

## SECTION 14 METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 · 800-741-3254  
Fax: 303-987-2032

### **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 17, 2018**  
**TIME:**        9:00 A.M.  
**PLACE:**        Jordon Perlmutter & Co.  
                      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.

\_\_\_\_\_

- C.        Discuss results of the May 8, 2018 Election (enclosure).

\_\_\_\_\_

- D.        Consider appointment of Officers:

President \_\_\_\_\_

Treasurer \_\_\_\_\_

Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

- E.        Review and approve Minutes of the November 27, 2017 regular meeting (enclosure).

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## II. FINANCIAL MATTERS

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

Fund	Period ending Dec. 14, 2017	Period ending Jan. 18, 2018	Period ending Feb. 13, 2018	Period ending March 12, 2018
General	\$ 22,568.71	\$ 11,186.61	\$ 15,150.25	\$ 16,087.14
Debt	\$ 1,375.00	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 23,943.71</b>	<b>\$ 11,186.61</b>	<b>\$ 15,150.25</b>	<b>\$ 16,087.14</b>

Fund	Period ending April 10, 2018	Period ending May 17, 2018	Period ending June 15, 2018
General	\$ 17,771.19	\$ 17,255.47	\$ 10,056.44
Debt	\$ -0-	\$ -0-	\$ 1,512.50
Capital	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 17,771.19</b>	<b>\$ 17,255.47</b>	<b>\$ 11,568.94</b>

- B. Review and approve payment of claims through July 17, 2018 totaling \$\_\_\_\_\_ (to be distributed at meeting).
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- C. Review and accept unaudited financial statements through the period ending May 31, 2018 and the schedule of cash position statement dated May 31, 2018 (enclosure).
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- D. Consider approval of 2017 Audit and authorize execution of Representations Letter (enclosure).
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- E. Consider appointment of District Accountant to prepare the 2019 Budget and set date for public hearing to adopt the 2019 Budget (the next regular meeting is scheduled for November 26, 2018 at 9:00 a.m.).
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## III. LEGAL MATTERS

- A. Discuss possible November 6, 2018 Election.
-

IV. CAPITAL PROJECTS

- A. Discuss possible capital improvement projects for 2018.
- 

V. OTHER MATTERS

- A. 

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VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR  
NOVEMBER 26, 2018.**

**NOTICE OF CANCELLATION  
and  
CERTIFIED STATEMENT OF RESULTS**

§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

**NOTICE IS HEREBY GIVEN** by the Section 14 Metropolitan District, Jefferson County and City and County of Denver, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 8, 2018 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Douglas C. Ernst	Second Regular Election, May 2022
Kenya Jenkins	Second Regular Election, May 2022
Jonathan Permuter	Second Regular Election, May 2022

/s/ Ann E. Finn  
(Designated Election Official)

Contact Person for the District:	Ann E. Finn
Telephone Number of the District:	303-987-0835
Address of the District:	141 Union Boulevard, Suite 150, Lakewood, CO 80228
District Facsimile Number:	303-987-2032
District Email:	afinn@sdmsi.com

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SECTION 14 METROPOLITAN DISTRICT HELD NOVEMBER 27, 2017

A regular 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 27th day of November, 2017, 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.

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#### ATTENDANCE

##### Directors In Attendance Were:

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

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

##### Also In Attendance Were:

Ann Finn; Special District Management Services, Inc.  
  
MaryAnn M. McGeady, Esq.; McGeady Becher P.C.

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#### 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. The Chairman 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.

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## RECORD OF PROCEEDINGS

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### **ADMINISTRATIVE MATTERS**

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

Following discussion, upon motion duly made by Director Jenkins, seconded by Director Jay Perlmutter 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 Jenkins, seconded by Director Jay Perlmutter 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 13, 2017 special meeting.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Toll and, upon vote, unanimously carried, the Board approved the Minutes of the July 13, 2017 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. 2017-11-01; Establishing 2017 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 2018 to meet the statutory compliance requirements. Following discussion, the Board determined to meet on June 25, 2018 and November 26, 2018, at 9:00 a.m. at the offices of Jordon Perlmutter and Co., 1601 Blake Street, Suite 600, Denver, Colorado.

Following discussion, upon motion duly made by Director Ernst, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board approved Resolution No. 2017-11-01; Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24 Hour Notices. A copy of the Resolution is attached and incorporated herein.

## RECORD OF PROCEEDINGS

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**§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 Jenkins and, upon vote, unanimously carried, the Board authorized staff to post the required transparency notice on the SDA Website.

### **FINANCIAL MATTERS**

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

Fund	Period ending July 13, 2017	Period ending Aug. 23, 2017	Period ending Sept. 14, 2017	Period ending Oct. 13, 2017
General	\$ 20,980.09	\$ 24,116.57	\$ 35,681.75	\$ 25,238.77
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 20,980.09	\$ 24,116.57	\$ 35,681.75	\$ 25,238.77

Following review, upon motion duly made by Director Jay Perlmutter, seconded by Director Toll 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 9, 2017 totaling \$23,071.81.

Following review and discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Toll and, upon vote, unanimously carried, the payment of claims for the period ending November 9, 2017 were approved.

**Unaudited Financial Statements:** There were no financial statements presented.

**2017 Audit:** The Board reviewed proposals from Schilling & Company, Inc. and Green & Associates, LLC to perform the 2017 audit.

Following discussion, upon motion duly made by Director Jay Perlmutter, seconded by Director Ernst and, upon vote, unanimously carried, the Board approved the engagement of Schilling & Company, Inc. to perform the 2017 Audit, for an amount not to exceed \$5,000.

**2017 Budget Amendment Hearing:** The Board President opened the public hearing to consider a Resolution to Amend the 2017 Budget and discuss related issues.

## RECORD OF PROCEEDINGS

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It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2017 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.

Following review and discussion, Director Ernst moved to adopt Resolution No. 2017-11-02 to Amend 2017 Budget, Director Jay Perlmutter seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-11-02, Resolution to Amend the 2017 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**2018 Budget:** The President opened the public hearing to consider the proposed 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of 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. There were no comments from the public in attendance and the public hearing was closed.

Ms. Finn reviewed the estimated 2017 expenditures and the proposed 2018 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2017-11-03 to Adopt the 2018 Budget and Appropriate Sums of Money and Resolution No. 2017-11-04 to Set Mill Levies, as noted on the attached Certification of Tax Levies. Upon motion duly made by Director Ernst, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Resolutions were adopted, as 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, 2017. 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, 2017. Ms. Finn was also directed to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2018. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

**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 Ernst, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the



## RECORD OF PROCEEDINGS

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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.

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### **LEGAL MATTERS**

**Resolution No. 2017-11-05; Calling the May 8, 2018 Regular Election:** Attorney McGeady discussed with the Board the upcoming election and Resolution No. 2017-11-05; Calling the May 8, 2018 Election.

Following discussion, upon motion duly made by Director Toll, seconded by Director Jay Perlmutter and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-11-05 to Call the May 8, 2018 Election, appointed Ms. Finn as the Designated Election Official, and authorized her to perform all tasks required for the May 8, 2018 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

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### **CAPITAL PROJECTS**

**Capital Improvement Projects for 2018 :** The Board entered into discussion regarding possible capital improvement projects for 2018 within the District. No action was taken by the Board at this time.

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### **OTHER MATTERS**

There were no other matters to discuss at this time.

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### **ADJOURNMENT**

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

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVMEBER 27, 2017  
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. 2017-11-01**

**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 2018 shall be held on June 25<sup>th</sup>, 2018 and November 26<sup>th</sup> 2018 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

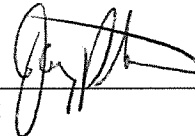
9. Kanya Jenkins, or his/her designee, is hereby appointed to post the above-referenced notices.

RESOLUTION APPROVED AND ADOPTED on November 27, 2017.

**SECTION 14 METROPOLITAN  
DISTRICT**

By: \_\_\_\_\_

President



Attest:



Secretary

RESOLUTION TO AMEND 2017 BUDGET  
SECTION 14 METROPOLITAN DISTRICT

WHEREAS, the Board of Directors of the Section 14 Metropolitan District adopted an amended budget and appropriated funds for the fiscal year 2017 as follows:

General Fund	\$	532,852
Debt Service Fund	\$	1,048,290
Capital Projects Fund	\$	301,763

WHEREAS, the necessity has arisen for additional expenditures in the General Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2017; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the General Fund from the ending fund balance.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Section 14 Metropolitan District shall and hereby does amend the adopted Budget for the fiscal year 2017 and adopts a supplemental budget and appropriation for the General Fund for the fiscal year 2017, as follows:

General Fund	\$	537,000
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BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 27th day of November, 2017.

SECTION 14 METROPOLITAN DISTRICT

By:   
Secretary

RESOLUTION NO. 2017 - 11 - 03  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SECTION 14 METROPOLITAN DISTRICT  
TO ADOPT THE 2018 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 2018 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, 2017, 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 27, 2017, 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 2018 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 27th day of November, 2017.



A handwritten signature in black ink, appearing to be "AZK", written above a horizontal line.

