

LINCOLN STATION METROPOLITAN DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS
December 31, 2017

E

RECEIVED

Office of the State Auditor

July 25, 2018

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	6
Notes to Financial Statements	7
SUPPLEMENTARY INFORMATION	22
Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	23
Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	24
Schedule of Debt Service Requirements to Maturity	25
Five Year Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	29

Independent Auditor's Report

Board of Directors

Lincoln Station Metropolitan District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Lincoln Station Metropolitan 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 an opinion 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 the Lincoln Station Metropolitan District as of December 31, 2017, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates 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.

L. Paul Goedecke P.C.

L. Paul Goedecke, P.C.
June 28, 2018

BASIC FINANCIAL STATEMENTS

LINCOLN STATION METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 24,019
Cash and investments - Restricted	885,193
Receivable - County Treasurer	11,247
Receivable - RTD	79,242
Property taxes receivable	1,758,157
Prepaid expense	6,443
Capital assets, net	4,393,083
Total assets	<u>7,157,384</u>
LIABILITIES	
Accounts payable	19,084
Accrued bond interest payable	87,485
Noncurrent liabilities	
Due within one year	360,000
Due in more than one year	15,140,000
Total liabilities	<u>15,606,569</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	1,758,157
Total deferred inflows of resources	<u>1,758,157</u>
NET POSITION	
Net investment in capital assets	(6,644,773)
Restricted for:	
Emergency reserves	11,200
Debt service	35,639
Capital projects	52,885
Unrestricted	(3,662,293)
Total net position	<u>\$ (10,207,342)</u>

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

LINCOLN STATION METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Primary government:					
Government activities:					
General government	\$ 817,002	\$ -	\$ 171,443	\$ -	\$ (645,559)
Interest and related costs on long-term debt	1,093,423	-	-	-	(1,093,423)
	<u>\$ 1,910,425</u>	<u>\$ -</u>	<u>\$ 171,443</u>	<u>\$ -</u>	<u>(1,738,982)</u>
General revenues:					
Property taxes					1,531,955
Specific ownership taxes					167,905
Tax revenue - LID					8,378
Net investment income					3,243
Total general revenues					<u>1,711,481</u>
Change in net position					(27,501)
Net position - Beginning					<u>(10,179,841)</u>
Net position - Ending					<u>\$ (10,207,342)</u>

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

**LINCOLN STATION METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Fund</u>
ASSETS				
Cash and investments	\$ 24,019	\$ -	\$ -	\$ 24,019
Cash and investments - Restricted	11,200	821,108	52,885	885,193
Receivable - County Treasurer	1,581	9,666	-	11,247
Receivable - RTD	79,242	-	-	79,242
Property taxes receivable	240,586	1,517,571	-	1,758,157
Prepaid expense	6,443	-	-	6,443
TOTAL ASSETS	<u>\$ 363,071</u>	<u>\$ 2,348,345</u>	<u>\$ 52,885</u>	<u>\$ 2,764,301</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 19,084	\$ -	\$ -	\$ 19,084
Total liabilities	<u>19,084</u>	<u>-</u>	<u>-</u>	<u>19,084</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	240,586	1,517,571	-	1,758,157
Total deferred inflows of resources	<u>240,586</u>	<u>1,517,571</u>	<u>-</u>	<u>1,758,157</u>
FUND BALANCES				
Nonspendable:				
Prepaid expense	6,443	-	-	6,443
Restricted for:				
Emergency reserves	11,200	-	-	11,200
Debt service	-	830,774	-	830,774
Assigned to:				
Subsequent year's expenditures	25,908	-	-	25,908
Capital projects	-	-	52,885	52,885
Unassigned	59,850	-	-	59,850
Total fund balances	<u>103,401</u>	<u>830,774</u>	<u>52,885</u>	<u>987,060</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 363,071</u>	<u>\$ 2,348,345</u>	<u>\$ 52,885</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.

