

LINCOLN PARK METROPOLITAN DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2018

**LINCOLN PARK METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2018**

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Board of Directors
Lincoln Park Metropolitan District
Douglas County, Colorado

Independent Auditors' Report

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general 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 Lincoln Park Metropolitan District as of December 31, 2018, and the respective changes in financial position and the respective 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

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

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 and other information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information and other 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.

Stratagem PC
Certified Public Accountants
Lakewood, Colorado

September 25, 2018

BASIC FINANCIAL STATEMENTS

**LINCOLN PARK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 78,038
Cash and Investments - Restricted	2,839,854
Accounts Receivable - Intergovernmental	118,920
Accounts Receivable - County Treasurer	18,783
Property Taxes Receivable	1,930,214
Prepaid Expenses	16,145
Capital Assets Not Being Depreciated	1,823,618
Capital Assets, Net	<u>3,926,885</u>
Total Assets	<u>10,752,457</u>
LIABILITIES	
Accounts Payable	121,557
Accrued Interest Payable - Bonds	110,947
Noncurrent Liabilities:	
Due Within One Year	300,000
Due in More Than One Year	<u>47,683,711</u>
Total Liabilities	<u>48,216,215</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>1,930,214</u>
Total Deferred Inflows of Resources	<u>1,930,214</u>
NET POSITION	
Net Investment in Capital Assets	(11,634,471)
Restricted For:	
Emergency Reserves	27,400
Debt Service	124,732
Unrestricted	<u>(27,911,633)</u>
Total Net Position	<u><u>\$ (39,393,972)</u></u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 1,534,021	\$ -	\$ -	\$ 15,998	\$ (1,518,023)
Interest and Related Costs on Long-Term Debt	5,825,204	-	-	-	(5,825,204)
Total Governmental Activities	\$ 7,359,225	\$ -	\$ -	\$ 15,998	(7,343,227)
 GENERAL REVENUES					
Property Taxes					1,856,318
Specific Ownership Taxes					196,308
Facility Fees					634,350
Road Maintenance Fees					68,784
System Development Fees					1,114,956
Net Investment Income					47,217
Other Income					1,243
Total General Revenues					3,919,176
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					(35,969,921)
 NET POSITION - END OF YEAR					
					\$ (39,393,972)