Secretary

EXHIBIT A  
(Budget)





Certified Public Accountants and Business Consultants

### Accountant's Compilation Report

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

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Section 14 Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, the actual comparative information for the year ending December 31, 2016, and the adopted budget for the year ending December 31, 2017 in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the Budget Message included in the budget submission to the State of Colorado which describes that the budgetary basis of accounting is the modified accrual basis in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Section 14 Metropolitan District.

*Barnes Griggs & Associates, PC*

Lakewood, Colorado  
January 13, 2018

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Barnes Griggs & Associates, PC

## **SECTION 14 METROPOLITAN DISTRICT**

### **2018 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 2018 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2018 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 increased 13.84% to \$52,341,016 in 2017. The District’s overall mill levy stayed the same at 23.669 mills with 9.857 mills dedicated to the General Fund and 13.812 mills dedicated to the Debt Service Fund for tax collected in the 2018 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 4.976 and the Villages at Raccoon Creek and Grant Ranch Cove Exclusions have a mill levy of 13.812 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
2018	\$ 940,000	\$ 96,750	\$ 1,036,750
2019	995,000	49,750	1,044,750
Total	<u>\$ 1,935,000</u>	<u>\$ 146,500</u>	<u>\$ 2,081,500</u>

The **Capital Projects Fund** is used to account for revenues and expenditures for reimbursement of capital projects. In 2018, the Board budgeted for a developer reimbursement in the amount of \$550,000 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**

	2016 Actual	2017 Adopted Budget	2018 Adopted Budget
<b>Assessed Valuation</b>			
Jefferson County	\$ 38,108,589	\$ 37,534,351	\$ 42,757,296
Denver County	8,464,690	8,443,000	9,583,720
Sub Total Assessed Valuation	46,573,279	45,977,351	52,341,016
<b>Assessed Valuation Exclusions</b>			
Jefferson Exclusions:			
Jefferson-1994	4,320,335	4,220,332	4,886,852
Grant Ranch Cove-04	3,537,679	3,546,470	3,672,778
Denver Exclusions:			
Westlake (Fairmark)	4,221,010	4,150,630	4,806,530
Villages at Raccoon Creek	3,512,810	3,506,510	3,762,240
Sub Total Assessed Valuations Exclusions	15,591,834	15,423,942	17,128,400
<b>TOTAL ASSESSED VALUATIONS</b>	<b>\$ 62,165,113</b>	<b>\$ 61,401,293</b>	<b>\$ 69,469,416</b>
<b>Mill Levy</b>			
General Fund	5.110	5.110	9.857
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	0.022
Jefferson - Exclusion 1994	0.000	0.000	0.000
Jefferson - Grant Ranch Cove	0.000	0.000	0.194
<b>Debt Service Fund</b>			
Denver	18.180	18.559	13.812
Denver - Westlake aka Fairmark	6.550	6.687	4.976
Denver - Villages at Raccoon Creek	18.180	18.559	13.812
Jefferson	18.180	18.559	13.812
Jefferson - Exclusion 1994	6.550	6.687	4.976
Jefferson - Exclusion Grant Ranch Cove	18.180	18.559	13.812
<b>Combined Total Mill Levy-Jefferson/Denver ONLY</b>	<b>23.290</b>	<b>23.669</b>	<b>23.669</b>
<b>Property Taxes</b>			
General Fund	\$ 237,990	\$ 234,945	\$ 515,926
Debt Service Fund	846,702	853,294	722,934
Debt Service Fund Exclusions	184,124	186,872	150,926
Temporary Mill Levy Reduction	-	-	-
Refunds and Abatements	-	-	1,654
<b>Actual/Budgeted Property Taxes</b>	<b>\$ 1,268,816</b>	<b>\$ 1,275,111</b>	<b>\$ 1,391,440</b>

# SECTION 14 METROPOLITAN DISTRICT

## GENERAL FUND 2018 Adopted Budget with 2016 Actual, 2017 Budget, and 2017 Estimated

	2016 Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
<b>BEGINNING FUND BALANCE</b>	\$ 210,391	\$ 211,407	\$ 300,061	\$ 88,776
<b>REVENUE</b>				
Property Taxes - Denver	43,255	43,144	43,144	94,467
Property Taxes - Jeff. Cty.	193,426	191,801	191,801	421,459
Specific Ownership Taxes	98,205	85,000	85,000	86,608
Interest Income	2,266	1,500	5,021	5,000
<b>Total Revenue</b>	337,151	321,445	324,966	607,534
<b>Total Funds Available</b>	547,542	532,852	625,027	696,310
<b>EXPENDITURES</b>				
Accounting	10,666	11,000	11,000	11,220
District Management	6,836	8,840	8,840	9,017
Audit	5,974	6,000	6,000	6,000
Director's Fees	300	1,500	1,500	1,500
Dues & Subscriptions	616	600	600	600
Election Expense	913	-	-	1,000
Insurance	5,193	5,713	5,713	6,284
Legal	6,851	14,000	14,000	14,280
Statutory Compliance	158	-	-	-
Legal Publications	137	100	100	100
Miscellaneous Expenses	226	1,000	1,000	1,000
C&C of Denver Annual Fee	3,000	3,000	3,000	3,000
Payroll Taxes	23	115	115	115
Treasurer's Fees	3,335	-	3,294	7,739
Utilities	99,840	90,000	90,000	90,000
Landscape Maintenance	103,412	95,000	95,000	95,000
Contingency	-	86,341	86,341	81,230
Emergency Reserves	-	9,643	9,749	18,226
<b>Total Expenditures</b>	247,481	332,852	336,251	346,311
<b>Transfers and Other Uses</b>				
Transfer to Capital	-	200,000	200,000	350,000
<b>Total Expenditures Requiring Appropriation</b>	247,481	532,852	536,251	696,311
<b>ENDING FUND BALANCE</b>	\$ 300,061	\$ -	\$ 88,776	\$ -

## SECTION 14 METROPOLITAN DISTRICT

### DEBT SERVICE FUND

#### 2018 Adopted Budget

with 2016 Actual, 2017 Adopted Budget, 2017 Amended Budget, and 2017 Estimated

	2016 Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
BEGINNING FUND BALANCE	\$ 223,452	\$ 227,827	\$ 226,074	\$ 230,726
<b>REVENUE</b>				
Property Taxes - Denver	153,888	156,694	156,694	132,370
Property Taxes - Jeff. Cty.	688,156	696,600	696,600	591,505
PrtY Taxes - Ex Denver	91,511	92,832	92,832	75,881
PrtY Taxes - Ex Jeff. Cty.	92,364	94,040	94,040	75,758
Interest Income	4,976	-	7,876	-
<b>Total Revenue</b>	1,030,895	1,040,166	1,048,042	875,514
<b>Total Funds Available</b>	1,254,347	1,267,993	1,274,116	1,106,240
<b>EXPENDITURES</b>				
Bond Principal 2000	835,000	885,000	885,000	940,000
Bond Interest 2000	176,363	138,788	138,788	96,750
Trustee/Paying Agent Fees	2,750	4,000	4,000	4,000
Arbitrage expense	-	4,900	-	-
Treasurer's Fees	14,161	15,602	15,602	13,133
<b>Total Expenditures</b>	1,028,274	1,048,290	1,043,390	1,053,883
<b>Total Expenditures Requiring Appropriation</b>	1,028,274	1,048,290	1,043,390	1,053,883
ENDING FUND BALANCE	\$ 226,074	\$ 219,703	\$ 230,726	\$ 52,357

# SECTION 14 METROPOLITAN DISTRICT

## CAPITAL PROJECTS FUND 2018 Adopted Budget with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

	2016 Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
BEGINNING FUND BALANCE	\$ 1,758	\$ 101,763	\$ 1,762	\$ 201,769
<b>REVENUE</b>				
Interest Income	4	-	7	-
Transfer from General Fund	-	200,000	200,000	350,000
<b>Total Revenue</b>	4	200,000	200,007	350,000
<b>Total Funds Available</b>	1,762	301,763	201,769	551,769
<b>EXPENDITURES</b>				
Reimbrse developer- cap. proj.	-	300,000	-	550,000
Contingency	-	1,763	-	1,769
<b>Total Expenditures</b>	-	301,763	-	551,769
<b>Total Expenditures Requiring Appropriation</b>	-	301,763	-	551,769
ENDING FUND BALANCE	\$ 1,762	\$ -	\$ 201,769	\$ -

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 2018, duly adopted at a meeting of the Board of Directors of the Section 14 Metropolitan District held on November 27, 2017.

By:                     A E Finn                      
Secretary



RESOLUTION NO. 2017 - 11 - 04  
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 2018 annual budget in accordance with the Local Government Budget Law on November 27, 2017; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2018 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 2018 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 2018 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 27<sup>th</sup> day of November, 2017.



