

**DENVER CONNECTION WEST
METROPOLITAN DISTRICT
City and County of Denver, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2018

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Denver Connection West Metropolitan District
City and County of Denver, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Denver Connection West Metropolitan District's basic financial statements. The Supplementary Information and the Other Information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Dazio & Associates, P.C.

July 18, 2019

BASIC FINANCIAL STATEMENTS

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 151,936
Cash and Investments - Restricted	2,391,216
Prepaid Expense	3,514
Accounts Receivable	4,050
Property Taxes Receivable	233,830
Receivable from County Treasurer	700
Construction in Progress	24,319,572
Total Assets	27,104,818
LIABILITIES	
Accounts Payable	1,012,115
Accrued Interest Payable	43,403
Noncurrent Liabilities:	
Due in More Than One Year	26,237,435
Total Liabilities	27,292,953
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	233,830
Total Deferred Inflows of Resources	233,830
NET POSITION	
Restricted for:	
Emergency Reserves	4,600
Debt Service	1,419,427
Unrestricted	(1,845,992)
Total Net Position	\$ (421,965)

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Government Activities:					
General Government	\$ 181,255	\$ 118,418	\$ -	\$ -	\$ (62,837)
Interest and Related Costs on Long-Term Debt	1,243,239	-	-	981,000	(262,239)
Total Governmental Activities	\$ 1,424,494	\$ 118,418	\$ -	\$ 981,000	(325,076)
 GENERAL REVENUES					
Property Taxes					157,915
Specific Ownership Taxes					9,427
Net Investment Income					38,685
Total General Revenues					206,027
 CHANGES IN NET POSITION					(119,049)
Net Position - Beginning of Year					(302,916)
 NET POSITION - END OF YEAR					\$ (421,965)

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 133,397	\$ -	\$ 18,539	\$ 151,936
Cash and Investments - Restricted	4,600	2,386,616	-	2,391,216
Accounts Receivable	4,050	-	-	4,050
Prepaid Expense	3,514	-	-	3,514
Receivable from County Treasurer	140	560	-	700
Property Taxes Receivable	46,764	187,066	-	233,830
	<u>\$ 192,465</u>	<u>\$ 2,574,242</u>	<u>\$ 18,539</u>	<u>\$ 2,785,246</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 15,815	\$ -	\$ 996,300	\$ 1,012,115
Total Liabilities	15,815	-	996,300	1,012,115
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Taxes	46,764	187,066	-	233,830
Total Deferred Inflows of Resources	46,764	187,066	-	233,830
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	3,514	-	-	3,514
Restricted for:				
Emergency Reserves	4,600	-	-	4,600
Bond Reserve Funds	-	793,519	-	793,519
Debt Service	-	1,593,657	-	1,593,657
Assigned to:				
Subsequent Year's Expenditures	55,390	-	-	55,390
Unassigned	66,382	-	(977,761)	(911,379)
Total Fund Balances (Deficit)	<u>129,886</u>	<u>2,387,176</u>	<u>(977,761)</u>	<u>1,539,301</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 192,465</u>	<u>\$ 2,574,242</u>	<u>\$ 18,539</u>	

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

Capital assets are recorded as assets on the statement of net position, but are recorded as expenditures in the funds.

Capital Assets	24,319,572
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	(9,690,000)
Subordinate Bonds Payable	(2,539,000)
Accrued Interest on Bonds Payable-2017A	(43,403)
Accrued Interest on Bonds Payable-2017B	(130,827)
Developer Advance Payable - Accrued Interest	(532,042)
Developer Advance Payable	(13,345,566)