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 78,038	\$ -	\$ -	\$ 78,038
Cash and Investments - Restricted	27,400	219,267	2,593,187	2,839,854
Accounts Receivable - County Treasurer	2,371	16,412	-	18,783
Accounts Receivable - Intergovernmental	107,456	-	11,464	118,920
Property Taxes Receivable	318,180	1,612,034	-	1,930,214
Prepaid Expenses	16,145	-	-	16,145
	<u>\$ 549,590</u>	<u>\$ 1,847,713</u>	<u>\$ 2,604,651</u>	<u>\$ 5,001,954</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 53,936	\$ -	\$ 67,621	\$ 121,557
Total Liabilities	53,936	-	67,621	121,557
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	318,180	1,612,034	-	1,930,214
Total Deferred Inflows of Resources	318,180	1,612,034	-	1,930,214
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	16,145	-	-	16,145
Restricted For:				
Emergencies (TABOR)	27,400	-	-	27,400
Debt Service	-	235,679	-	235,679
Capital Projects	-	-	2,537,030	2,537,030
Unassigned	133,929	-	-	133,929
Total Fund Balances	<u>177,474</u>	<u>235,679</u>	<u>2,537,030</u>	<u>2,950,183</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 549,590</u>	<u>\$ 1,847,713</u>	<u>\$ 2,604,651</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Long-term liabilities, including Developer advances payable and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(31,130,000)
Bond Premium (Net of Amortization)				(1,832,028)
Developer Advance Payable				(11,933,801)
Accrued Interest Payable - Bonds				(110,947)
Accrued Interest Payable - Developer Advance				(3,087,882)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				<u>5,750,503</u>
Net Position of Governmental Activities				<u>\$ (39,393,972)</u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 234,293	\$ 1,622,025	\$ -	\$ 1,856,318
Specific Ownership Taxes	24,777	171,531	-	196,308
Facilities Fee	634,350	-	-	634,350
Conservation Trust	15,998	-	-	15,998
Road Maintenance Fee -Market	-	-	62,250	62,250
Road Maintenance Fee - Mangano	-	-	6,534	6,534
System Development Fee	-	-	1,114,956	1,114,956
Net Investment Income	275	15,652	31,290	47,217
Other Income	1,237	6	-	1,243
Total Revenues	<u>910,930</u>	<u>1,809,214</u>	<u>1,215,030</u>	<u>3,935,174</u>
EXPENDITURES				
Current:				
Accounting	22,410	-	-	22,410
Audit	4,400	-	-	4,400
County Treasurer's Fees	3,518	24,355	-	27,873
Director's Fees	2,124	-	-	2,124
District Management	89,166	-	1,153	90,319
Election	2,252	-	-	2,252
Engineering	8,117	-	22,658	30,775
Facilities Maintenance	4,044	-	-	4,044
GIS Maintenance	3,813	-	-	3,813
Insurance	15,166	-	-	15,166
Irrigation System Repair	6,897	-	-	6,897
Legal	43,446	-	-	43,446
Landscape Maintenance	254,209	-	-	254,209
Annual Landscape Items	34,578	-	-	34,578
Market Landscape Maintenance	6,700	-	-	6,700
Lighting Maintenance	7,140	-	-	7,140
Payroll Taxes	92	-	-	92
Pool Maintenance	74,889	-	-	74,889
Pool Management	78,100	-	-	78,100
Pool Utilities	8,873	-	-	8,873
Repairs and Maintenance	32,200	-	-	32,200
Snow Removal	16,258	-	-	16,258
Telephone	3,145	-	-	3,145
Tree Replacement	3,739	-	-	3,739
Utilities	78,282	-	-	78,282
Website Hosting	738	-	-	738
Miscellaneous	7,670	32	-	7,702
Debt Service:				
Bond Interest - Series 2018	-	815,906	-	815,906
Bond Principal - Series 2018	-	870,000	-	870,000
Loan Interest - Series 2014	-	791,149	-	791,149
Loan Refunding	-	30,395,000	-	30,395,000
Capital:				
Street Repairs and Maintenance	-	-	41,486	41,486
System Development	-	-	466,412	466,412
Total Expenditures	<u>811,966</u>	<u>32,896,442</u>	<u>531,709</u>	<u>34,240,117</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	98,964	(31,087,228)	683,321	(30,304,943)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	32,000,000	-	32,000,000
Bond Premium	-	1,892,105	-	1,892,105
Bond Issuance Costs	-	(840,191)	-	(840,191)
Transfers In/(Out)	-	(2,202,867)	2,202,867	-
Repayment of Developer Advance	-	(706,500)	(713,708)	(1,420,208)
Total Other Financing Sources (Uses)	<u>-</u>	<u>30,142,547</u>	<u>1,489,159</u>	<u>31,631,706</u>
NET CHANGE IN FUND BALANCES	98,964	(944,681)	2,172,480	1,326,763
Fund Balances - Beginning of Year	78,510	1,180,360	364,550	1,623,420
FUND BALANCES - END OF YEAR	<u>\$ 177,474</u>	<u>\$ 235,679</u>	<u>\$ 2,537,030</u>	<u>\$ 2,950,183</u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balances - Governmental Funds \$ 1,326,763

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

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. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:

Depreciation Expense (266,685)

The issuance of long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment 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.