Capital assets, net 4,393,083

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Long-term liabilities, including developer advances and bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Bonds payable (15,500,000)

Accrued bond interest payable (87,485)

Net position of governmental activities \$ (10,207,342)

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

LINCOLN STATION METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Fund</u>
REVENUES				
Developer reimbursement	\$ 40,000	\$ -	\$ -	\$ 40,000
Property taxes	215,388	1,316,567	-	1,531,955
Specific ownership taxes	23,607	144,298	-	167,905
Net investment income	-	3,243	-	3,243
RTD maintenance contribution	123,843	-	-	123,843
Camden general fund fee	7,600	-	-	7,600
Tax revenue - LID	-	-	8,378	8,378
Total revenues	<u>410,438</u>	<u>1,464,108</u>	<u>8,378</u>	<u>1,882,924</u>
EXPENDITURES				
Current				
Accounting	17,170	-	-	17,170
Administration	18,000	-	-	18,000
Audit	3,960	-	-	3,960
Dues and subscriptions	653	-	-	653
Engineering	3,912	-	-	3,912
Holiday decorations	9,472	-	-	9,472
Insurance and bonds	3,378	-	-	3,378
Insurance - Property	2,296	-	-	2,296
Landscape maintenance	113,017	-	-	113,017
Legal	18,836	-	-	18,836
Maintenance and repairs	84,013	-	-	84,013
Management fees	24,000	-	-	24,000
Miscellaneous	265	-	-	265
Parking license fee	40,000	-	-	40,000
Security patrol	12,685	-	-	12,685
Snow removal	53,261	-	-	53,261
Treasurer's fees	3,231	19,751	-	22,982
Utilities and water	22,038	-	-	22,038
Debt service				
Bond principal - Series 2006 Bonds	-	125,000	-	125,000
Bond principal - Series 2014 Bonds	-	210,000	-	210,000
Interest expense - Series 2006 Bonds	-	465,400	-	465,400
Interest expense - Series 2014 Bonds	-	607,250	-	607,250
Paying agent/Trustee fees	-	2,925	-	2,925
Total expenditures	<u>430,187</u>	<u>1,430,326</u>	<u>-</u>	<u>1,860,513</u>
NET CHANGE IN FUND BALANCES	(19,749)	33,782	8,378	22,411
FUND BALANCES - BEGINNING				
OF YEAR	123,150	796,992	44,507	964,649
FUND BALANCES - END OF YEAR	<u>\$ 103,401</u>	<u>\$ 830,774</u>	<u>\$ 52,885</u>	<u>\$ 987,060</u>

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

**LINCOLN STATION 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**

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

Net change in fund balances - Total governmental funds	\$	22,411
--	----	--------

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, net of depreciation, in the current period.

Depreciation		(386,815)
--------------	--	-----------

The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items as follows:

Current year bond principal		335,000
-----------------------------	--	---------

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.

Accrued interest payable on bonds - Change in liability		1,903
---	--	-------

Changes in net position of governmental activities	\$	<u>(27,501)</u>
--	----	-----------------

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

**LINCOLN STATION METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Developer reimbursement	\$ 40,000	\$ 40,000	\$ -
Property taxes	215,438	215,388	(50)
Specific ownership taxes	19,389	23,607	4,218
RTD maintenance contribution	146,807	123,843	(22,964)
Camden general fund fee	6,494	7,600	1,106
Total revenues	<u>428,128</u>	<u>410,438</u>	<u>(17,690)</u>
EXPENDITURES			
Accounting	21,000	17,170	3,830
Administration	18,000	18,000	-
Audit	4,000	3,960	40
Dues and subscriptions	650	653	(3)
Engineering	3,912	3,912	-
Garage and parking - Repairs and maintenance	42,000	-	42,000
Holiday decorations	12,000	9,472	2,528
Insurance and bonds	3,195	3,378	(183)
Insurance - Property	2,130	2,296	(166)
Landscape maintenance	71,393	113,017	(41,624)
Legal	10,000	18,836	(8,836)
Maintenance and repairs	88,201	84,013	4,188
Management fees	24,000	24,000	-
Miscellaneous	2,384	265	2,119
Parking license fee	40,000	40,000	-
Security patrol	27,562	12,685	14,877
Snow removal	88,000	53,261	34,739
Treasurer's fees	3,232	3,231	1
Utilities and water	25,150	22,038	3,112
Total expenditures	<u>486,809</u>	<u>430,187</u>	<u>56,622</u>
NET CHANGE IN FUND BALANCES	(58,681)	(19,749)	38,932
FUND BALANCES - BEGINNING OF YEAR	<u>158,267</u>	<u>123,150</u>	<u>(35,117)</u>
FUND BALANCES - END OF YEAR	<u>\$ 99,586</u>	<u>\$ 103,401</u>	<u>\$ 3,815</u>

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

LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - DEFINITION OF REPORTING ENTITY

Lincoln Station Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, located entirely in Douglas County, Colorado, was organized on January 30, 2003, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide construction and financing for streets, safety control, water systems, sewer systems, drainage systems, mosquito control, transportation, television relay and translator, and park and recreation facilities.