Secretary



**EXHIBIT A**  
(Certification of Tax Levies)

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**TO: County Commissioners<sup>1</sup> of Jefferson County, Colorado.On behalf of the Section 14 Metropolitan District (Bonds only) EX-04-4807 Grant Ranch Cove,  
(taxing entity)<sup>A</sup>the Board of Directors  
(governing body)<sup>B</sup>of the Section 14 Metropolitan District  
(local government)<sup>C</sup>Hereby officially certifies the following mills  
to be levied against the taxing entity's GROSS \$ 3,672,778  
assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)Note: If the assessor certified a NET assessed valuation  
(AV) different than the GROSS AV due to a Tax  
Increment Financing (TIF) Area<sup>F</sup> the tax levies must be \$ 3,672,778  
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<sup>G</sup> 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: 12/15/2017 for budget/fiscal year 2018.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)**PURPOSE** (see end notes for definitions and examples)**LEVY<sup>2</sup>****REVENUE<sup>2</sup>**

1. General Operating Expenses <sup>H</sup>	<u>.000</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>          </u> > mills	\$ < <u>          </u> >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>.000</u> mills	\$ <u>0</u>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>13.812</u> mills	\$ <u>50,728</u>
4. Contractual Obligations <sup>K</sup>	<u>          </u> mills	\$ <u>          </u>
5. Capital Expenditures <sup>L</sup>	<u>          </u> mills	\$ <u>          </u>
6. Refunds/Abatements <sup>M</sup>	<u>.194</u> mills	\$ <u>713</u>
7. Other <sup>N</sup> (specify): <u>          </u>	<u>          </u> mills	\$ <u>          </u>
	<u>          </u> mills	\$ <u>          </u>

**TOTAL:** [Sum of General Operating  
Subtotal and Lines 3 to 7]14.006

mills

\$ 51,441Contact person:  
(print)Ann FinnDaytime  
phone:( 303 )987-0835

Signed:

Eric S. Barnes

Title:

District AccountantInclude 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.<sup>1</sup> 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.<sup>2</sup> 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<sup>J</sup>:**

1.	Purpose of Issue:	General Obligation Funding Bonds
	Series:	2000
	Date of Issue:	April 27, 2000
	Coupon Rate:	4.5% to 5.0%
	Maturity Date:	December 1, 2019
	Levy:	13.812
	Revenue:	\$ 50,728
2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

### **CONTRACTS<sup>K</sup>:**

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, 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<sup>J</sup>:**

		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:	4.976
	Revenue:	\$ 24,317
2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

### **CONTRACTS<sup>K</sup>:**

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 Governments

TO: County Commissioners<sup>1</sup> of Jefferson County, Colorado.

On behalf of the Section 14 Metropolitan District,  
 (taxing entity)<sup>A</sup>  
 the Board of Directors  
 (governing body)<sup>B</sup>  
 of the Section 14 Metropolitan District  
 (local government)<sup>C</sup>

Hereby officially certifies the following mills  
 to be levied against the taxing entity's GROSS \$ 42,757,296  
 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation  
 (AV) different than the GROSS AV due to a Tax  
 Increment Financing (TIF) Area<sup>F</sup> the tax levies must be \$ 42,757,296  
 calculated using the NET AV. The taxing entity's total (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
 property tax revenue will be derived from the mill levy  
 multiplied against the NET assessed valuation of: **USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED  
 BY ASSESSOR NO LATER THAN DECEMBER 10**

Submitted: 12/15/2017 for budget/fiscal year 2018  
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

## PURPOSE (see end notes for definitions and examples)

## LEVY<sup>2</sup>

## REVENUE<sup>2</sup>

1. General Operating Expenses <sup>H</sup>	<u>9.857</u> mills	\$ <u>421,459</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>9.857</u> mills	\$ <u>421,459</u>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>13.812</u> mills	\$ <u>590,564</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	<u>.022</u> mills	\$ <u>941</u>
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____

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

23.691

mills

\$ 1,012,964

Contact person:  
(print)

Ann Finn

Daytime

phone: (303)

987-0835

Signed:

*Eric S. Barnes*

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.

<sup>1</sup> 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.

<sup>2</sup> 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<sup>J</sup>:**

	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:	13.812
Revenue:	\$ 590,564
2. Purpose of Issue:	
Series:	
Date of Issue:	
Coupon Rate:	
Maturity Date:	
Levy:	
Revenue:	

#### **CONTRACTS<sup>K</sup>:**

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 Governments**TO: County Commissioners<sup>1</sup> of \_\_\_\_\_ City and County of Denver \_\_\_\_\_, Colorado.

On behalf of the \_\_\_\_\_ Section 14 Metropolitan District (Bonds only) EX '95 Fairmark/Westlake \_\_\_\_\_,

(taxing entity)<sup>A</sup>

the \_\_\_\_\_ Board of Directors \_\_\_\_\_

(governing body)<sup>B</sup>

of the \_\_\_\_\_ Section 14 Metropolitan District \_\_\_\_\_

(local government)<sup>C</sup>

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

4,806,530

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation  
(AV) different than the GROSS AV due to a Tax  
Increment Financing (TIF) Area<sup>F</sup> 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:

4,806,530

(NET<sup>G</sup> 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: 12/15/2017 for budget/fiscal year 2018  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

**PURPOSE** (see end notes for definitions and examples)**LEVY<sup>2</sup>****REVENUE<sup>2</sup>**

1. General Operating Expenses <sup>H</sup>	.000	mills	\$	0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<	>	mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	.000	mills	\$	0
3. General Obligation Bonds and Interest <sup>J</sup>	4.976	mills	\$	23,917
4. Contractual Obligations <sup>K</sup>		mills	\$	
5. Capital Expenditures <sup>L</sup>		mills	\$	
6. Refunds/Abatements <sup>M</sup>		mills	\$	
7. Other <sup>N</sup> (specify): _____		mills	\$	
		mills	\$	

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

4.976

mills

\$

23,917

Contact person:  
(print)

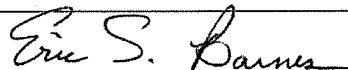
Ann Finn

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.

<sup>1</sup> 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.

<sup>2</sup> 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<sup>J</sup>:**

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:	4.976
	Revenue:	\$ 23,917
2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

**CONTRACTS<sup>K</sup>:**

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 Governments**TO: County Commissioners<sup>1</sup> 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)<sup>A</sup>

the \_\_\_\_\_ Board of Directors \_\_\_\_\_

(governing body)<sup>B</sup>

of the \_\_\_\_\_ Section 14 Metropolitan District \_\_\_\_\_

(local government)<sup>C</sup>

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

3,762,240

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation  
(AV) different than the GROSS AV due to a Tax  
Increment Financing (TIF) Area<sup>F</sup> 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:

3,762,240

(NET<sup>G</sup> 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:

12/15/2017

for budget/fiscal year

2018

(no later than Dec. 15)

(mm/dd/yyyy)

(yyyy)

**PURPOSE** (see end notes for definitions and examples)**LEVY<sup>2</sup>****REVENUE<sup>2</sup>**1. General Operating Expenses<sup>H</sup>

.0000

mills

\$

0

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

&lt;

&gt;

mills

\$

&lt;

&gt;

**SUBTOTAL FOR GENERAL OPERATING:**

.000

mills

\$

0

3. General Obligation Bonds and Interest<sup>J</sup>

13.812

mills

\$

51,964

4. Contractual Obligations<sup>K</sup>

mills

\$

5. Capital Expenditures<sup>L</sup>

mills

\$

6. Refunds/Abatements<sup>M</sup>

mills

\$

7. Other<sup>N</sup> (specify): \_\_\_\_\_

mills

\$

mills

\$

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

13.812

mills

\$

51,964

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.

<sup>1</sup> 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.

<sup>2</sup> 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<sup>J</sup>:

- |    |                   |                                    |
|----|-------------------|------------------------------------|
| 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:             | 13.812                             |
|    | Revenue:          | \$ 51,964                          |
| 2. | Purpose of Issue: |                                    |
|    | Series:           |                                    |
|    | Date of Issue:    |                                    |
|    | Coupon Rate:      |                                    |
|    | Maturity Date:    |                                    |
|    | Levy:             |                                    |
|    | Revenue:          |                                    |

## CONTRACTS<sup>K</sup>:

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 Governments**

a

TO: County Commissioners<sup>1</sup> of \_\_\_\_\_ City and County of Denver \_\_\_\_\_, Colorado.

On behalf of the \_\_\_\_\_ Section 14 Metropolitan District \_\_\_\_\_,

(taxing entity)<sup>A</sup>

the \_\_\_\_\_ Board of Directors \_\_\_\_\_

(governing body)<sup>B</sup>

of the \_\_\_\_\_ Section 14 Metropolitan District \_\_\_\_\_

(local government)<sup>C</sup>

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

9,583,720

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation  
(AV) different than the GROSS AV due to a Tax  
Increment Financing (TIF) Area<sup>F</sup> 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:

9,583,720

(NET<sup>G</sup> 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: 12/15/2017 for budget/fiscal year 2018  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

**PURPOSE** (see end notes for definitions and examples)**LEVY<sup>2</sup>****REVENUE<sup>2</sup>**

1. General Operating Expenses <sup>H</sup>	9.857	mills	\$	94,467
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<	>	mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	9.857	mills	\$	94,467
3. General Obligation Bonds and Interest <sup>J</sup>	13.812	mills	\$	132,370
4. Contractual Obligations <sup>K</sup>		mills	\$	
5. Capital Expenditures <sup>L</sup>		mills	\$	
6. Refunds/Abatements <sup>M</sup>		mills	\$	
7. Other <sup>N</sup> (specify): _____		mills	\$	
		mills	\$	

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

23.669

mills

\$

226,837

Contact person:  
(print)

Ann Finn

Daytime

phone: (303)

987-0835

Signed:

Eric S. Barnes

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.

<sup>1</sup> 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.

