuracy and completeness and shall raise any question or objection that Client may have regarding the invoice within this thirty-day period. After sixty (60) days from receipt of invoice, Client waives any question or objection to the invoice not previously raised. If Client fails to make any payment due Manhard for services and expenses within thirty days after receipt of Manhard's invoice therefore, the amounts due Manhard will be increased at the rate of 1.0 percent per month (or the maximum rate of interest permitted by law, if less), from said thirtieth day. In addition, Manhard may, after giving notice to Client, suspend services under this Agreement until Manhard has been paid in full all amounts due for services, expenses and charges. In the event Manhard elects to suspend its services, and after receipt of payment in full by Client, Manhard shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any other reasonable time and expense necessary for Manhard to resume performance. In addition, prior to commencing such services, Manhard shall have the right, from time to time, to require Client to provide a retainer payment for services to be rendered. Manhard shall have no liability to Client for any costs or damages incurred as a result of such suspension that is caused by Client.
- 17. **PERMITS & FEES** – Unless the proposal specifically provides otherwise, Client shall be responsible for paying all application and permit fees and obtaining all permits. Manhard does not warrant, represent or guarantee that the permits or approvals will be issued.
- 18. **RIGHTS-OF-WAY & EASEMENTS** – Client shall be responsible for obtaining (or vacating) all right-of-way, easements, real covenants and/or agreements necessary for the proper development of the property, including but not limited to right-of-way and easements which may be necessary for roadway and access improvements; stormwater conveyance and detention; sanitary sewer collection, pumping and treatment facilities; water distribution, treatment or storage facilities; and temporary construction access.
- 19. **SEVERABILITY** – If any clause or provision of this Agreement is determined to be illegal, invalid or unenforceable by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect.
- 20. **STANDARD OF CARE** – Manhard will strive to perform its services in accordance with a manner consistent with the level of care and skill ordinarily exercised by other Design Professionals in the same locale.
- 21. **TERMINATION** – This Contract shall terminate at the time Manhard has completed its services for Client, or prior to that time, if one party provides to the other party written notice, whereby such termination date shall be effective seven (7) days after receipt of such notice. Client agrees to pay for all services, expenses and charges, as agreed, which have been incurred by Manhard through the date of termination.
- 22. **THIRD PARTY BENEFICIARY** – If Client is a contractor for the owner of the property, the parties acknowledge that Manhard is intended to be a third party beneficiary of the construction contract entered into between owner and Client.
- 23. **USE OF DOCUMENTS AND ELECTRONIC DATA** – All documents (including drawings and specifications) as well as electronic data (including designs, plans or data stored in machine readable form) that are provided to Client are instruments of service with respect to the Project. Manhard grants an irrevocable non-exclusive license to the Client relative to the Client's use of the documents in connection with the Project. Client agrees not to reuse or make any modification to the documents without the prior written authorization of Manhard. The authorized reproduction of the documents/electronic data from Manhard's system to an alternate system cannot be accomplished without the introduction of inaccuracies, anomalies and errors, and therefore, Manhard cannot and does not make any representations regarding such compatibility. With respect to such reproduction or unauthorized use, Client agrees to indemnify and hold Manhard harmless from all claims, damages, losses and expenses, including reasonable attorneys' fees and costs, arising from Client's unauthorized use, misuse, modification or misinterpretation of the documents or electronic data.