Bond Proceeds	(32,000,000)
Bond Premium	(1,892,105)
Bond Principal Payment	870,000
Loan Refunding	30,395,000
Repayment of Developer Advance	1,420,208

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 Costs of Refunding	(2,855,387)
Prior Year System Development Fees	76,339
Accrued Interest on Bonds - Change in Liability	(38,725)
Amortization of Bond Premium	60,077
Accrued Interest on Developer Advance - Change in Liability	<u>(519,536)</u>

Change in Net Position of Governmental Activities \$ (3,424,051)

**LINCOLN PARK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 233,973	\$ 234,293	\$ 320
Specific Ownership Taxes	15,804	24,777	8,973
Facilities Fee	653,196	634,350	(18,846)
Plan Admin Fee	6,000	-	(6,000)
Reimbursed Expenses	1,500	-	(1,500)
Conservation Trust	15,000	15,998	998
Net Investment Income	2,500	275	(2,225)
Other Income	1,000	1,237	237
Total Revenues	<u>928,973</u>	<u>910,930</u>	<u>(18,043)</u>
EXPENDITURES			
Current:			
Accounting	12,000	22,410	(10,410)
Audit	4,400	4,400	-
County Treasurer's Fees	3,510	3,518	(8)
Director's Fees	1,200	2,124	(924)
District Management	75,000	89,166	(14,166)
Election	5,000	2,252	2,748
Engineering	10,000	8,117	1,883
Facilities Maintenance	-	4,044	(4,044)
GIS Maintenance	7,500	3,813	3,687
Insurance	17,000	15,166	1,834
Irrigation System Repair	21,000	6,897	14,103
Legal	45,000	43,446	1,554
Landscape Maintenance	203,340	254,209	(50,869)
Annual Landscape Items	50,000	34,578	15,422
Market Landscape Maintenance	55,000	6,700	48,300
Lighting Maintenance	12,000	7,140	4,860
Payroll Taxes	-	92	(92)
Pool Maintenance	40,000	74,889	(34,889)
Pool Management	78,000	78,100	(100)
Pool Utilities	25,000	8,873	16,127
Repairs and Maintenance	25,000	32,200	(7,200)
Snow Removal	40,000	16,258	23,742
Telephone	2,500	3,145	(645)
Tree Replacement	10,000	3,739	6,261
Utilities	80,000	78,282	1,718
Website Hosting	1,500	738	762
Miscellaneous	2,000	7,670	(5,670)
Contingency	40,940	-	40,940
Total Expenditures	<u>866,890</u>	<u>811,966</u>	<u>54,924</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	62,083	98,964	36,881
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	(100,000)	-	100,000
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCE	(37,917)	98,964	136,881
Fund Balance - Beginning of Year	<u>45,410</u>	<u>78,510</u>	<u>33,100</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,493</u>	<u>\$ 177,474</u>	<u>\$ 169,981</u>

See accompanying Notes to Basic Financial Statements.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the County of Douglas on July 20, 1983, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the County in November 1982, and as modified on August 21, 2000. The District's service area is located in Douglas County, Colorado. The District was established to provide water and wastewater service, street construction, installation of safety control devices, construction and maintenance of parks and recreation facilities, and public transportation.

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

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.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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. Redemption of bonds is 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 District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. 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 general obligation 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.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The District has amended its annual budget for the year ended December 31, 2018.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each 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 property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported 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.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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.

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

Roads	40 Years
Drainage	40 Years
Park and Recreation	15-30 Years

Certain capital assets constructed by the District have been conveyed to other governmental entities.

Deferred Inflow 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.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 78,038
Cash and Investments - Restricted	2,839,854
Total Cash and Investments	\$ 2,917,892

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

Deposits with Financial Institutions	\$ 657,971
Investments	2,259,921
Total Cash and Investments	\$ 2,917,892

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.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

At December 31, 2018, the District's cash deposits had a bank balance of \$696,999 and a carrying balance of \$657,971.