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 has no employees and all operations and administrative functions are contracted.

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. 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 sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

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

LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

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 debt of the governmental funds.

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

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.

LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 fund's average equity balance in the total cash.

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, 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include infrastructure assets (e.g. roads, parks and recreation improvements, water supply system, and storm and sewer improvements), are reported in the applicable governmental or business-type activities columns 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 acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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 fixed assets, as applicable.

LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Water supply system	46 years
Sanitary sewer and storm drainage	46 years
Streets	20 years
Parks and recreation	20 years

Deferred Inflows of Resources

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

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

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

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 24,616
Cash and investments - Restricted	<u>884,597</u>
Total cash and investments	<u><u>\$ 909,213</u></u>

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

Deposits with financial institutions	\$ 199,315
Investments	<u>709,898</u>
Total cash and investments	<u><u>\$ 909,213</u></u>

Deposits with Financial Institutions

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 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 \$214,558 and a carrying balance of \$199,315.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District's formal investment policy is to follow state statutes regarding investments.

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- * Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series), money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee), CSAFE (which are recorded at amortized cost), and COLOTRUST (which are recorded at net asset value).

As of December 31, 2017, the District had the following investments:

Investment	Maturity	Amount
First American Funds - U.S. Treasury Obligations - Money Market - Class D	Weighted average under 60 days	<u>\$ 709,898</u>

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

First American Funds - U.S. Treasury Obligations - Money Market - Class D

The trust accounts at U.S. Bank were invested in the First American Treasury Obligations Fund (Class D). This portfolio is a money market fund that is managed by First American Funds and each share is equal in value to \$1.00. The Fund is rated AAAM by Standard & Poor's and Aaa by Moody's as of June 30, 2018. The Fund invests in high quality short-term debt obligations, including repurchase agreements and U.S. Treasury securities. The average maturity of the underlying securities is less than 60 days.

NOTE 4 - CAPITAL ASSETS

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

	<u>Balance at December 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2017</u>
Capital assets, being depreciated:				
Water supply system	\$ 352,814	\$ -	\$ -	\$ 352,814
Sanitary sewer and storm drainage	186,452	-	-	186,452
Streets	7,465,319	-	-	7,465,319
Parks and recreation	<u>36,532</u>	<u>-</u>	<u>-</u>	<u>36,532</u>
Total capital assets, being depreciated	<u>8,041,117</u>	<u>-</u>	<u>-</u>	<u>8,041,117</u>
Less accumulated depreciation for:				
Water supply system	40,557	7,670	-	48,227
Sanitary sewer and storm drainage	34,452	4,053	-	38,505
Streets	3,170,873	373,265	-	3,544,138
Parks and recreation	<u>15,337</u>	<u>1,827</u>	<u>-</u>	<u>17,164</u>
Total accumulated depreciation	<u>3,261,219</u>	<u>386,815</u>	<u>-</u>	<u>3,648,034</u>
Total capital assets, being depreciated, net	<u>4,779,898</u>	<u>(386,815)</u>	<u>-</u>	<u>4,393,083</u>
Governmental activities capital assets, net	<u>\$ 4,779,898</u>	<u>\$ (386,815)</u>	<u>\$ -</u>	<u>\$ 4,393,083</u>

The District will own and maintain Station Street and Tract D, along with a corresponding plaza, sidewalks, landscaping, site furniture, and underground vault for storm water detention and water reclamation.