24. **WAIVER OF CONSEQUENTIAL DAMAGE** – Client and Manhard mutually agree to waive all claims of consequential damages arising from disputes, claims or other matters relating to this Agreement.
25. **MANHARD'S SITE VISITS** – If requested by Client or as required by the Proposal, Manhard shall visit the site at intervals appropriate to the various stages of construction as Manhard deems necessary in order to observe as an experienced and qualified design professional the progress and quality of the various aspects of contractor's work. Construction staking or survey control staking is not considered a site visit. Such visits and observations by Manhard are not intended to be exhaustive or to extend to every aspect of the work in progress, or to involve inspections of the work beyond the responsibilities specifically assigned to Manhard in this Agreement, but rather are to be limited to spot checking, and similar methods of general observation of the work based on Manhard's exercise of professional judgment. Based on information obtained during such visits and such observations, Manhard shall endeavor to determine in general if such work is proceeding in accordance with the contract documents and Manhard shall keep Client informed of the progress of the work.
- The purpose of Manhard's visits to the site will be to enable Manhard to better carry out the duties and responsibilities assigned to and undertaken by Manhard hereunder including, but not limited to, visits during the Construction Phase and the Surveying Phase. Manhard shall not, during such visits or as a result of such observations of work in progress, supervise, direct or have control over the work, nor shall Manhard have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by contractor(s), for safety precautions and programs incident to the work, for any failure of contractor(s) to comply with laws, rules, regulations, ordinances, codes or orders applicable to the furnishing and performing the work or authority to stop the work. Accordingly, Manhard neither guarantees the performance of any contractor(s) nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract documents. Should the Client determine that such service is necessary, Manhard will provide such services as the resident project representative as an Additional Service.
- Manhard shall not have the authority to instruct any contractor to suspend or terminate its work on the Project. Manhard shall not be responsible for the acts or omissions of any contractor(s), or of any subcontractor(s), any supplier(s), or of any other person or organization performing or furnishing any of the work.
26. **DESIGN WITHOUT CONSTRUCTION ADMINISTRATION** – It is understood and agreed that Manhard's basic services under this Agreement do not include project observation or review of the Client's performance or any other construction phase services, and that such services will be provided for by the Client. The Client assumes all responsibility for interpretation of any contract documents and for construction observation, and the Client waives any claims against Manhard that may be in any way connected thereto. In addition, the Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless Manhard, its officers, directors, employees and subconsultants (collectively, Manhard) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising out of or in any way connected with the performance of such services by other persons or entities and from any and all claims arising from modifications, clarifications, interpretations, adjustments or changes made to any contract documents to reflect changed field or other conditions, except for claims arising from the sole negligence or willful misconduct of Manhard. If the Client requests in writing that Manhard provide any specific construction phase services and if Manhard agrees in writing to provide such services, then Manhard shall be compensated for Additional Services as provided in Exhibit A.
27. **RECORD DRAWINGS** – If Manhard is to prepare record drawings as required by the Proposal, then the information submitted by the Contractor and incorporated by Manhard into the record documents will be assumed to be reliable, and Manhard will not be responsible for the accuracy of this information, nor for any errors in or omissions in the information provided by the Contractor which may appear in the record documents as a result, and Client will hold Manhard harmless for any such errors or omissions.

EXHIBIT A ADDITIONAL SERVICES

Additional services (including, but not limited to those listed below) shall be performed by Manhard, if requested, at an additional cost ("Additional Services"). The following services or items are not included within the scope of work outlined in this PROPOSAL to which this is attached unless specifically set forth therein. Such additional services shall be provided either for an agreed upon Lump Sum Fee or on a Time and Material Basis, subject to the rates as listed below:

SCHEDULE OF TIME AND MATERIAL RATES FOR 2019

| <u>CATEGORY</u> | <u>CURRENT HOURLY RATES</u> |
|-------------------------------------|-----------------------------|
| President | \$200.00 |
| Executive Vice President | \$200.00 |
| Vice President | \$190.00 |
| Operations Manager | \$175.00 |
| Senior Project Manager | \$160.00 - \$215.00 |
| Director | \$155.00 |
| Project Manager | \$140.00 - \$150.00 |
| Project Engineer | \$115.00 - \$140.00 |
| Senior Design Technician | \$120.00 |
| Staff Engineer | \$95.00 - \$105.00 |
| Design Technician | \$93.00 - \$110.00 |
| Engineering CADD/G.I.S. Technician | \$60.00 - \$110.00 |
| Senior Planner | \$125.00 - \$180.00 |
| Staff Planner | \$80.00 - \$120.00 |
| Landscape Designer/Architect | \$85.00 - \$150.00 |
| Senior Construction Manager | \$135.00 |
| Project Surveyor | \$125.00 |
| Construction Manager/Coordinator | \$105.00 - \$118.00 |
| Staff Surveyor | \$110.00 |
| Survey/Construction Technician | \$90.00 |
| Construction Inspector | \$70.00 - \$90.00 |
| High Definition Scanning Technician | \$110.00 |
| High Definition Scanner | \$80.00 |
| UAV Technician | \$110.00 |
| UAV | \$40.00 |
| 1-Person Crew | \$135.00 |
| 2-Person Crew | \$178.00 |
| Administrative Assistant | \$60.00 |
| Intern | \$50.00 |
| Expert Testimony & Depositions | \$250.00 |
| <u>REIMBURSABLES</u> | |
| Mileage | \$0.55/mile |
| Printing – Paper (in-house) | \$0.15/sf |
| Printing – Vellum (in-house) | \$1.75/sf |
| Printing – Mylar, Film, (in-house) | \$2.50/sf |