Net Position of Governmental Activities	<u>\$ (421,965)</u>
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See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
General:				
Property Taxes	\$ 31,583	\$ 126,332	\$ -	\$ 157,915
Specific Ownership Tax	1,887	7,540	-	9,427
Administrative Fees	27,800	-	-	27,800
Operating Fee	90,618	-	-	90,618
Facilities Fees	-	981,000	-	981,000
Interest Income	39	38,635	11	38,685
Total Revenues	<u>151,927</u>	<u>1,153,507</u>	<u>11</u>	<u>1,305,445</u>
EXPENDITURES				
General:				
Accounting	16,307	-	-	16,307
County Treasurer's Fee	266	-	-	266
Auditing	4,900	-	-	4,900
Dues and Licenses	3,328	-	-	3,328
District Management	23,270	-	-	23,270
Insurance and Bonds	2,996	-	-	2,996
Legal Services	18,286	-	-	18,286
Miscellaneous	4,222	-	-	4,222
Election	272	-	-	272
Administrative Management	13,069	-	-	13,069
Debt Service:				
Bond Interest - Series 2017A	-	520,838	-	520,838
Bond Interest - Series 2017B	-	150,000	-	150,000
County Treasurer's Fee	-	1,316	-	1,316
Paying Agent Fees	-	5,500	-	5,500
Capital Outlay:				
Accounting	-	-	24,461	24,461
Engineering	-	-	143,850	143,850
District Management	-	-	32,609	32,609
Legal Services	-	-	31,769	31,769
Architecture	-	-	27,931	27,931
Landscaping	-	-	480,528	480,528
Capital Outlay - HUB	-	-	6,726,944	6,726,944
Capital Outlay - Infrastructure	-	-	5,256,838	5,256,838
Total Expenditures	<u>86,916</u>	<u>677,654</u>	<u>12,724,930</u>	<u>13,489,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	65,011	475,853	(12,724,919)	(12,184,055)
OTHER FINANCING SOURCES (USES)				
Developer Advance	66,121	-	11,946,249	12,012,370
Transfers from Other Fund	-	2,548	-	2,548
Transfers to Other Fund	-	-	(2,548)	(2,548)
Total Other Financing Sources	<u>66,121</u>	<u>2,548</u>	<u>11,943,701</u>	<u>12,012,370</u>
NET CHANGE IN FUND BALANCES	131,132	478,401	(781,218)	(171,685)
Fund Balances - Beginning of Year	<u>(1,246)</u>	<u>1,908,775</u>	<u>(196,543)</u>	<u>1,710,986</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 129,886</u>	<u>\$ 2,387,176</u>	<u>\$ (977,761)</u>	<u>\$ 1,539,301</u>

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

Net Changes in Fund Balances - Total Governmental Funds \$ (171,685)

Amounts reported for governmental activities in the statement of net 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 assets over the estimated useful life of the asset. During the current period, this is the net amount of capital outlay.

Capital Outlay 12,636,091

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. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Developer Advances (12,012,370)

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 on Bonds - Change in Liability (58,960)

Accrued Interest on Developer Advances - Change in Liability (512,125)

Change in Net Position of Governmental Activities \$ (119,049)

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

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property Taxes	31,583	31,583	31,583	\$ -
Specific Ownership Tax	2,530	2,530	1,887	(643)
Administrative Fees	-	28,000	27,800	(200)
Interest Income	-	50	39	(11)
Operating Fees	-	65,000	90,618	25,618
Total Revenues	<u>34,113</u>	<u>127,163</u>	<u>151,927</u>	<u>24,764</u>
EXPENDITURES				
Accounting	20,000	18,000	16,307	1,693
County Treasurer's Fee	474	474	266	208
Auditing	5,000	5,000	4,900	100
Dues and Licenses	500	500	3,328	(2,828)
District Management	20,000	20,000	23,270	(3,270)
Insurance and Bonds	3,000	3,000	2,996	4
Legal Services	25,000	20,000	18,286	1,714
Miscellaneous	100	8,000	4,222	3,778
Election	3,000	3,000	272	2,728
Administrative Management	-	19,100	13,069	6,031
Covenant Control	1,000	1,000	-	1,000
Contingency	1,926	1,926	-	1,926
Total Expenditures	<u>80,000</u>	<u>100,000</u>	<u>86,916</u>	<u>13,084</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(45,887)	27,163	65,011	37,848
OTHER FINANCING SOURCES				
Developer Advance	40,000	66,121	66,121	-
Total Other Financing Sources	<u>40,000</u>	<u>66,121</u>	<u>66,121</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(5,887)	93,284	131,132	37,848
Fund Balances - Beginning of Year	<u>10,349</u>	<u>(1,246)</u>	<u>(1,246)</u>	<u>-</u>
FUND BALANCES (DEFICIT) END OF YEAR	<u>\$ 4,462</u>	<u>\$ 92,038</u>	<u>\$ 129,886</u>	<u>\$ 37,848</u>

See accompanying Notes to Basic Financial Statements.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court for the City and County of Denver and recorder on December 1, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City and County of Denver, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements and services, including streets, water, storm, sanitation, safety protection, and parks and recreation facilities, transportation, mosquito control, and covenant enforcement.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

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.