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
General government	<u>\$ 386,815</u>

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

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/ Accretions</u>	<u>Reductions</u>	<u>Balance at December 31, 2017</u>	<u>Due Within One Year</u>
Governmental Activities:					
G.O. Limited Tax Bonds Series 2006 - Senior	\$ 7,160,000	\$ -	\$ 125,000	\$ 7,035,000	\$ 135,000
G.O. Limited Tax Bonds Series 2014A	5,730,000	-	140,000	5,590,000	150,000
G.O. Limited Tax Bonds Series 2014B	2,945,000	-	70,000	2,875,000	75,000
	<u>\$ 15,835,000</u>	<u>\$ -</u>	<u>\$ 335,000</u>	<u>\$ 15,500,000</u>	<u>\$ 360,000</u>

The details of the District's long-term obligations are as follows:

General Obligation Bonds

\$7,660,000 Senior General Obligation Limited Tax Bonds, Series 2006, dated December 18, 2006, with interest of 6.50%. Interest is payable semiannually on June 1 and December 1. The bonds are term bonds due December 1, 2036, with mandatory sinking fund redemptions beginning December 1, 2011, and on every December 1 thereafter. All of the bonds are subject to redemption prior to maturity at the option of the District on December 1, 2016, and on any date thereafter without call premium.

The Series 2006 Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, specific ownership taxes, capital fees, if any, and any other legally available monies of the District credited to the Bond Fund. The Required Mill Levy (for debt service) is defined in the Bond Resolution as a mill levy imposed upon all taxable property in the District each year, beginning in 2008, in an amount sufficient to pay the principal of and interest on the Series 2006 Bonds, but not in excess of 50.000 mills.

\$5,985,000 General Obligation Limited Tax Refunding Bonds Series 2014A, dated March 24, 2014, in the aggregate principal amount of \$5,985,000. Interest is 7.0%, payable semiannually on June 1 and December 1, commencing in 2014. Unpaid interest shall compound annually on each interest payment date. The bonds mature on December 1, 2036, and are term bonds with mandatory sinking fund redemptions beginning December 1, 2014, and every December 1 thereafter. In addition, bonds are callable prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter without call premium.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

\$3,080,000 General Obligation Limited Tax Refunding Bonds Series 2014B, dated March 24, 2014, in the aggregate principal amount of \$3,080,000. Interest is 7.0%, payable semiannually on June 1 and December 1, commencing in 2014. Unpaid interest shall compound annually on each interest payment date. The bonds mature on December 1, 2036, and are term bonds with mandatory sinking fund redemptions beginning December 1, 2014, and every December 1 thereafter. In addition, bonds are callable prior to maturity, at the option of the District, on December 1, 2024, and on any date thereafter without call premium.

The Series 2014A and 2014B Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Subordinate Mill Levy net of the cost of collection, the portion of specific ownership taxes allocable to the amount of the Required Subordinate Mill levy, and any other legally available monies of the District credited to the 2014 Bond Fund. The Required Subordinate Mill Levy (for debt service) is defined in the Bond Resolution as a mill levy imposed upon all taxable property in the District each year, beginning in 2015, in an amount sufficient to pay the principal of and interest on the Series 2006 Bonds, equal to at least 35.000 mills less the "Required Mill Levy" for the 2006 Series Bonds, but not in excess of 40.000 mills less the "Required Mill Levy" for the 2006 Series Bonds.

For collection year 2017, the District levied 30.000 mills for debt service to make payments on the General Obligation debt.

The District's long-term obligations relating to the Series 2006, Series 2014A and Series 2014B general obligation bonds will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 360,000	\$ 1,049,825	\$ 1,409,825
2019	395,000	1,025,300	1,420,300
2020	425,000	998,425	1,423,425
2021	470,000	969,500	1,439,500
2022	495,000	937,550	1,432,550
2023-2027	3,165,000	4,121,175	7,286,175
2028-2032	4,560,000	2,872,350	7,432,350
2033-2036	5,630,000	1,037,525	6,667,525
	<u>\$ 15,500,000</u>	<u>\$ 13,011,650</u>	<u>\$ 28,511,650</u>