- A. Surveying of utilities located by a utility locator service.
- B. Verification or determination of existing underground utilities that cannot be determined from visible observation and site topography. This would include uncovering buried or submerged structures or completing a utility locate. Locations of existing door and stoops, and upper level or basement floor elevations for existing buildings.
- C. Preparation of legal descriptions and/or exhibits for additional easements or easement vacations other than those shown on the Final Plat.
- D. Preparation or negotiation for off-site easements.
- E. Consultation with the Client, the title company or the Client's attorney with regards to the resolution of gaps and/or overlaps.
- F. Research off-site right-of-way information.
- G. Overnight mail, messenger services, prints or mylars.
- H. Preparation of electronic documents/data including, but not limited to, topographic surveys, plats, base drawings, preliminary engineering plans, landscape plans, final engineering plans and specifications, for transmittal to subconsultants. This service will be provided for a fee of \$500.00.

EVO Consulting Services, Inc.

5910 South Moline Way
Englewood, Colorado 80111

303.713.0053
evosvcinc@msn.com

December 12, 2018

Board of Directors
Section 14 Metropolitan District
C/o Ann Finn, Manager
141 Union Blvd., Suite 150
Lakewood, Colorado 80228

Re: Section 14 Metropolitan District
Signage for Chanson Plaza and Belleview Shores
Monument Signage Retrofitting

Gentlemen:

We have received copies of the invoices that were provided by the District's Manager, Ann Finn, in connection with the above retrofitting of monument signage work in Jefferson County, Colorado, pursuant to making recommendations for reimbursement by the Section 14 Metropolitan District to the Jordan Perlmutter Company.

Reference is made to the Service Plan, details / layouts of monument signage, and copies of quotations / invoices for the contractor, Gordon Sign, who was engaged to furnish and install double faced signs on existing bases; furnish and install double faced identification signs on existing bases to match the size and design of existing signs; and documentation for the project was forwarded by the Jordan Perlmutter Company.

It should be noted that competitive bidding procedures were not used in selecting Gordon Sign for construction of the project. However, it should also be noted that the signs at both locations were originally designed and constructed by Gordon Sign— except for the respective merchants' identification indicated on the sign faces – and the quoted price was consistent with the project budget. The primary objective was to retrofit the existing signage to incorporate LED technology with double faced panels at the existing locations taking advantage of prudent existing constructed elements and incorporating same in the finished product.

Accordingly, we have concluded that Gordon Sign's price satisfies the requirement that the costs are representative of those that are prevailing in the Denver Metropolitan area. Therefore, in our opinion, all of the services provided and / or work performed, are appropriate as District expenses and are recommended for reimbursement.

We have prepared a spreadsheet summary of invoices that were associated with the project, noting our reimbursement recommendations in the column labeled as "District Eligible" and are attaching it hereto for reference.

Recommendations

The facilities for which reimbursement is requested are provided for in the District Service Plan and the pricing therefor is consistent with current costs that are prevailing in the Denver Metro Area. A site visit has provided general confirmation that construction of the items for which reimbursement is being requested has been completed. Further, vouchers evidencing payment via, ledgers of transactions, noting dates of invoices, check numbers and amount paid for each vendor, serve as evidence of payment for the invoices that were submitted.

Therefore, we recommend that the Board of Directors of the Section 14 Metropolitan District approve reimbursement to the Jordan Perlmutter Company for the invoices submitted for the Signage for Chanson Plaza and Bellevue Shores in the total amount of **\$167,287.09** subject to such rules and regulations as may apply.

We are available to answer any questions regarding these recommendations.

Very truly yours,
EVO Consulting Services, Inc.

A handwritten signature in cursive script, appearing to read "William K. Brown".

William K. Brown, P. E.
District Oversight Engineer
Section 14 Metropolitan District

Attachment

SECTION 14 METROPOLITAN DISTRICT

[illegible]