**DENVER CONNECTION WEST 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 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.

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 of the end of the current fiscal period. The major sources of revenue susceptible to accrual are District property taxes and interest. 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 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.

**DENVER CONNECTION WEST 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 of Colorado, the District's Board of Directors holds public hearings in the fall of 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 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.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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.

Facilities Fees

On December 9, 2016 the District's Board of Directors approved and adopted the Denver Connection West Metropolitan District Facilities Fee Resolution, as recorded on February 10, 2017, for the imposition of a one-time Facilities Fee for the use of the District service system.

The Facilities Fee is charged against each residential building located within the property (Dwelling Unit) and imposes a rate of \$3,000 per Equivalent Unit, defined as the right to use the District service system for one dwelling unit (Equivalent Unit). The Facilities Fee is payable on or before the date of issuance of a building permit.

As of December 31, 2018, the District received \$981,000 in revenue from the imposition of the Facilities Fee.

District Fees

On May 23, 2017 the District's Board of Directors approved and adopted the Resolution of the Board of Directors of the Denver Connection West Metropolitan District Regarding the Imposition of District Fees, as recorded on July 27, 2017, for the imposition of an operations and maintenance fee (O&M Fee), and an administrative fee (Administrative Fee, collectively with the O&M Fee, the District Fees).

The District imposes the O&M Fee to offset the costs associated with the operation and maintenance of the District improvements. The O&M Fee is charged against each residential building located within the property and imposes a rate of \$168 per quarter for each single family residential unit, \$183 per quarter for each rear-loaded single family residential dwelling unit, and \$183 per quarter for each townhome unit. The O&M Fee are due payable on January 25, April 25, July 25 and October 25.

As of December 31, 2018, the District received \$64,984 in revenue from the imposition of the O&M Fee.

The District imposes the Administrative Fee to offset the administrative costs associated with the transfer of ownership of any dwelling unit located within the property. The Administrative Fee is charged against any dwelling unit located within the property to which ownership will be transferred and imposes a rate of \$100.00 per residential unit. The Administrative Fee is due and payable at the time of any sale, transfer, or re-sale of any unit constructed on a lot which has a certificate of occupancy.

As of December 31, 2018, the District received \$27,800 in revenue from the imposition of the Administrative Fee.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (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.

Deficits

The Capital Project Fund reported a deficit in the fund financial statements as of December 31, 2018. The deficit will be eliminated with the receipt of developer advances in 2019.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 151,936
Cash and Investments - Restricted	<u>2,391,216</u>
Total Cash and Investments	<u><u>\$ 2,543,152</u></u>

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

Deposits with Financial Institutions	\$ 156,536
Investments	<u>2,386,616</u>
Total Cash and Investments	<u><u>\$ 2,543,152</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.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

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 deposit had a bank balance of \$156,938 and a carrying balance of \$156,536.

The District policy 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
- . 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

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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	\$ 66,460
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	2,320,156
Total Investments		<u>\$ 2,386,616</u>

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.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in capital assets for the year ended December 31, 2018:

	Balance at December 31, 2017	Increases	Decreases	Balance at December 31, 2018
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 11,683,481	\$ 12,636,091	\$ -	\$ 24,319,572
Total Capital Assets Not Being Depreciated	<u>\$ 11,683,481</u>	<u>\$ 12,636,091</u>	<u>\$ -</u>	<u>\$ 24,319,572</u>

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2017	Additions	Reductions	Balance at December 31, 2018	Due Within One Year
G.O. Bonds - Series 2017A	\$ 9,690,000	\$ -	\$ -	\$ 9,690,000	\$ -
G.O. Subordinate Bonds - Series 2017B	2,539,000	-	-	2,539,000	-
Accrued Interest - 2017B Subordinate Bonds	71,867	208,960	150,000	130,827	-
Developer Advances - General	44,455	66,121	-	110,576	-
Interest on Developer Advances - General	1,061	6,028	-	7,089	-
Developer Advances - Capital	1,288,741	11,946,249	-	13,234,990	-
Interest on Developer Advances - Capital	18,856	506,097	-	524,953	-
Total	<u>\$ 13,653,980</u>	<u>\$ 12,733,455</u>	<u>\$ 150,000</u>	<u>\$ 26,237,435</u>	<u>\$ -</u>