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 5, 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$85,230,000 at an interest rate not to exceed 12% per annum. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized on November 5, 2002	Authorized on November 2, 2010	Authorization Used Series 2006 Bonds	Authorization Used Series 2007A and 2007B Bonds	Authorization Used Series 2014A and 2014B Bonds	Authorized But Unissued
Streets	\$ 5,965,000	\$ -	\$ 2,910,000	\$ 1,059,656	\$ -	\$ 1,995,344
Parks and recreation	8,580,000	-	3,447,000	2,831,000	-	2,302,000
Water supply system	610,000	3,000,000	383,000	200,000	-	3,027,000
Sanitary sewer and storm drainage	4,605,000	-	920,000	727,400	366,861	2,590,739
Public transportation	22,855,000	-	-	1,243,944	-	21,611,056
Refunding	42,615,000	-	-	-	8,698,139	33,916,861
Reimbursement agreements	-	42,615,000	-	-	-	42,615,000
	<u>\$ 85,230,000</u>	<u>\$ 45,615,000</u>	<u>\$ 7,660,000</u>	<u>\$ 6,062,000</u>	<u>\$ 9,065,000</u>	<u>\$ 108,058,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$42,615,000. The Service Plan also limits the total mill levy (debt service and operations combined) to 50.000 mills. Required Mill Levy is discussed under Bonds.

In the future, the District may issue a portion of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Developer Advances

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

Advance and Reimbursement Agreement - Bradbury Properties, Inc.

Effective February 11, 2003, and as amended January 16, 2007, the District entered into an agreement with Bradbury Properties, Inc. (Bradbury) whereby Bradbury agreed to fund any shortfall in operating costs and construction or acquisition costs for public improvements within the District. The District will repay any such advances along with interest at prime interest rate as reported in the Wall Street Journal, when and if funds are available to do so. The interest rate is set on the date the advance is made. As of December 31, 2017, no outstanding balance is due under this agreement.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Advance and Reimbursement and Facilities Acquisition Agreement

Effective January 1, 2007, the District entered into an agreement with Lincoln Station Investors, LLC (Lincoln) whereby Lincoln agreed to fund any shortfall in operating costs and construction or acquisition costs for public improvements within the District. The District will repay these advances along with interest at prime interest rate as reported in the Wall Street Journal, when and if funds are available to do so. The interest rate is set on the date the advance is made. As of December 31, 2017, no outstanding balance is due under this agreement.

NOTE 6 - NET POSITION

The District has net position consisting of three components - net 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, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2017, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net investment in capital assets:	
Capital assets, net	\$ 4,393,083
Unspent bond proceeds	528,039
Current and noncurrent portion of long-term obligations - Bonds	<u>(11,565,895)</u>
Net investment in capital assets	<u>\$ (6,644,773)</u>

Restricted net position includes assets 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 had restricted net position as of December 31, 2017, as follows:

	Governmental Activities
Restricted net position:	
Emergencies	\$ 11,200
Debt service	35,639
Capital projects	<u>52,885</u>
Total restricted net position	<u>\$ 99,724</u>

LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - NET POSITION (CONTINUED)

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other entities and which costs were removed from the District's financial records.

NOTE 7 - AGREEMENTS

Developer Reimbursement

On September 28, 2007, the District entered into a parking license agreement with RTD by which the District received use of 200 parking spaces within the Public Parking Units of the Lincoln Station Parking Garage for an initial five-year term of May 15, 2008, thru May 14, 2013, continuing past this initial term unless terminated by either of the parties. The license may be terminated by RTD on any date after June 1, 2010, but only upon 12 months written notice prior to termination. However, the District may terminate the license at any time upon thirty days written notice prior to termination.

The District pays \$40,000 per year, which is \$200 per parking space per year, for the maintenance and operation of the Licensed Parking Spaces, which is due on or before June 1 of each year of the license term. The Developer is invoiced for this expense, and will reimburse the District for these costs. The payments received from the Developer for this purpose are not subject to the Advance and Reimbursement agreement, and will not be repaid to the Developer. During the year ended December 31, 2017, the District received the \$40,000 reimbursement from the Developer.

Tri-Party Agreement Reimbursement (Joint Access Easement Agreement)

Effective March 26, 2004, the District, the Developer (Bradbury Properties, Inc.), TCR MS Lincoln Station, LLC (TCR), and Regional Transportation District (RTD) entered into an agreement for Joint Access Easement. Bradbury and RTD grant to TCR a perpetual, non-exclusive easement upon, over and across the Parking Access Drive for: (a) pedestrian access between the TCR Residences, Park Meadows Drive, the Bradbury Parcel, and the RTD Parcel; (b) vehicular ingress and egress between Park Meadows Drive and the TCR Parcel; and (c) installation, operation, maintenance, repair and replacement of utilities on and under the Parking Access Drive.