Investments

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

The District generally limits its concentration of investments to those noted with an asterisk (*) 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, certain U.S. government agency securities, and securities of the World Bank
- . Certain international agency securities
- . 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

As of December 31, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 2,259,921

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), 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 the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2017	Increases	Decreases	Balance - December 31, 2018
Capital Assets, Not Being Depreciated:				
Landscaping	\$ 1,823,618	\$ -	\$ -	\$ 1,823,618
Capital Assets, Being Depreciated:				
Roads	1,633,632	-	-	1,633,632
Drainage	1,000,000	-	-	1,000,000
Park and Recreation	5,459,908	-	-	5,459,908
Total Capital Assets, Being Depreciated	8,093,540	-	-	8,093,540
Less Accumulated Depreciation For:				
Roads	(367,569)	(40,841)	-	(408,410)
Drainage	(225,000)	(25,000)	-	(250,000)
Park and Recreation	(3,307,401)	(200,844)	-	(3,508,245)
Total Accumulated Depreciation	(3,899,970)	(266,685)	-	(4,166,655)
Capital Assets, Net	<u>\$ 6,017,188</u>	<u>\$ (266,685)</u>	<u>\$ -</u>	<u>\$ 5,750,503</u>

Depreciation expense was charged to the General Government function/program of the District

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the period ended December 31, 2018:

	Balance - December 31, 2017	Additions	Retirements	Balance - December 31, 2018	Due Within One Year
2014 A Tax-Exempt Loan	\$ 13,335,000	\$ -	\$ 13,335,000	\$ -	\$ -
2014 B Taxable Loan	17,060,000	-	17,060,000	-	-
Series 2018 Limited Tax General Obligation Bonds	-	32,000,000	870,000	31,130,000	300,000
Series 2018 Premium	-	1,892,105	60,077	1,832,028	-
Developer Advances - Principal	11,933,801	-	-	11,933,801	-
Developer Advances - Interest	3,988,554	519,536	1,420,208	3,087,882	-
Total	<u>\$ 46,317,355</u>	<u>\$ 34,411,641</u>	<u>\$ 32,745,285</u>	<u>\$ 47,983,711</u>	<u>\$ 300,000</u>

A description of the long-term obligations as of December 31, 2018, is as follows:

\$13,775,000 Series 2014A Tax-Exempt Loan \$17,710,000 series 2014B Taxable Loan

On October 3, 2014, the District borrowed \$31,485,000 of for the purpose of advance refunding the General Obligation Refunding and Improvement Bonds Series 2008 in the total amount of \$28,085,000. The amount borrowed was separated into two loans, the Series 2014A Tax-Exempt Loan in the amount of \$13,775,000 is tax-exempt with an interest rate of 2.82% and the Series 2014B Taxable Loan in the amount of \$17,710,000 is taxable convertible to tax-exempt with an interest rate of 4.33%. (collectively the Loans). Interest is payable semi-annually on each June 1 and December 1, commencing on December 1, 2014. The Loans mature on December 21, 2019, with periodic principal payments on each December 1 as indicated in the accompanying schedule. The Loans are secured by an unlimited mill levy and a reserve fund of \$1,050,000. The Series 2014B Loan can convert to a tax-exempt rate on December 1, 2017.

The Loans were issued to provide resources to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 2008 Bonds through the call date of December 1, 2017. As a result, the refunded bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price by \$7,495,389. This amount is recorded as a deferred outflow and is being amortized over the remaining life of the new debt issued. The refunding resulted in an economic gain of \$5,990,610 due to the maturity of the loans being shorter than the refunded bonds.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018

On April 26, 2018, the District issued \$32,000,000 in General Obligations Bonds (the Bonds). The proceeds from the sale of the Bonds were used for the purposes of: (i) refunding the Series 2014A Tax-Exempt Loan and the Series 2014B Taxable Loan; (ii) refunding a portion of the principal amount of the outstanding obligation of the District to NNP II - Stonegate, LLC (iii) funding public park and recreation improvements; (iv) funding the Reserve Fund; and (v) paying the costs of issuing the Bonds.

The Bonds bear interest at rates ranging from 3.00% to 5.00%, payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Principal payments are payable on December 1, beginning on December 1, 2018. The bonds mature on December 1, 2047. The Bonds maturing on and after December 1, 2028, are also subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity, beginning December 1, 2027, without redemption premium.