On August 23, 2017, the District issued \$9,690,000 in Series 2017A Limited Tax (convertible to unlimited tax) General Obligation Bonds with interest of 5.375% (2017A Bonds). The 2017A Bonds are subject to redemption prior to maturity at the option of the District and due on August 1, 2047. In addition, the 2017A bonds are subject to mandatory sinking fund redemption beginning December 1, 2022.

The 2017A Bonds are secured by and payable from Senior Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) all Senior Property Tax Revenues, (2) all Senior Specific Ownership Tax Revenues, (3) all Capital Fees and (4) any other legally available monies which the District determines to credit to the Senior Bond Fund.

The 2017A Bonds are also secured by amounts held by the Trustee in the Reserve Fund in the amount of \$793,519. The Reserve Fund was created for the purpose of paying, if necessary, the principal of, premium, if any, and interest on the

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

2017A Bonds. Senior 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 2017A Bonds as the same become due and payable and to make up deficiencies in the Reserve Fund.

The maximum Senior Required Mill Levy is 40.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District.

On August 23, 2017, the District issued \$2,539,000 in Series 2017B Subordinate Bonds ("2017B Bonds", together with the 2017A Bonds, the "Bonds"). The 2017B Bonds are special limited obligations of the District secured by and payable from the 2017B Subordinate pledged revenues, subject in all respects to the prior lien in favor of the 2017A Bonds. The Series 2017B Bonds are term bonds due on August 1, 2047 at an interest rate of 8.00%. The 2017B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2017B Bonds compounds annually on each December 15. In the event any amount of principal or interest on the 2017B Bonds remains unpaid after the application of all Subordinate Pledged Revenue on December 15, 2057, the 2017B Bonds shall be deemed discharged.

Proceeds of the Bonds are being used to finance and reimburse the costs of public improvements necessary for development within the District. In addition, the proceeds of the 2017A Bonds were used to fund the capitalized interest account on the 2017A Bonds, fund the Senior Reserve Fund and pay the costs of issuing the Bonds.

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	\$ -	\$ 520,838	\$ 520,838
2020	-	520,838	520,838
2021	-	520,838	520,838
2022	80,000	520,838	600,838
2023	110,000	516,538	626,538
2024-2028	760,000	2,479,219	3,239,219
2029-2033	1,170,000	2,233,044	3,403,044
2034-2038	1,720,000	1,862,438	3,582,438
2039-2043	2,425,000	1,328,968	3,753,968
2044-2047	3,425,000	509,550	3,934,550
Total	<u>\$ 9,690,000</u>	<u>\$ 11,013,109</u>	<u>\$ 20,703,109</u>

The amounts of principal and interest payments to be made in future years on the 2017B Subordinate Bonds will depend on pledged revenue collected and cannot be predicted with certainty.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 8, 2016, a majority of the qualified electors of the District who voted in the election authorized the issuance of District indebtedness in an amount not to exceed \$200,000,000. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized 2016 Election	Authorization Used for Series 2017A Bonds	Authorization Used for Series 2017B Bonds	Authorized But Unissued
Capital Improvements	\$ 140,000,000	\$ 9,690,000	\$ 2,539,000	\$ 127,771,000
Operations and Maintenance	20,000,000	-	-	20,000,000
Intergovernmental Agreements	20,000,000	-	-	20,000,000
Refunding	20,000,000	-	-	20,000,000
Total	<u>\$ 200,000,000</u>	<u>\$ 9,690,000</u>	<u>\$ 2,539,000</u>	<u>\$ 187,771,000</u>

NOTE 6 NET POSITION

The District's net position consists of two components – restricted and unrestricted.

The restricted component of 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, 2018 as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergency Reserves	\$ 4,600
Debt Service	1,419,427
Total Restricted Net Position	<u>\$ 1,424,027</u>

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets. The District has a deficit in unrestricted net position.