TCR shall be responsible for 100% of costs maintaining the sidewalks, benches, landscape, irrigation, and utilities within the Parking Access Drive between the back of the curb on the north side of the drive lanes and the TCR Parcel.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 7 - AGREEMENTS (CONTINUED)

The first party to require use of the vehicular lanes shall pay 100% of the maintenance of the lanes. Once more than one party is using the vehicular lanes, the costs for maintaining the lanes will be proportionately shared based on traffic use, first determined by an estimate done on August 29, 2002. With 90 days written notice by any of the three parties, a traffic survey is to be done, but no more frequently than once every three years. If the new traffic survey reveals peak hour traffic volumes deviating 10% or more from the previous basis, the new study will become the new basis and the parties will split equally the cost of the survey and the parties will pay for the survey within 30 days after each party's receipt of an invoice for their share of these survey costs. If the deviation is less than 10%, the basis is not changed and the party which requested the survey shall pay 100% of the costs of the survey.

If RTD is responsible for maintaining the Parking Access Drive, Bradbury shall be responsible for paying a proportionate share of the costs to RTD on or before March 1 of each year, provided that RTD has sent a detailed expense report to Bradbury by February 1 of such year outlining all expenses incurred in the previous year for the Parking Access Drive.

TCR's proportionate share of the cost for maintaining the lanes will be paid to the District within 30 days after receipt of the billing from the District. If the Parking Access Drive is publicly dedicated or condemned, the Parties' payment obligations shall terminate.

Camden General Fund Fee (Exclusion and Service Agreement with Camden USA, Inc.)

The Exclusion and Service Agreement was entered into on July 2, 2007, between the District and Camden USA, Inc. The District received a petition requesting exclusion of certain real property that is located within the District (Lot 2-A) and the exclusion was granted on October 4, 2007. The excluded property shall continue to be subject to the levy of taxes for the payment of its proportionate share of the Bonds. The District will provide maintenance services to the property to the same level and frequency as when the property was subject to the General Mill Levy. The owner will pay the District a General Fund fee calculated by the district based on the final assessed valuation of the property as a percentage of the total assessed valuation with the operations and maintenance costs allocated proportionately. The amount will be communicated to the property owner on or about January 15 of each year. During the year ended December 31, 2017, the District assessed \$7,600 related to this agreement.

RTD Maintenance Contribution (Agreement for Development, Operation, and Easements for Bradbury Transit Village)

Regional Transportation District (RTD) and Bradbury Properties, Inc. (Bradbury) entered into an agreement on November 8, 2001. Subsequently, Bradbury and RTD entered into a First Amendment (December 23, 2002), a Second Amendment (August 11, 2003), a Third Amendment (April 14, 2005), and a Fourth Amendment (January 10, 2007). As set forth in the Fourth Amendment, RTD shall contribute 36.2% of the expenses for operation, maintenance, repair, and replacement of the Villages' Pedestrian Plaza, excluding storm water, detention and/or water quality facilities. During the year ended December 31, 2017, the District received \$44,601 related to this agreement and accrued an account receivable of \$79,242 as of December 31, 2017, for a total of \$123,843.

**LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 7 - AGREEMENTS (CONTINUED)

Developer (Owner) Maintenance (Fee) Reimbursement (Maintenance Agreement for Transit Oriented Development)

A Maintenance Agreement was entered into on February 1, 2007, between the Lincoln Station Metropolitan District and Lincoln Station, LLC. The District will annually calculate the amount of the District's entire Maintenance Funding Shortfall, which will be the amount of insufficiency of funds generated from other revenue sources to pay for the maintenance costs for infrastructure located within Lots 4-A, 4-B, 5-A, 5-B, Tract D, Commuter Way and Station Street, Heritage Hills Filing No. 2, 1st Amendment. The property owners will be responsible to pay for the shortfall based on a proportionate scale of the property's AV of the District's total AV. The District will send a separate bill to each of the property owners in January of each year following calculation of the Maintenance Fee. Subsequently, the District and Lincoln Station, LLC entered into a First Amendment on January 1, 2008, with regards to damage or destruction of improvements and use of net proceeds. The District entered into a Second Amendment on May 18, 2010, with Lincoln Station, LLC as well as Lincoln Station Investors, LLC and Lincoln Station Phase One, LLC and Lincoln Station-Land II, LLC and Kaiser Foundation Hospitals. This Second Amendment replaces the prior (First) Amendment and serves to clarify the maintenance activities for which the Maintenance Fee is charged as a District-wide obligation binding all real property located within the District's boundaries. No maintenance fee was charged during the year ended December 31, 2017.