<sup>2</sup> 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<sup>J</sup>:**

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, 2026
	Levy:	13.812
	Revenue:	\$ 132,370
2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

**CONTRACTS<sup>K</sup>:**

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.

**RESOLUTION NO. 2017-11-05**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SECTION 14 METROPOLITAN DISTRICT  
CALLING A REGULAR ELECTION FOR DIRECTORS  
ON MAY 8, 2018 (THE “ELECTION”)**

A. The terms of the offices of Directors Jonathan Perlmutter and Douglas C. Ernst shall expire upon the election of their successors at the regular election, to be held on May 8, 2018, and upon such successors taking office.

B. The term of the office to which Director Kenya Jenkins has previously been appointed expires upon her re-election, or the election of her successor at the Election, and upon such successor taking office.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect three (3) Directors to serve until the second regular election, to occur May 3, 2022.

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

1. Date and Time of Election. The Election shall be held on May 8, 2018, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, three (3) Directors shall be elected to serve until the second regular election, to occur May 3, 2022.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, between the hours of 8:00

a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (May 1, 2018).

6. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms are available at the office of the Designated Election Official located at the above address. All candidates must file a self-nomination and acceptance form with the Designated Election Official no earlier than January 1, 2018 and no later than the close of business on March 2, 2018.

7. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 6, 2018 or at any time thereafter, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

8. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

9. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

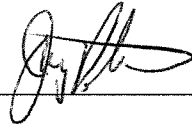


RESOLUTION APPROVED AND ADOPTED on November 27, 2017.

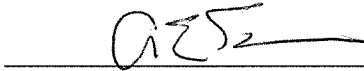
**SECTION 14 METROPOLITAN  
DISTRICT**

By: \_\_\_\_\_

President



Attest:



Secretary

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void
4004							
12/14/2017	Bowles Village Center	11/2017	Landscape Maintenance	1-786	1,109.00	1,109.00	
12/14/2017	Bowles Village Center	11/2017	Utilities	1-710	1,146.00	1,146.00	
Total 4004:						2,255.00	
4005							
12/14/2017	Chanson, LLC	11/2017	Landscape Maintenance	1-786	5,723.00	5,723.00	
12/14/2017	Chanson, LLC	11/2017	Utilities	1-710	1,722.00	1,722.00	
Total 4005:						7,445.00	
4006							
12/14/2017	Colorado Community Media	00163534	Legal Publications	1-680	17.72	17.72	
Total 4006:						17.72	
4007							
12/14/2017	Colorado Special District P&L	31C60144-912	Prepays	1-125	3,990.19	3,990.19	
Total 4007:						3,990.19	
4008							
12/14/2017	Dodge Data & Analytics	A40010852	Legal Publications	1-680	48.96	48.96	
Total 4008:						48.96	
4009							
12/14/2017	McGeady Becher P.C.	198C 11/2017	Legal	1-675	143.50	143.50	
Total 4009:						143.50	
4010							
12/14/2017	Section 14 Development Compan	11/2017	Landscape Maintenance	1-786	1,910.00	1,910.00	
12/14/2017	Section 14 Development Compan	11/2017	Utilities	1-710	3,125.00	3,125.00	
Total 4010:						5,035.00	
4011							
12/14/2017	Special District Management Ser	25195	District Management	1-614	1,611.09	1,611.09	
12/14/2017	Special District Management Ser	25195	Accounting	1-613	864.00	864.00	
Total 4011:						2,475.09	
4012							
12/14/2017	T Charles Wilson Insurance	5993	Prepays	1-125	750.00	750.00	
Total 4012:						750.00	
4013							
12/14/2017	US Bank	4828583	Trustee/Paying Agent Fe	2-668	1,375.00	1,375.00	
Total 4013:						1,375.00	
201728							
12/14/2017	Denver Water	5256 11/17	Utilities	1-710	15.13	15.13	M

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void
Total 201728:						15.13	
201729							
12/14/2017	Denver Water	5261 11/17	Utilities	1-710	11.86	11.86	M
Total 201729:						11.86	
201730							
12/14/2017	Denver Water	5392 11/17	Utilities	1-710	11.86	11.86	M
Total 201730:						11.86	
Grand Totals:						23,574.31	

Section 14 Metropolitan District  
December-17

	General	Debt	Capital	Totals
Disbursements	\$ 22,199.31	\$ 1,375.00	\$ -	\$ 23,574.31
Payroll	\$ 369.40			\$ 369.40
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 22,568.71	\$ 1,375.00	\$ -	\$ 23,943.71

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void/I
<b>4014</b>							
01/18/2018	Bowles Village Center	12/2017	Landscape Maintenance	1-786	560.00	560.00	
01/18/2018	Bowles Village Center	12/2017	Utilities	1-710	290.00	290.00	
Total 4014:						850.00	
<b>4015</b>							
01/18/2018	Chanson, LLC	12/2017	Landscape Maintenance	1-786	1,640.00	1,640.00	
01/18/2018	Chanson, LLC	12/2017	Utilities	1-710	1,091.00	1,091.00	
Total 4015:						2,731.00	
<b>4016</b>							
01/18/2018	McGeady Becher P.C.	198C DEC 17	Legal	1-675	2,943.00	2,943.00	
Total 4016:						2,943.00	
<b>4017</b>							
01/18/2018	Section 14 Development Company	12/2017	Landscape Maintenance	1-786	2,266.00	2,266.00	
01/18/2018	Section 14 Development Company	12/2017	Utilities	1-710	299.00	299.00	
Total 4017:						2,565.00	
<b>4018</b>							
01/18/2018	Special District Management Servic	DECEMBER 2017	District Management	1-614	735.76	735.76	
01/18/2018	Special District Management Servic	DECEMBER 2017	Accounting	1-613	1,323.00	1,323.00	
Total 4018:						2,058.76	
<b>20180101</b>							
01/18/2018	Denver Water	5256 12/17	Utilities	1-710	15.13	15.13	M
Total 20180101:						15.13	
<b>20180102</b>							
01/18/2018	Denver Water	5392 12/17	Utilities	1-710	11.86	11.86	M
Total 20180102:						11.86	
<b>20180103</b>							
01/18/2018	Denver Water	5261 12/17	Utilities	1-710	11.86	11.86	M
Total 20180103:						11.86	
Grand Totals:						11,186.61	

Section 14 Metropolitan District  
January-18

	General	Debt	Capital	Totals
Disbursements	\$ 11,186.61	\$ -	\$ -	\$ 11,186.61
Payroll	\$ -			\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 11,186.61	\$ -	\$ -	\$ 11,186.61

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void/
<b>4019</b>							
02/13/2018	Bowles Village Center	01/2018	Landscape Maintenance	1-786	99.00	99.00	
02/13/2018	Bowles Village Center	01/2018	Utilities	1-710	283.00	283.00	
Total 4019:						382.00	
<b>4020</b>							
02/13/2018	Chanson, LLC	01/2018	Landscape Maintenance	1-786	431.00	431.00	
02/13/2018	Chanson, LLC	01/2018	Utilities	1-710	1,747.00	1,747.00	
Total 4020:						2,178.00	
<b>4021</b>							
02/13/2018	McGeady Becher P.C.	198C JAN 18	Legal	1-675	800.00	800.00	
Total 4021:						800.00	
<b>4022</b>							
02/13/2018	Section 14 Development Company	01/2018	Landscape Maintenance	1-786	77.00	77.00	
02/13/2018	Section 14 Development Company	01/2018	Utilities	1-710	9,679.00	9,679.00	
Total 4022:						9,756.00	
<b>4023</b>							
02/13/2018	Special District Management Servic	JANUARY 2018	District Management	1-614	899.40	899.40	
02/13/2018	Special District Management Servic	JANUARY 2018	Accounting	1-613	1,096.00	1,096.00	
Total 4023:						1,995.40	
<b>20180201</b>							
02/13/2018	Denver Water	5392 01/2018	Utilities	1-710	11.86	11.86	M
Total 20180201:						11.86	
<b>20180202</b>							
02/13/2018	Denver Water	5261 01/2018	Utilities	1-710	11.86	11.86	M
Total 20180202:						11.86	
<b>20180203</b>							
02/13/2018	Denver Water	5256 01/2018	Utilities	1-710	15.13	15.13	M
Total 20180203:						15.13	
Grand Totals:						15,150.25	

Section 14 Metropolitan District  
February-18

	General	Debt	Capital	Totals
Disbursements	\$ 15,150.25	\$ -	\$ -	\$ 15,150.25
Payroll	\$ -			\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 15,150.25	\$ -	\$ -	\$ 15,150.25



Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void/
<b>4025</b>							
03/12/2018	Bowles Village Center	2/2018	Landscape Maintenance	1-786	935.00	935.00	
03/12/2018	Bowles Village Center	2/2018	Utilities	1-710	279.00	279.00	
Total 4025:						1,214.00	
<b>4026</b>							
03/12/2018	Chanson, LLC	02/2018	Landscape Maintenance	1-786	6,626.00	6,626.00	
03/12/2018	Chanson, LLC	02/2018	Utilities	1-710	1,821.00	1,821.00	
Total 4026:						8,447.00	
<b>4027</b>							
03/12/2018	Colorado Community Media	00168806	Election Expense	1-635	25.20	25.20	
Total 4027:						25.20	
<b>4028</b>							
03/12/2018	Dodge Data & Analytics	A40011991	Election Expense	1-635	71.40	71.40	
Total 4028:						71.40	
<b>4029</b>							
03/12/2018	McGeady Becher P.C.	198C FEB 18	Legal	1-675	1,665.00	1,665.00	
Total 4029:						1,665.00	
<b>4030</b>							
03/12/2018	SDA	2018022611126252	Insurance	1-670	756.92	756.92	
Total 4030:						756.92	
<b>4031</b>							
03/12/2018	Section 14 Development Company	2/2018	Landscape Maintenance	1-786	2,104.00	2,104.00	
03/12/2018	Section 14 Development Company	2/2018	Utilities	1-710	284.00	284.00	
Total 4031:						2,388.00	
<b>4032</b>							
03/12/2018	Special District Management Servic	FEBRUARY 2018	District Management	1-614	700.20	700.20	
03/12/2018	Special District Management Servic	FEBRUARY 2018	Accounting	1-613	767.20	767.20	
Total 4032:						1,467.40	
<b>20180301</b>							
03/14/2018	Denver Water	5261 3/18	Utilities	1-710	15.39	15.39	M
Total 20180301:						15.39	
<b>20180302</b>							
03/14/2018	Denver Water	5392 3/18	Utilities	1-710	15.39	15.39	M
Total 20180302:						15.39	
<b>20180303</b>							
03/14/2018	Denver Water	5256 3/18	Utilities	1-710	21.44	21.44	M

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void/I
Total 20180303:						21.44	
Grand Totals:						16,087.14	

Section 14 Metropolitan District  
March-18

	General	Debt	Capital	Totals
Disbursements	\$ 16,087.14	\$ -	\$ -	\$ 16,087.14
Payroll	\$ -			\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 16,087.14	\$ -	\$ -	\$ 16,087.14

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void/
<b>4033</b>							
04/10/2018	Bowles Village Center	3/2018	Landscape Maintenance	1-786	468.00	468.00	
04/10/2018	Bowles Village Center	3/2018	Utilities	1-710	2,568.00	2,568.00	
Total 4033:						3,036.00	
<b>4034</b>							
04/10/2018	Chanson, LLC	3/2018	Landscape Maintenance	1-786	3,546.00	3,546.00	
04/10/2018	Chanson, LLC	3/2018	Utilities	1-710	6,757.00	6,757.00	
Total 4034:						10,303.00	
<b>4035</b>							
04/10/2018	McGeady Becher P.C.	198C MAR 18	Legal	1-675	1,276.50	1,276.50	
Total 4035:						1,276.50	
<b>4036</b>							
04/10/2018	Section 14 Development Company	3/2018	Landscape Maintenance	1-786	1,539.00	1,539.00	
04/10/2018	Section 14 Development Company	3/2018	Utilities	1-710	306.00	306.00	
Total 4036:						1,845.00	
<b>4037</b>							
04/10/2018	Special District Management Servic	MARCH 2018	District Management	1-614	148.77	148.77	
04/10/2018	Special District Management Servic	MARCH 2018	Accounting	1-613	876.80	876.80	
04/10/2018	Special District Management Servic	MARCH 2018	Election Expense	1-635	232.90	232.90	
Total 4037:						1,258.47	
<b>20180401</b>							
04/10/2018	Denver Water	5256 4/18	Utilities	1-710	21.44	21.44	M
Total 20180401:						21.44	
<b>20180402</b>							
04/10/2018	Denver Water	5392 4/18	Utilities	1-710	15.39	15.39	M
Total 20180402:						15.39	
<b>20180403</b>							
04/10/2018	Denver Water	5261 4/18	Utilities	1-710	15.39	15.39	M
Total 20180403:						15.39	
Grand Totals:						17,771.19	

Section 14 Metropolitan District  
April-18

	General	Debt	Capital	Totals
Disbursements	\$ 17,771.19	\$ -	\$ -	\$ 17,771.19
Payroll	\$ -			\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 17,771.19	\$ -	\$ -	\$ 17,771.19

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void/I
<b>4038</b>							
05/17/2018	Bowles Village Center	4/2018	Landscape Maintenance	1-786	533.00	533.00	
05/17/2018	Bowles Village Center	4/2018	Utilities	1-710	285.00	285.00	
Total 4038:						818.00	
<b>4039</b>							
05/17/2018	Chanson, LLC	4/2018	Landscape Maintenance	1-786	5,579.00	5,579.00	
05/17/2018	Chanson, LLC	4/2018	Utilities	1-710	1,588.00	1,588.00	
Total 4039:						7,167.00	
<b>4040</b>							
05/17/2018	Colorado Community Media	173460	Election Expense	1-635	19.92	19.92	
Total 4040:						19.92	
<b>4041</b>							
05/17/2018	Dodge Data & Analytics	A40013014	Election Expense	1-635	59.16	59.16	
Total 4041:						59.16	
<b>4042</b>							
05/17/2018	McGeady Becher P.C.	198C APRIL 18	Legal	1-675	492.50	492.50	
Total 4042:						492.50	
<b>4043</b>							
05/17/2018	Section 14 Development Company	4/2018	Landscape Maintenance	1-786	3,517.00	3,517.00	
05/17/2018	Section 14 Development Company	4/2018	Utilities	1-710	3,160.00	3,160.00	
Total 4043:						6,677.00	
<b>4044</b>							
05/17/2018	Special District Management Servic	APRIL 2018	District Management	1-614	325.67	325.67	
05/17/2018	Special District Management Servic	APRIL 2018	Election Expense	1-635	123.30	123.30	
05/17/2018	Special District Management Servic	APRIL 2018	Accounting	1-613	1,520.70	1,520.70	
Total 4044:						1,969.67	
<b>20180501</b>							
05/17/2018	Denver Water	5256 5/18	Utilities	1-710	21.44	21.44	M
Total 20180501:						21.44	
<b>20180502</b>							
05/17/2018	Denver Water	5392 5/18	Utilities	1-710	15.39	15.39	M
Total 20180502:						15.39	
<b>20180503</b>							
05/17/2018	Denver Water	5261 5/18	Utilities	1-710	15.39	15.39	M
Total 20180503:						15.39	
Grand Totals:						17,255.47	

Section 14 Metropolitan District  
May-18

	General	Debt	Capital	Totals
Disbursements	\$ 17,255.47	\$ -	\$ -	\$ 17,255.47
Payroll	\$ -			\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 17,255.47	\$ -	\$ -	\$ 17,255.47

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total	Void/
<b>4045</b>							
06/15/2018	Bowles Village Center	5/2018	Landscape Maintenance	1-786	673.00	673.00	
06/15/2018	Bowles Village Center	5/2018	Utilities	1-710	176.00	176.00	
Total 4045:						849.00	
<b>4046</b>							
06/15/2018	Chanson, LLC	5/2018	Landscape Maintenance	1-786	1,941.00	1,941.00	
06/15/2018	Chanson, LLC	5/2018	Utilities	1-710	1,382.00	1,382.00	
Total 4046:						3,323.00	
<b>4047</b>							
06/15/2018	McGeady Becher P.C.	198C MAY 18	Legal	1-675	212.50	212.50	
Total 4047:						212.50	
<b>4048</b>							
06/15/2018	Section 14 Development Company	5/2018	Landscape Maintenance	1-786	1,769.00	1,769.00	
06/15/2018	Section 14 Development Company	5/2018	Utilities	1-710	330.00	330.00	
Total 4048:						2,099.00	
<b>4049</b>							
06/15/2018	Special District Management Serv	MAY 2018	District Management	1-614	140.02	140.02	
06/15/2018	Special District Management Serv	MAY 2018	Accounting	1-613	712.40	712.40	
06/15/2018	Special District Management Serv	MAY 2018	Election Expense	1-635	315.10	315.10	
Total 4049:						1,167.52	
<b>4050</b>							
06/15/2018	US Bank	5007713	Trustee/Paying Agent Fees	2-668	1,512.50	1,512.50	
Total 4050:						1,512.50	
<b>20180601</b>							
06/15/2018	Denver Water	5261 6/18	Utilities	1-710	474.19	474.19	M
Total 20180601:						474.19	
<b>20180602</b>							
06/15/2018	Denver Water	5392 6/18	Utilities	1-710	281.79	281.79	M
Total 20180602:						281.79	
<b>20180603</b>							
06/15/2018	Denver Water	5256 6/18	Utilities	1-710	1,649.44	1,649.44	M
Total 20180603:						1,649.44	
Grand Totals:						11,568.94	



Section 14 Metropolitan District  
June-18

	General	Debt	Capital	Totals
Disbursements	\$ 10,056.44	\$ 1,512.50	\$ -	\$ 11,568.94
Payroll	\$ -			\$ -
Payroll Taxes (Annually)	\$ -			\$ -
Total Disbursements from Checking Acct	\$ 10,056.44	\$ 1,512.50	\$ -	\$ 11,568.94