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue (except that Capital Fees shall not be pledged so long as the Amended and Restated Agreement is in effect). The Bonds are also secured by the Reserve Fund and by amounts, if any, accumulated in the Surplus Fund in accordance with the indenture up to the Maximum Surplus Amount of \$1,000,000.

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable, to make up any deficiencies in the Reserve Fund, and to make up any deficiencies in the Surplus Fund so long as it is in existence. The Required Mill levy shall be imposed in the Exclusion Area only to the extent required to pay or fund or replenish the Surplus Fund and the Reserve Fund in connection with the Refunding Bonds.

The maximum Required Mill Levy is 55.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. For collection year 2018, the District levied 45.000 mills.

The District realized a net present value loss of \$1,007,099 from the refunding.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

**Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018
(Continued)**

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 300,000	\$ 1,331,369	\$ 1,631,369
2020	400,000	1,319,369	1,719,369
2021	475,000	1,303,369	1,778,369
2022	615,000	1,284,369	1,899,369
2023	700,000	1,259,769	1,959,769
2024-2028	4,015,000	5,777,095	9,792,095
2029-2033	4,840,000	4,957,144	9,797,144
2034-2038	5,685,000	4,107,075	9,792,075
2039-2043	7,065,000	2,734,875	9,799,875
2044-2047	7,035,000	806,500	7,841,500
Total	<u>\$ 31,130,000</u>	<u>\$ 24,880,934</u>	<u>\$ 56,010,934</u>

Authorized Debt

On May 5, 1998, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$101,000,000. On November 3, 1998, and on November 7, 2000, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$5,500,000 and \$420,000,000, respectively. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized May 5, 1998 Election</u>	<u>Authorized November 3, 1998 Election</u>	<u>Authorized November 7, 2000 Election</u>	<u>Authorization Used Series 2001</u>	<u>Authorization Used Series 2004A</u>	<u>Authorization Used Series 2004B</u>
Streets	\$ 29,000,000	\$ -	\$ 35,000,000	\$ 8,695,844	\$ 968,688	\$ 3,433,618
Parks and Recreational Facilities	18,000,000	-	35,000,000	102,942	2,075,553	7,357,017
Water	20,000,000	-	35,000,000	2,566,891	908,193	3,219,186
Sanitary Sewer and Storm Drainage	34,000,000	-	35,000,000	5,244,323	252,824	896,160
Traffic and Safety Controls	-	-	35,000,000	-	-	-
Transportation	-	-	35,000,000	-	-	-
Operations	-	500,000	-	-	-	-
Financing and Reimbursement Agreement	-	5,000,000	-	-	-	-
Refunding of Debt	-	-	210,000,000	-	-	-
Total	<u>\$ 101,000,000</u>	<u>\$ 5,500,000</u>	<u>\$ 420,000,000</u>	<u>\$ 16,610,000</u>	<u>\$ 4,205,258</u>	<u>\$ 14,905,981</u>

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

	Authorization Used Series 2008	Authorization Used Series 2014A	Authorization Used Series 2014B	Authorization Used Series 2018	Remaining at December 31, 2018
Streets	\$ -	\$ -	\$ -	\$ -	\$ 50,901,850
Parks and Recreational Facilities	-	-	-	-	43,464,488
Water	-	-	-	-	48,305,730
Sanitary Sewer and Storm Drainage	-	-	-	-	62,606,693
Traffic and Safety Controls	-	-	-	-	35,000,000
Transportation	-	-	-	-	35,000,000
Operations	-	-	-	-	500,000
Financing and Reimbursement Agreement	-	-	-	-	5,000,000
Refunding of Debt	29,090,000	13,775,000	17,710,000	32,000,000	117,425,000
Total	<u>\$ 29,090,000</u>	<u>\$ 13,775,000</u>	<u>\$ 17,710,000</u>	<u>\$ 32,000,000</u>	<u>\$ 398,203,761</u>

Developer Advances

Reimbursement Agreement

In conjunction with the issuance of the Series 2008 Bonds, the District entered into a Reimbursement Agreement with NNP II – Stonegate LLC (the Developer). The Reimbursement Agreement supersedes the previous Financing and Reimbursement Agreement entered into in 2001. Per the terms of the new agreement, the District and the Developer agreed to terminate the Series 2004A and Series 2004B Bonds and provide for payment of amounts originally due under the prior reimbursement agreement and the 2004 Bonds.