NOTE 8 - RELATED PARTY

The members of the Board of Directors are associated with the primary Developer within the District, which is Bradbury Properties, Inc., or are associated with another investing Developer within the District, which is Westfield Development Company.

Management Services Agreement

The District entered into an agreement with Westfield Property Services, LLC for district management services on October 29, 2008, with an effective date of June 25, 2008. The District will pay as compensation a flat monthly fee of \$2,000 until termination of the agreement by either party. The District paid \$24,000 in management services in 2017 per this agreement.

Financial Management Services Agreement

The District entered into an agreement with Bradbury Properties, Inc. (Manager) for financial management services on December 31, 2008, with an effective date of January 1, 2009. The District will pay as compensation a flat monthly fee of \$1,500 plus reimbursement for all out of pocket expenses incurred in the performance of financial management services until termination of the agreement by either party. The District paid \$18,000 in financial management (administration) services in 2017 per this agreement.

LINCOLN STATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - 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). 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.

NOTE 10 - 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.

On November 5, 2002, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR or Section 29-1-301, C.R.S.

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

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

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

SUPPLEMENTARY INFORMATION

**LINCOLN STATION METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$ 1,317,323	\$ 1,316,567	\$ (756)
Specific ownership taxes	118,559	144,298	25,739
Net investment income	800	3,243	2,443
Total revenues	<u>1,436,682</u>	<u>1,464,108</u>	<u>27,426</u>
EXPENDITURES			
Current			
Treasurer's fees	19,760	19,751	9
Debt service			
Bond principal - Series 2006 Bonds	125,000	125,000	-
Bond principal - Series 2014 Bonds	210,000	210,000	-
Interest expense - Series 2006 Bonds	465,400	465,400	-
Interest expense - Series 2014 Bonds	607,250	607,250	-
Paying agent/Trustee fees	5,575	2,925	2,650
Total expenditures	<u>1,432,985</u>	<u>1,430,326</u>	<u>2,659</u>
NET CHANGE IN FUND BALANCES	3,697	33,782	30,085
FUND BALANCES - BEGINNING OF YEAR	796,056	796,992	936
FUND BALANCES - END OF YEAR	<u>\$ 799,753</u>	<u>\$ 830,774</u>	<u>\$ 31,021</u>

**LINCOLN STATION METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Tax revenue - LID	\$ 6,500	\$ 8,378	\$ 1,878
Total revenues	<u>6,500</u>	<u>8,378</u>	<u>1,878</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	6,500	8,378	1,878
FUND BALANCES - BEGINNING OF YEAR	<u>44,284</u>	<u>44,507</u>	<u>223</u>
FUND BALANCES - END OF YEAR	<u>\$ 50,784</u>	<u>\$ 52,885</u>	<u>\$ 2,101</u>

**LINCOLN STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2017**

Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	\$7,660,000 General Obligation Bonds Series 2006 Dated December 18, 2006 Interest Rate of 6.50% Interest and Principal Payable June 1 and December 1		
	Principal	Interest	Total
2018	\$ 135,000	\$ 457,275	\$ 592,275
2019	155,000	448,500	603,500
2020	165,000	438,425	603,425
2021	190,000	427,700	617,700
2022	200,000	415,350	615,350
2023	225,000	402,350	627,350
2024	240,000	387,725	627,725
2025	270,000	372,125	642,125
2026	285,000	354,575	639,575
2027	315,000	336,050	651,050
2028	335,000	315,575	650,575
2029	370,000	293,800	663,800
2030	395,000	269,750	664,750
2031	435,000	244,075	679,075
2032	465,000	215,800	680,800
2033	505,000	185,575	690,575
2034	540,000	152,750	692,750
2035	590,000	117,650	707,650
2036	1,220,000	79,300	1,299,300
	\$ 7,035,000	\$ 5,914,350	\$ 12,949,350

LINCOLN STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2017
(Continued)

Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	\$5,985,000 General Obligation Bonds Limited Tax Refunding Bonds Series 2014A Dated March 24, 2014 Principal Due December 1, Interest Rate of 7.00% Payable June 1 and December 1		
	Principal	Interest	Total
2018	\$ 150,000	\$ 391,300	\$ 541,300
2019	160,000	380,800	540,800
2020	170,000	369,600	539,600
2021	185,000	357,700	542,700
2022	195,000	344,750	539,750
2023	210,000	331,100	541,100
2024	225,000	316,400	541,400
2025	240,000	300,650	540,650
2026	255,000	283,850	538,850
2027	275,000	266,000	541,000
2028	295,000	246,750	541,750
2029	315,000	226,100	541,100
2030	335,000	204,050	539,050
2031	360,000	180,600	540,600
2032	385,000	155,400	540,400
2033	415,000	128,450	543,450
2034	440,000	99,400	539,400
2035	475,000	68,600	543,600
2036	505,000	35,350	540,350
	\$ 5,590,000	\$ 4,686,850	\$ 10,276,850

LINCOLN STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2017
(Continued)

Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	\$3,080,000 General Obligation Bonds Limited Tax Refunding Bonds Series 2014B Dated March 24, 2014 Principal Due December 1, Interest Rate of 7.00% Payable June 1 and December 1		
	Principal	Interest	Total
2018	\$ 75,000	\$ 201,250	\$ 276,250
2019	80,000	196,000	276,000
2020	90,000	190,400	280,400
2021	95,000	184,100	279,100
2022	100,000	177,450	277,450
2023	110,000	170,450	280,450
2024	115,000	162,750	277,750
2025	125,000	154,700	279,700
2026	135,000	145,950	280,950
2027	140,000	136,500	276,500
2028	150,000	126,700	276,700
2029	160,000	116,200	276,200
2030	175,000	105,000	280,000
2031	185,000	92,750	277,750
2032	200,000	79,800	279,800
2033	210,000	65,800	275,800
2034	225,000	51,100	276,100
2035	245,000	35,350	280,350
2036	260,000	18,200	278,200
	\$ 2,875,000	\$ 2,410,450	\$ 5,285,450

LINCOLN STATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2017
(Continued)

**Bonds and
Interest
Maturing
in the
Year Ending
December 31,**

	Totals		
	Principal	Interest	Total
2018	\$ 360,000	\$ 1,049,825	\$ 1,409,825
2019	395,000	1,025,300	1,420,300
2020	425,000	998,425	1,423,425
2021	470,000	969,500	1,439,500
2022	495,000	937,550	1,432,550
2023	545,000	903,900	1,448,900
2024	580,000	866,875	1,446,875
2025	635,000	827,475	1,462,475
2026	675,000	784,375	1,459,375
2027	730,000	738,550	1,468,550
2028	780,000	689,025	1,469,025
2029	845,000	636,100	1,481,100
2030	905,000	578,800	1,483,800
2031	980,000	517,425	1,497,425
2032	1,050,000	451,000	1,501,000
2033	1,130,000	379,825	1,509,825
2034	1,205,000	303,250	1,508,250
2035	1,310,000	221,600	1,531,600
2036	1,985,000	132,850	2,117,850
	<u>\$ 15,500,000</u>	<u>\$ 13,011,650</u>	<u>\$ 28,511,650</u>

**LINCOLN STATION METROPOLITAN DISTRICT
 FIVE YEAR SUMMARY OF ASSESSED VALUATION,
 MILL LEVY AND PROPERTY TAXES COLLECTED
 December 31, 2017**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied for</u>		<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2013	\$ 14,801,860	5.000	45.000	\$ 732,775	\$ 732,775	100.0%
2014	\$ 24,720,426	10.000	40.000	\$ 1,221,384	\$ 1,184,243	97.0%
2015	\$ 42,363,750	5.000	30.000	\$ 1,477,272	\$ 1,441,420	97.6%
2016	\$ 42,617,300	5.000	30.000	\$ 1,486,986	\$ 1,486,986	100.0%
2017	\$ 43,910,770	5.000	30.000	\$ 1,532,761	\$ 1,531,955	99.9%
Estimated for calendar year ending December 31, 2018	\$ 50,585,710	5.000	30.000	\$ 1,758,157		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.