**SECTION 14 METROPOLITAN DISTRICT**  
Schedule of Cash Position  
May 31, 2018

	<u>Rate</u>	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Checking:</b>					
Cash in Bank-US Bank		\$ 4,165.95	\$ 250.00	\$ 1,152.34	\$ 5,568.29
<b>Investments:</b>					
Cash in Bank-ColoTrust	2.06%	766,616.43	729,156.42	622.25	1,496,395.10
<b>Trustee Accounts:</b>					
US Bank-Series 2000 Interest		-	48,375.02	-	48,375.02
US Bank-Series 2000 Principal		-	232.50	-	232.50
<b>TOTAL FUNDS:</b>		<u>\$ 770,782.38</u>	<u>\$ 778,013.94</u>	<u>\$ 1,774.59</u>	<u>\$ 1,550,570.91</u>

**2018 Mill Levy Information**

Certified General Fund Mill Levy:	9.857
Certified Debt Service Fund Mill Levy:	
Current District	13.812
Westlake / Fairmark (Denver)	4.976
Villages at Raccoon Creek (Denver)	13.812
1994 Exclusion (Jefferson)	4.976
Grant Ranch Cove (Jefferson)	13.812
Total Certified Mill Levy	<u>23.669</u>

**Board of Directors**

- \* Jay Perlmutter
- \* Jonathan Perlmutter
- \* Douglas Ernst
- G. Darwin Toll, Jr.
- Kenya Jenkins

\* Authorized signer on the Checking Account

**SECTION 14 METROPOLITAN DISTRICT**

**FINANCIAL STATEMENTS**

**May 31, 2018**



### Accountant's Compilation Report

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

Management is responsible for the accompanying financial statements of Section 14 Metropolitan District, which comprise the balance sheet – all fund types and account groups as of May 31, 2018, and the related statements of revenues, expenditures, and changes in fund balance – budget and actual for the period from January 1, 2018 through May 31, 2018 for the general fund, debt service fund, and capital projects fund in accordance with the modified cash basis of accounting. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Management has elected to omit the government-wide financial statements, management's discussion and analysis, and substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Section 14 Metropolitan District.

*Fiscal Focus Partners, LLC*

Lakewood, Colorado  
July 9, 2018

**Fiscal Focus Partners, LLC**

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12136 West Bayaud Ave., Suite 300, Lakewood, CO 80228  
5555 DTC Parkway, Suite 375, Greenwood Village, CO 80111  
303.202.1800 Office • 303.237.0155 Fax • [www.ffcpa.com](http://www.ffcpa.com)

SECTION 14 METROPOLITAN DISTRICT  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
May 31, 2018

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	FIXED ASSETS	LONG-TERM DEBT	TOTAL
<b>Assets</b>						
Cash in Bank-US Bank	\$ 4,165.95	\$ 250.00	\$ 1,152.34	\$ -	\$ -	\$ 5,568.29
Cash in Bank-ColoTrust	766,616.43	729,156.42	622.25	-	-	1,496,395.10
Property Taxes Receivable	187,581.94	328,477.71	-	-	-	516,059.65
US Bank-Series 2000 Interest	-	48,375.02	-	-	-	48,375.02
US Bank-Series 2000 Principal	-	232.50	-	-	-	232.50
<b>Total Current Assets</b>	<b>958,364.32</b>	<b>1,106,491.65</b>	<b>1,774.59</b>	<b>-</b>	<b>-</b>	<b>2,066,630.56</b>
<b>Other Debits</b>						
Amount in Debt Service Fund	-	-	-	-	778,013.94	778,013.94
Amount to be Provided for Debt	-	-	-	-	1,156,986.06	1,156,986.06
<b>Total Other Debits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,935,000.00</b>	<b>1,935,000.00</b>
<b>Capital Assets</b>						
Monument signs	-	-	-	146,017.00	-	146,017.00
Contributed signs	-	-	-	145,852.00	-	145,852.00
Chanson Sign	-	-	-	52,148.00	-	52,148.00
Streets	-	-	-	157,386.39	-	157,386.39
Accumulated Depreciation	-	-	-	(305,609.00)	-	(305,609.00)
<b>Total Capital Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>195,794.39</b>	<b>-</b>	<b>195,794.39</b>
<b>Total Assets</b>	<b>\$ 958,364.32</b>	<b>\$ 1,106,491.65</b>	<b>\$ 1,774.59</b>	<b>\$ 195,794.39</b>	<b>\$ 1,935,000.00</b>	<b>\$ 4,197,424.95</b>
<b>Liabilities</b>						
G.O. Bonds Payable	\$ -	\$ -	\$ -	\$ -	\$ 1,935,000.00	\$ 1,935,000.00
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,935,000.00</b>	<b>1,935,000.00</b>
<b>Deferred Inflows of Resources</b>						
Deferred Property Taxes	187,581.94	328,477.71	-	-	-	516,059.65
<b>Total Deferred Inflows of Resources</b>	<b>187,581.94</b>	<b>328,477.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>516,059.65</b>
<b>Fund Balance</b>						
Investment in Fixed Assets	-	-	-	195,794.39	-	195,794.39
Fund Balance	463,605.65	229,836.25	1,769.37	-	-	695,211.27
Current Year Earnings	307,176.73	548,177.69	5.22	-	-	855,359.64
<b>Total Fund Balances</b>	<b>770,782.38</b>	<b>778,013.94</b>	<b>1,774.59</b>	<b>195,794.39</b>	<b>-</b>	<b>1,746,365.30</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 958,364.32</b>	<b>\$ 1,106,491.65</b>	<b>\$ 1,774.59</b>	<b>\$ 195,794.39</b>	<b>\$ 1,935,000.00</b>	<b>\$ 4,197,424.95</b>

This statement should be read only in connection with the accompanying accountant's compilation report.

**SECTION 14 METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 5 Months Ending,**  
**May 31, 2018**  
**General Fund**

Account Description	Period Actual	YTD Actual	Budget	Under/(Over) Budget	% of Budget
<b>Revenues</b>					
Property Taxes - Denver	\$ 29,481.10	\$ 37,488.83	\$ 94,467.00	\$ 56,978.17	39.7%
Property Taxes - Jeff. Cty.	127,195.55	290,855.23	421,459.00	130,603.77	69.0%
Specific Ownership Taxes	8,779.23	37,433.78	86,608.00	49,174.22	43.2%
Interest Income	1,332.08	4,525.61	5,000.00	474.39	90.5%
<b>Total Revenues</b>	<u>166,787.96</u>	<u>370,303.45</u>	<u>607,534.00</u>	<u>237,230.55</u>	<u>61.0%</u>
<b>Expenditures</b>					
Accounting	1,520.70	4,260.70	11,220.00	6,959.30	38.0%
District Management	325.67	2,074.04	9,017.00	6,942.96	23.0%
Audit	-	-	6,000.00	6,000.00	0.0%
Director's Fees	-	-	1,500.00	1,500.00	0.0%
Dues & Subscriptions	-	-	600.00	600.00	0.0%
Election Expense	202.38	531.88	1,000.00	468.12	53.2%
Insurance	-	5,740.11	6,284.00	543.89	91.3%
Legal	492.50	3,556.50	14,280.00	10,723.50	24.9%
Legal Publications	-	-	100.00	100.00	0.0%
Miscellaneous Expenses	14.00	130.00	1,000.00	870.00	13.0%
C&C of Denver Annual Fee	-	-	3,000.00	3,000.00	0.0%
Payroll Taxes	-	-	115.00	115.00	0.0%
Treasurer's Fees	2,202.74	4,742.98	7,739.00	2,996.02	61.3%
Utilities	5,085.22	17,243.51	90,000.00	72,756.49	19.2%
Landscape Maintenance	9,629.00	24,847.00	95,000.00	70,153.00	26.2%
Contingency	-	-	81,230.00	81,230.00	0.0%
<b>Total Expenditures</b>	<u>19,472.21</u>	<u>63,126.72</u>	<u>328,085.00</u>	<u>264,958.28</u>	<u>19.2%</u>
Excess (Deficiency) of Revenues Over Expenditures	147,315.75	307,176.73	279,449.00	(27,727.73)	
<b>Transfers and Other (Sources) Uses</b>					
Transfer to Capital	-	-	350,000.00	350,000.00	
Emergency Reserves	-	-	18,225.00	18,225.00	
<b>Total Transfers and Other (Sources) Uses</b>	<u>-</u>	<u>-</u>	<u>368,225.00</u>	<u>368,225.00</u>	
Change in Fund Balance	147,315.75	307,176.73	(88,776.00)	(395,952.73)	
Beginning Fund Balance	-	463,605.65	88,776.00	(374,829.65)	
<b>Ending Fund Balance</b>	<u>\$ 147,315.75</u>	<u>\$ 770,782.38</u>	<u>\$ -</u>	<u>\$ (770,782.38)</u>	

This statement should be read only in connection with the accompanying accountant's compilation report.