As part of the agreement, the Developer agreed to terminate the obligation of the District to repay developer advances made to cover operating expenses of \$304,381, along with the related accrued interest. The District paid \$9,694,385 to the Developer from proceeds of the Series 2008 bond issuance per the terms of the Agreement. After the payment of the initial amount by the District from the 2008 Bond proceeds, the District owed the Developer \$12,933,801, of which \$1,000,000 was subsequently forgiven by the Developer during 2008. Amounts considered advanced under the Agreement accrues interest at 3.50% per annum. Repayments of developer advances are subject to annual appropriation by the District Board. As of December 31, 2018, the District is obligated to pay the Developer \$11,933,801 plus \$3,087,882 of accrued interest under the Agreement. Any obligation unpaid on December 15, 2037 is deemed to be satisfied.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization 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, 2018, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 1,812,559
Current Portion of Long-Term Obligations	(94,560)
Noncurrent Portion of Long-Term Obligations	(9,717,616)
Bond Premium, Net	(577,455)
Developer Advance Payable	(3,761,534)
Unspent Bond Proceeds	704,135
Net Investment in Capital Assets	<u><u>\$ (11,634,471)</u></u>

Restricted assets include net position 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, 2018 as follows:

Restricted Net Position:	
Emergencies	\$ 27,400
Debt Service	124,732
Total Restricted Net Position	<u><u>\$ 152,132</u></u>

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, a portion of which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 INTERGOVERNMENTAL/DEVELOPER AGREEMENTS

See Note 5 for a discussion of the Reimbursement Agreement with the Developer.

On November 22, 1996 the District entered into the Second Amended and Restated Regional Facilities Construction Agreement with Stonegate Village Metropolitan District (Stonegate Village) (the IGA). Pursuant to the IGA, the District transferred all right, title, and interest to the sanitary sewer system, including \$265,510 of operations and maintenance reserves, and all right, title, and interest to its water supply system, including \$64,754 in operations and maintenance reserves and water rights, to Stonegate Village Metropolitan District. In exchange, Stonegate Village Metropolitan District agreed to finance, construct, and operate (1) a sewer system within Stonegate Village which would be adequate to

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 INTERGOVERNMENTAL/DEVELOPER AGREEMENTS (CONTINUED)

service an ultimate build-out of at least 2,531 single family equivalents (SFE) and which sewer system would provide service to the District pursuant to the terms of the IGA and (2) a water and irrigation system in Stonegate Village Metropolitan District which would be adequate to provide potable water service for an ultimate build-out of at least 2,531 SFE's and which water and irrigation system would provide service to the District pursuant to the terms of the IGA.

The IGA provides that the first 550,000 gallons per day of sewage treatment capacity is dedicated to sewer taps for residents of Stonegate Village Metropolitan District (the Reserved Sewer Capacity) and the capacity in excess of the 550,000 gallons per day was irrevocably dedicated to the District, subject to the terms of the IGA. The IGA provides that the first 2,531 three-quarter inch water tap equivalents and the water to serve Stonegate Community Park, Challenger Park, and the E-470 right-of-way are dedicated to supply water taps in Stonegate Village Metropolitan District (the Reserved Water Capacity) and any water taps in excess thereof are dedicated to the District.