NOTE 7 RELATED PARTY

The Developer of the property is William Lyons Homes, Inc., a California corporation. The majority of the members of the Board of Directors are employees, owners, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

NOTE 9 AGREEMENTS

Operation Funding Agreement

The District and the Developer (William Lyon Homes, Inc.) entered into an Operation Funding Agreement on January 30, 2017, with an effective date of December 1, 2016, as amended by the first Amendment dated July 27, 2017 (Agreement).

Pursuant to the authority granted to the District by its Service Plan, as approved by the City Council of the City and County of Denver on September 12, 2016, as it may be amended from time to time (the Service Plan), the District intends to construct and/or acquire certain public improvements and provide certain services to benefit properties within its boundaries and/or service area (the District Services). In order for the public improvements to be constructed and/or acquired it is necessary for the District to be able to pay its ongoing operations and maintenance expenses which enable it to provide the District Services.

In order to enable the District to provide District Services, Developer is willing to advance funds to the District or to pay consultants directly for operations and maintenance expenses pursuant to the terms of this Agreement.

The District anticipates a shortfall in revenues available for operations and maintenance expenses to be incurred for fiscal years 2016 and 2019 in an aggregate amount of \$184,000 (the Shortfall Amount). The Developer shall advance funds necessary to fund, or shall directly pay, the District's operations and maintenance expenses on a periodic basis as needed for the fiscal years 2016 through 2019 up to the Shortfall Amount. The District shall, from time to time, provide written notice to the Developer that an advance of all or part of the Shortfall Amount is required.

Simple interest shall accrue on each Developer Advance from the date of deposit into the District's account or from the date of direct payment by Developer, until paid, at the rate of 8% per annum. Payments to reimburse the Developer shall be made on December 2 of each year and shall be applied as follows: first to the accrued and unpaid interest and then to the principal amount due pursuant to this Agreement.

The term of this Agreement commenced on December 1, 2016 and shall expire on December 31, 2019, unless terminated earlier by the mutual agreement of the Parties. Any obligation of Developer to advance funds will expire upon advance to the District of amounts sufficient to pay expenses incurred in 2016 through 2019, not to exceed the Shortfall Amount. Any obligation of District to reimburse Developer shall expire on December 31, 2059. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to this Agreement on or before December 31, 2059, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 9 AGREEMENTS (CONTINUED)

Operation Funding Agreement (Continued)

As of December 31, 2018, outstanding advances under the Agreement totaled \$110,576 and accrued interest totaled \$7,089.

Facilities Funding and Acquisition Agreement

The District and the Developer entered into a Facilities Funding and Acquisition Agreement on January 30, 2017, with an effective date of December 1, 2016 (the Acquisition Agreement). Pursuant to the Acquisition Agreement, the Developer has agreed to advance funds to the District (each an "Advance") in the amount necessary to fund the costs of designing, testing, engineering, and construction of the public improvements, together with related consultant and management fees, as needed, up to \$20,000,000 (unless otherwise approved by the Developer), for the fiscal years 2016 through 2026. Alternatively, the Developer may design, construct, and complete certain public improvements and the District may acquire such improvements.

Subject to availability of funding, the District agrees to repay the Developer for advances made for organization expenses of the District and advances for construction related expenses with simple interest accruing thereon at the rate of 8% per annum. In the event the District has not repaid the Developer by December 31, 2057, any amount of principal and accrued interest outstanding on such date is to be deemed discharged and satisfied in full. The Acquisition Agreement does not constitute a debt or multiple fiscal year financial obligation of the District and the making of any reimbursement thereunder is subject to annual appropriation.

As of December 31, 2018, outstanding advances under the agreement totaled \$13,234,990 and accrued interest totaled \$524,953.

NOTE 10 INTERFUND AND OPERATING TRANSFERS

The transfer of \$2,548 from Capital Projects Fund was for capitalized interest and reserve fund monies provided by bond proceeds.

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). 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.

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11 RISK MANAGEMENT (CONTINUED)

The District pays annual premiums to the Pool for liability, property, workers' compensation, and public officials' liability 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 12 TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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.

At the election on November 8, 2016, voters of the District approved an election question allowing the District to collect and expend each year all revenues without regard to the revenue and spending limitations of TABOR.