**SECTION 14 METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 5 Months Ending,**  
**May 31, 2018**  
**Debt Service Fund**

Account Description	Period Actual	YTD Actual	Budget	Under/(Over) Budget	% of Budget
<b>Revenues</b>					
Property Taxes - Denver	\$ 41,310.04	\$ 52,530.77	\$ 132,370.00	\$ 79,839.23	39.7%
Property Taxes - Jeff. Cty.	178,515.09	408,206.47	591,505.00	183,298.53	69.0%
PrtY Taxes - Ex Denver	5,110.86	40,733.86	75,881.00	35,147.14	53.7%
PrtY Taxes - Ex Jeff. Cty.	13,677.78	51,443.45	75,758.00	24,314.55	67.9%
Interest Income	1,159.15	3,085.27	-	(3,085.27)	0.0%
<b>Total Revenues</b>	<u>239,772.92</u>	<u>555,999.82</u>	<u>875,514.00</u>	<u>319,514.18</u>	<u>63.5%</u>
<b>Expenditures</b>					
Bond Principal 2000	-	-	940,000.00	940,000.00	0.0%
Bond Interest 2000	-	-	96,750.00	96,750.00	0.0%
Trustee/Paying Agent Fees	-	-	4,000.00	4,000.00	0.0%
Treasurer's Fees	3,347.10	7,822.13	13,133.00	5,310.87	59.6%
<b>Total Expenditures</b>	<u>3,347.10</u>	<u>7,822.13</u>	<u>1,053,883.00</u>	<u>1,046,060.87</u>	<u>0.7%</u>
Excess (Deficiency) of Revenues Over Expenditures	236,425.82	548,177.69	(178,369.00)	(726,546.69)	
Beginning Fund Balance	-	229,836.25	230,726.00	889.75	
<b>Ending Fund Balance</b>	<u>\$ 236,425.82</u>	<u>\$ 778,013.94</u>	<u>\$ 52,357.00</u>	<u>\$ (725,656.94)</u>	

This statement should be read only in connection with the accompanying accountant's compilation report.

**SECTION 14 METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 5 Months Ending,**  
**May 31, 2018**  
**Capital Projects Fund**

Account Description	Period Actual	YTD Actual	Budget	Under/(Over) Budget	% of Budget
<b>Revenues</b>					
Interest Income	\$ 1.33	\$ 5.22	\$ -	\$ (5.22)	0.0%
Transfer from General Fund	-	-	350,000.00	350,000.00	0.0%
<b>Total Revenues</b>	<u>1.33</u>	<u>5.22</u>	<u>350,000.00</u>	<u>349,994.78</u>	<u>0.0%</u>
<b>Expenditures</b>					
Reimbrse developer- cap. proj.	-	-	550,000.00	550,000.00	0.0%
Contingency	-	-	1,769.00	1,769.00	0.0%
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>551,769.00</u>	<u>551,769.00</u>	<u>0.0%</u>
Excess (Deficiency) of Revenues Over Expenditures	1.33	5.22	(201,769.00)	(201,774.22)	
Beginning Fund Balance	-	1,769.37	201,769.00	199,999.63	
<b>Ending Fund Balance</b>	<u>\$ 1.33</u>	<u>\$ 1,774.59</u>	<u>\$ -</u>	<u>\$ (1,774.59)</u>	

This statement should be read only in connection with the accompanying accountant's compilation report.





## SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
FAX: 720.348.2920

\_\_\_\_\_, 2018

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, 2017 and have issued our report thereon dated \_\_\_\_\_, 2018. 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 January 15, 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 lead 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 July, 2018, and we issued our report on \_\_\_\_\_, 2018.

### 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 2017.

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. No corrected or uncorrected misstatements were 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 \_\_\_\_\_, 2018.

#### *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.

**SECTION 14**  
**METROPOLITAN DISTRICT**  
Denver and Jefferson Counties, Colorado

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

DRAFT 7/10/2018

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## SCHILLING & COMPANY, INC.

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086  
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### **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, 2017, 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, 2017, 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.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
          , 2018

**BASIC FINANCIAL STATEMENTS**

DRAFT 7/10/2018



**SECTION 14 METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**GOVERNMENTAL ACTIVITIES**  
**December 31, 2017**

**ASSETS**

Cash and investments - unrestricted	\$ 474,400
Cash and investments - restricted	231,486
Cash with County Treasurer	8,736
Property taxes receivable	1,391,440
Prepaid expense	4,983
Bond insurance, net of amortization	6,660
Capital assets, net of depreciation	211,668
Total assets	<u>2,329,373</u>

**LIABILITIES**

Accounts payable	24,394
Accrued interest payable	8,063
Bonds payable	
Due within one year	948,009
Due in more than one year	999,119
Total liabilities	<u>1,979,585</u>

**DEFERRED INFLOWS OF RESOURCES**

Property tax revenue	1,391,440
Total deferred inflows of resources	<u>1,391,440</u>

**NET POSITION**

Investment in capital assets	211,668
Restricted for emergencies	10,700
Restricted for debt service	221,773
Restricted for capital projects	1,769
Unrestricted	(1,487,562)
Total net position	<u>\$ (1,041,652)</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, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 264,701	\$ -	\$ -	\$ -	\$ (264,701)
Interest and fiscal charges	132,854	-	-	-	(132,854)
	<u>\$ 397,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(397,555)</u>
General revenues:					
Taxes:					
Property taxes					
Specific ownership taxes					
Net investment income					
Miscellaneous income					
Total general revenues					
Change in net position					
Net position - beginning					
Net position - ending					
					<u>1,270,210</u>
					<u>117,015</u>
					<u>13,803</u>
					<u>40,000</u>
					<u>1,441,028</u>
					<u>1,043,473</u>
					<u>(2,085,125)</u>
					<u>\$ (1,041,652)</u>

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, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments - unrestricted	\$ 474,400	\$ -	\$ -	\$ 474,400
Cash and investments - restricted	-	229,717	1,769	231,486
Cash with County Treasurer	8,617	119	-	8,736
Property tax receivable	515,926	875,514	-	1,391,440
Prepaid expense	4,983	-	-	4,983
<b>TOTAL ASSETS</b>	<u>\$ 1,003,926</u>	<u>\$ 1,105,350</u>	<u>\$ 1,769</u>	<u>\$ 2,111,045</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 24,394	\$ -	\$ -	\$ 24,394
Total liabilities	<u>24,394</u>	<u>-</u>	<u>-</u>	<u>24,394</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax revenue	515,926	875,514	-	\$ 1,391,440
Total deferred inflows of resources	<u>515,926</u>	<u>875,514</u>	<u>-</u>	<u>1,391,440</u>
<b>FUND BALANCES</b>				
Nonspendable - prepaid items	4,983	-	-	4,983
Spendable:				
Restricted for:				
Emergencies	10,700	-	-	10,700
Debt service	-	229,836	-	229,836
Capital projects	-	-	1,769	1,769
Assigned for subsequent year's expenditures	88,777	-	-	88,777
Unassigned	359,146	-	-	359,146
Total fund balances	<u>463,606</u>	<u>229,836</u>	<u>1,769</u>	<u>695,211</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,003,926</u>	<u>\$ 1,105,350</u>	<u>\$ 1,769</u>	

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

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	211,668
----------------	---------

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.

Bond insurance, net of amortization	6,660
General obligation bonds payable	(1,935,000)
Bond premium, net of amortization	(12,128)
Accrued interest payable - bonds	(8,063)
	(1,948,531)

Net position of governmental activities	\$ (1,041,652)
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**SECTION 14 METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2017**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property tax	\$ 233,987	\$ 1,036,223	\$ -	\$ 1,270,210
Specific ownership tax	117,015	-	-	117,015
Net investment income	5,220	8,576	7	13,803
Miscellaneous	40,000	-	-	40,000
Total revenues	<u>396,222</u>	<u>1,044,799</u>	<u>7</u>	<u>1,441,028</u>
<b>EXPENDITURES</b>				
Current				
Management fees	8,515	-	-	8,515
Accounting	10,881	-	-	10,881
Audit	4,667	-	-	4,667
Legal	8,136	-	-	8,136
Insurance	5,000	-	-	5,000
Directors fees	1,400	-	-	1,400
Election expense	-	-	-	-
C&C of Denver annual fee	3,000	-	-	3,000
County Treasurer's fees	3,296	14,499	-	17,795
Dues and subscriptions	475	-	-	475
Payroll taxes	107	-	-	107
Utilities	101,912	-	-	101,912
Landscape maintenance	85,185	-	-	85,185
Miscellaneous	104	-	-	104
Debt service				
Paying agent fees and other fees	-	2,750	-	2,750
Bond principal	-	885,000	-	885,000
Bond interest	-	138,787	-	138,787
Total expenditures	<u>232,678</u>	<u>1,041,036</u>	<u>-</u>	<u>1,273,714</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>163,544</u>	<u>3,763</u>	<u>7</u>	<u>167,314</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>300,062</u>	<u>226,073</u>	<u>1,762</u>	<u>527,897</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 463,606</u>	<u>\$ 229,836</u>	<u>\$ 1,769</u>	<u>\$ 695,211</u>

**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, 2017**

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	\$ 167,314
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.	
Depreciation	<u>(17,524)</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>885,000</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.	
Amortization of bond insurance	(6,310)
Amortization of bond premium	11,490
Change in accrued interest payable - bonds	<u>3,503</u>
	<u>8,683</u>
Change in net position - Governmental activities	<u><u>\$ 1,043,473</u></u>