The IGA provides that the District may request Stonegate Village Metropolitan District to impose, for the benefit of the District, system development and connection charges. During 2018, system development charges in the amount of \$713,708 were collected and remitted to the Developer under the terms of the Reimbursement Agreement discussed in Note 5, and connection charges of \$401,248 were collected and remitted to Stonegate Village Metropolitan District.

The District also entered into a Memorandum of Understanding Concerning Development and Construction, dated 1998, as amended by the First Amendment to Memorandum of Understanding Concerning Development and Construction, dated March 21, 2001, with Stonegate Village Metropolitan District (collectively the MOU). The MOU modifies the IGA and provides that, as a result of changes in development densities and efficiencies in the water and sewer systems, so long as Stonegate Village Metropolitan District is able to meet its need for sewer or water service as provided in the MOU, respectively, the District may utilize the Reserved Sewer Capacity or the Reserved Water Capacity, respectively, on a temporary basis, subject to the conditions of the MOU. The MOU also provides that once the Reserved Sewer Capacity has been utilized, the then applicable system development fees imposed by Stonegate Village Metropolitan District will continue to apply and, to the extent system development fees are collected for development within Stonegate Village Metropolitan District they shall be paid over to Stonegate Village Metropolitan District.

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 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 or prior 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 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the Debt Service Fund to the Capital Projects Fund was related to the 2018 Series bond issuance. \$2,200,000 and the remaining monies from cost of issuance were transferred to the Capital Projects Fund to support future capital projects.

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 which apply to the State of Colorado and all local governments.

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

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

**LINCOLN PARK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

On November 2, 1993, May 5, 1998, November 3, 1998, and November 7, 2000, 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.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. There has been no judicial interpretation related to many provisions of TABOR, including how to calculate Fiscal Year Spending limits.

SUPPLEMENTARY INFORMATION

**LINCOLN PARK METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 1,622,347	\$ 1,622,347	\$ 1,622,025	\$ (322)
Specific Ownership Taxes	129,787	140,751	171,531	30,780
Net Investment Income	2,000	13,500	15,652	2,152
Other Income	-	-	6	6
Total Revenues	<u>1,754,134</u>	<u>1,776,598</u>	<u>1,809,214</u>	<u>32,616</u>
EXPENDITURES				
Bond Interest - Series 2018	1,100,000	815,906	815,906	-
Bond Principal - Series 2018	-	870,000	870,000	-
County Treasurer's Fee	24,335	24,297	24,355	(58)
Loan Interest - Series 2014	500,000	471,880	791,149	(319,269)
Loan Refunding	31,000,000	30,847,091	30,395,000	452,091
Paying Agent Fees	4,000	4,000	-	4,000
Subordinate Debt	-	580,075	-	580,075
Miscellaneous	-	40,825	32	40,793
Total Expenditures	<u>32,628,335</u>	<u>33,654,074</u>	<u>32,896,442</u>	<u>757,632</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,874,201)	(31,877,476)	(31,087,228)	790,248
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	30,120,000	32,000,000	32,000,000	-
Bond Premium	2,492,922	1,892,105	1,892,105	-
Bond Issuance Costs	(669,472)	(843,059)	(840,191)	2,868
Transfers In/(Out)	(2,200,000)	(2,202,867)	(2,202,867)	-
Repayment of Developer Advance	-	-	(706,500)	(706,500)
Total Other Financing Sources (Uses)	<u>29,743,450</u>	<u>30,846,179</u>	<u>30,142,547</u>	<u>(703,632)</u>
NET CHANGE IN FUND BALANCE	(1,130,751)	(1,031,297)	(944,681)	86,616
Fund Balance - Beginning of Year	<u>1,166,304</u>	<u>1,180,360</u>	<u>1,180,360</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 35,553</u>	<u>\$ 149,063</u>	<u>\$ 235,679</u>	<u>\$ 86,616</u>

**LINCOLN PARK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Road Maintenance Fee - Market	\$ 78,900	\$ 62,250	\$ (16,650)
Road Maintenance Fee - Mangano	8,210	6,534	(1,676)
System Development Fee	813,000	1,114,956	301,956
Net Investment Income	-	31,290	31,290
Total Revenues	<u>900,110</u>	<u>1,215,030</u>	<u>314,920</u>
EXPENDITURES			
Capital Outlay	700,000	-	700,000
District Management	-	1,153	(1,153)
Engineering	15,000	22,658	(7,658)
Street Repairs and Maintenance	200,000	41,486	158,514
System Development	813,000	466,412	346,588
Total Expenditures	<u>1,728,000</u>	<u>531,709</u>	<u>1,196,291</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(827,890)	683,321	1,511,211
OTHER FINANCING SOURCES (USES)			
Transfers In/(Out)	2,300,000	2,202,867	(97,133)
Repayment of Developer Advance	-	(713,708)	(713,708)
Total Other Financing Sources (Uses)	<u>2,300,000</u>	<u>1,489,159</u>	<u>(810,841)</u>
NET CHANGE IN FUND BALANCE	1,472,110	2,172,480	700,370
Fund Balance - Beginning of Year	<u>511,643</u>	<u>364,550</u>	<u>(147,093)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,983,753</u></u>	<u><u>\$ 2,537,030</u></u>	<u><u>\$ 553,277</u></u>

OTHER INFORMATION

**LINCOLN PARK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2018**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
			\$32,000,000
			Limited Tax General Obligation Refunding and Improvement Bonds, Series 2018 Dated April 26, 2018 Interest Rate Varying from 3.00% to 5.00% Interest Payable June 1 and December 1, Principal Due December 1
2019	\$ 300,000	\$ 1,331,369	\$ 1,631,369
2020	400,000	1,319,369	1,719,369
2021	475,000	1,303,369	1,778,369
2022	615,000	1,284,369	1,899,369
2023	700,000	1,259,769	1,959,769
2024	725,000	1,231,769	1,956,769
2025	765,000	1,195,519	1,960,519
2026	800,000	1,157,269	1,957,269
2027	840,000	1,117,269	1,957,269
2028	885,000	1,075,269	1,960,269
2029	910,000	1,048,718	1,958,718
2030	940,000	1,021,419	1,961,419
2031	965,000	993,219	1,958,219
2032	995,000	963,063	1,958,063
2033	1,030,000	930,725	1,960,725
2034	1,060,000	897,250	1,957,250
2035	1,100,000	861,475	1,961,475
2036	1,135,000	822,975	1,957,975
2037	1,175,000	783,250	1,958,250
2038	1,215,000	742,125	1,957,125
2039	1,280,000	681,375	1,961,375
2040	1,340,000	617,375	1,957,375
2041	1,410,000	550,375	1,960,375
2042	1,480,000	479,875	1,959,875
2043	1,555,000	405,875	1,960,875
2044	1,630,000	328,125	1,958,125
2045	1,715,000	246,625	1,961,625
2046	1,800,000	160,875	1,960,875
2047	1,890,000	70,875	1,960,875
Total	\$ 31,130,000	\$ 24,880,934	\$ 56,010,934

**LINCOLN PARK METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2018**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year	Prior Year Assessed Valuation for Current Year	Mills Levied		Total Property Taxes		Percent Collected to Levied
	Tax Levy General Fund	Tax Levy Debt Service	General Fund	Debt Service	Levied	Collected	
2014	\$ 29,823,017	\$ 29,823,017	0.000	59.000	\$ 1,759,558	\$ 1,745,565	99.20 %
2015	29,651,130	29,707,500	7.000	45.000	1,544,396	1,542,914	99.90
2016	33,463,300	33,953,440	6.500	43.000	1,677,509	1,658,507	98.87
2017	33,697,440	33,753,700	6.500	43.000	1,670,442	1,670,445	100.01
2018	35,995,880	36,052,140	6.500	45.000	1,856,320	1,856,318	100.00
Estimated for the Year Ending December 31, 2019	37,432,910	37,489,170	8.500	43.000	1,930,214		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.