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

**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Property tax	\$ 234,945	\$ 234,945	\$ 233,987	\$ (958)
Specific ownership taxes	85,000	85,000	117,015	32,015
Net investment income	1,500	5,648	5,220	(428)
Miscellaneous	-	-	40,000	40,000
Total Revenues	<u>321,445</u>	<u>325,593</u>	<u>396,222</u>	<u>70,629</u>
<b>EXPENDITURES</b>				
Management fees	8,840	8,840	8,515	325
Accounting	11,000	11,000	10,881	119
Audit	6,000	6,000	4,667	1,333
Legal	14,100	14,100	8,136	5,964
Insurance	5,713	5,713	5,000	713
Directors fees	1,500	1,500	1,400	100
Election expense	-	-	-	-
C&C of Denver annual fee	3,000	3,000	3,000	-
County Treasurer's fees	-	-	3,296	(3,296)
Dues and subscriptions	600	600	475	125
Payroll taxes	115	115	107	8
Utilities	90,000	90,000	101,912	(11,912)
Landscape maintenance	95,000	95,000	85,185	9,815
Miscellaneous	1,000	1,000	104	896
Contingency	86,342	90,490	-	90,490
Emergency reserves	9,642	9,642	-	9,642
Total Expenditures	<u>332,852</u>	<u>337,000</u>	<u>232,678</u>	<u>104,322</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(11,407)</u>	<u>(11,407)</u>	<u>163,544</u>	<u>174,951</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to other funds	(200,000)	(200,000)	-	200,000
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(211,407)</u>	<u>(211,407)</u>	<u>163,544</u>	<u>374,951</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>211,407</u>	<u>211,407</u>	<u>300,062</u>	<u>88,655</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,606</u>	<u>\$ 463,606</u>

**SECTION 14 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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, 2017**

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, 2017**

The District amended its annual budget in the General Fund for the year ended December 31, 2017.

**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, 2017**

**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, 2017**

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, 2017 are classified in the accompanying financial statements as follows:

Cash and investments - unrestricted	\$ 474,400
Cash and investments - restricted	<u>231,486</u>
	<u><u>\$ 705,886</u></u>

Cash and investments as of December 31, 2017 consist of the following:

Deposits with financial institutions	\$ 7,363
Investments	<u>698,523</u>
	<u><u>\$ 705,886</u></u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

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

At December 31, 2017, the District's cash deposits had a bank balance of \$13,966 and carrying balance of \$7,363.

**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:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank

**SECTION 14 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

- . 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, 2017, 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	\$ 698,265
First American Treasury Obligations Fund	Weighted average under 60 days	258
		<u>\$ 698,523</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, 2017, the District had \$398,265 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](http://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, 2017, the District had \$258 invested in the First American Treasury Obligations Fund held by the trustee.

**Investment Valuation**

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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, 2017, cash and investments in the amount of \$229,717 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, 2017, cash and investments in the amount of \$1,769 are restricted for capital asset construction.

**SECTION 14 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**NOTE 4 – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2017 follows:

<u>Governmental Activities</u>	<u>Balance at January 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2017</u>
Capital assets, being depreciated:				
Monuments and signs	\$ 344,017	\$ -	\$ -	\$ 344,017
Streets	157,386	-	-	157,386
Total capital assets, being depreciated	501,403	-	-	501,403
Less accumulated depreciation for:				
Monuments and signs	236,799	9,655	-	246,454
Streets	35,412	7,869	-	43,281
Total accumulated depreciation	272,211	17,524	-	289,735
Total capital assets, being depreciated, net	229,192	(17,524)	-	211,668
Governmental activities capital assets, net	\$ 229,192	\$ (17,524)	\$ -	\$ 211,668

**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, 2017:

	<u>Balance at December 31, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2017</u>	<u>Due Within One Year</u>
Series 2000 G.O. Refunding Bonds	\$ 2,820,000	\$ -	\$ (885,000)	\$ 1,935,000	\$ 940,000
Bond premium, net of amortization	23,618	-	(11,490)	12,128	8,009
	<u>\$ 2,843,618</u>	<u>\$ -</u>	<u>\$ (896,490)</u>	<u>\$ 1,947,128</u>	<u>\$ 948,009</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.

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

**SECTION 14 METROPOLITAN DISTRICT  
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DECEMBER 31, 2017**

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:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 940,000	\$ 96,750	\$ 1,036,750
2019	995,000	49,750	1,044,750
	<u>\$ 1,935,000</u>	<u>\$ 146,500</u>	<u>\$ 2,081,500</u>

**NOTE 6 – DEBT AUTHORIZATION**

At December 31, 2017, the District had \$14,000,000 of authorized by unissued indebtedness for refunding purposes.

**NOTE 7 – FUND EQUITY**

At December 31, 2017, the District reported the following classifications of fund equity.

**Nonspendable Fund Balance**

The nonspendable fund balance in the General Fund in the amount of \$4,983 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 \$10,700 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 \$229,836 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 1,769 is to be used exclusively for capital asset construction.

**SECTION 14 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Assigned Fund Balance**

The assigned fund balance in the General Fund in the amount of \$88,777 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.

**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, 2017, the District reported \$211,668 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, 2017 is as follows:

Restricted net position:

Emergency reserves (see Note 12)	\$ 10,700
Debt Service	221,773
Capital Projects	1,769
	<u>\$ 234,242</u>

The District's unrestricted net position at December 31, 2017 totaled \$(1,487,562). 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 2017, 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 \$167,985 for landscape maintenance and utilities under the terms of this agreement during the year ended December 31, 2017.



**SECTION 14 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**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 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.

**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. 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

**SECTION 14 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

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.

**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.

**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.

**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, 2017. 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 determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**SECTION 14 METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**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 7/10/2018

**SECTION 14 METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**Year Ended December 31, 2017**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 1,040,166	\$ 1,036,223	\$ (3,943)
Net investment income	-	8,576	8,576
Total Revenues	<u>1,040,166</u>	<u>1,044,799</u>	<u>4,633</u>
<b>EXPENDITURES</b>			
Bond principal	885,000	885,000	-
Bond interest	138,788	138,787	1
Paying agent and other fees	4,000	2,750	1,250
County treasurer's fees	15,602	14,499	1,103
Miscellaneous	4,900	-	4,900
Contingency	-	-	-
Total Expenditures	<u>1,048,290</u>	<u>1,041,036</u>	<u>7,254</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(8,124)</u>	<u>3,763</u>	<u>11,887</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>227,827</u>	<u>226,073</u>	<u>(1,754)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 219,703</u></u>	<u><u>\$ 229,836</u></u>	<u><u>\$ 10,133</u></u>

**SECTION 14 METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended December 31, 2017**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Net investment income	\$ -	7	7
Total Revenues	<u>-</u>	<u>7</u>	<u>7</u>
<b>EXPENDITURES</b>			
Developer reimbursement	300,000	-	300,000
Contingency	1,763	-	1,763
Total Expenditures	<u>301,763</u>	<u>-</u>	<u>301,763</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(301,763)</u>	<u>7</u>	<u>301,770</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	200,000	-	(200,000)
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(101,763)	7	101,770
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>101,763</u>	<u>1,762</u>	<u>(100,001)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,769</u>	<u>\$ 1,769</u>

**OTHER INFORMATION**

DRAFT 7/10/2018

Year Ended December 31,	Year Property Tax Levy	Mills Levied			Property Taxes	
		General	Debt	Total	Levied	Collect
	\$ 45,977,351	5.110	18.559	23.669	\$ 1,088,239	
<u>erty Subject to Debt Levy Only</u>						
exclusion	\$ 3,546,470	0.000	18.559	18.559	\$ 65,819	
reek Exclusion	\$ 3,506,510	0.000	18.559	18.559	\$ 65,077	
94 Exclusion	\$ 4,220,332	0.000	6.687	6.687	\$ 28,221	
	\$ 4,150,630	0.000	6.687	6.687	\$ 27,755	
<b>2017 Total Collections</b>	<b>\$ 61,401,293</b>				<b>\$ 1,275,111</b>	<b>\$ 1,270,000</b>

ling	\$ 52,341,016	9.857	13.834	23.691	\$ 1,239,801	
<u>erty Subject to Debt Levy Only</u>						
exclusion	\$ 3,672,778	0.000	14.006	14.006	\$ 51,441	
reek Exclusion	\$ 3,762,240	0.000	13.812	13.812	\$ 51,964	
94 Exclusion	\$ 4,886,852	0.000	4.976	4.976	\$ 24,317	
	\$ 4,806,530	0.000	4.976	4.976	\$ 23,917	
	<b>\$ 69,469,416</b>				<b>\$ 1,391,440</b>	

As collected in any one year may include collection of delinquent property taxes levied in prior years. Information received does not permit identification of specific year of levy.



## **SECTION 14 METROPOLITAN DISTRICT**

\_\_\_\_\_, 2018

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, 2017, 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, 2018 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) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

10) 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.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12) 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.

13) 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.

14) 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.

15) 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.

16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17) 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**

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

19) 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.

- 20) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) 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.
- 22) 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.
- 23) 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.
- 24) 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.
- 25) 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.
- 26) 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.
- 27) 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.
- 28) 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.
- 29) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 30) 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.
- 31) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 32) 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.
- 33) Components of net position (restricted and unrestricted), and components of fund balance (nonspendable, restricted, and unassigned) are properly classified and, if applicable, approved.

- 34) Investments are properly valued.
- 35) 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.
- 36) 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.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 40) 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.
- 41) 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.
- 42) 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.
- 43) 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.
- 44) 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.
- 45) 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

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Member of the Board of Directors

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District Accountant