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

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

SUPPLEMENTARY INFORMATION

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

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 126,332	\$ 126,332	\$ 126,332	\$ -
Specific Ownership Tax	10,110	7,540	7,540	-
Facilities Fees	864,000	981,000	981,000	-
Interest Income	1,500	38,635	38,635	-
Total Revenues	<u>1,001,942</u>	<u>1,153,507</u>	<u>1,153,507</u>	<u>-</u>
EXPENDITURES				
County Treasurer's Fees	-	1,316	1,316	-
Bond Interest - Series 2017 A	520,838	520,838	520,838	-
Bond Interest - Series 2017 B	5,813	150,000	150,000	-
Paying Agent Fees	-	5,500	5,500	-
Contingency	-	2,346	-	2,346
Total Expenditures	<u>526,651</u>	<u>680,000</u>	<u>677,654</u>	<u>2,346</u>
EXCESS OF REVENUES OVER EXPENDITURES	475,291	473,507	475,853	2,346
OTHER FINANCING SOURCES (USES)				
Transfers from Other Fund	-	2,548	2,548	-
Total Other Financing Sources	<u>-</u>	<u>2,548</u>	<u>2,548</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	475,291	476,055	478,401	2,346
Fund Balances - Beginning of Year	<u>1,570,297</u>	<u>1,570,297</u>	<u>1,908,775</u>	<u>338,478</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,045,588</u></u>	<u><u>\$ 2,046,352</u></u>	<u><u>\$ 2,387,176</u></u>	<u><u>\$ 340,824</u></u>

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ 1,000	\$ 11	\$ 11	\$ -
Total Revenues	1,000	11	11	-
EXPENDITURES				
Accounting	5,000	24,461	24,461	-
District Management	5,000	32,609	32,609	-
Legal	5,000	31,769	31,769	-
Architecture	25,000	27,931	27,931	-
Engineering	25,000	143,850	143,850	-
Landscaping	-	480,528	480,528	-
Capital Outlay - HUB	1,466,317	6,726,944	6,726,944	-
Capital Outlay - Infrastructure	-	12,341,817	5,256,838	7,084,979
Contingency	1,000	7,543	-	7,543
Total Expenditures	1,532,317	19,817,452	12,724,930	7,092,522
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,531,317)	(19,817,441)	(12,724,919)	7,092,522
OTHER FINANCING SOURCES (USES)				
Developer Advance	1,531,317	18,827,683	11,946,249	(6,881,434)
Transfers to Other Fund	-	(2,548)	(2,548)	-
Total Other Financing Sources (Uses)	1,531,317	18,825,135	11,943,701	(6,881,434)
NET CHANGE IN FUND BALANCES	-	(992,306)	(781,218)	211,088
Fund Balances - Beginning of Year	-	(196,543)	(196,543)	-
FUND BALANCES (DEFICIT) END OF YEAR	\$ -	\$ (1,188,849)	\$ (977,761)	\$ 211,088

OTHER INFORMATION

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2018**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
		\$9,690,000	
		Limited Tax (Convertible to Unlimited Tax)	
		General Obligation Bonds	
		Refunding and Improvement Bonds	
		Series 2017A	
		August 23, 2017	
		Principal due December 1	
		Interest Rates 5.375% Payable	
		June 1 and December 1	
2019	\$ -	\$ 520,838	\$ 520,838
2020	-	520,838	520,838
2021	-	520,838	520,838
2022	80,000	520,838	600,838
2023	110,000	516,538	626,538
2024	125,000	510,625	635,625
2025	135,000	503,906	638,906
2026	155,000	496,650	651,650
2027	160,000	488,319	648,319
2028	185,000	479,719	664,719
2029	195,000	469,775	664,775
2030	220,000	459,294	679,294
2031	230,000	447,469	677,469
2032	255,000	435,106	690,106
2033	270,000	421,400	691,400
2034	300,000	406,888	706,888
2035	315,000	390,763	705,763
2036	345,000	373,831	718,831
2037	365,000	355,287	720,287
2038	395,000	335,669	730,669
2039	420,000	314,438	734,438
2040	455,000	291,863	746,863
2041	480,000	267,406	747,406
2042	520,000	241,605	761,605
2043	550,000	213,656	763,656
2044	595,000	184,094	779,094
2045	625,000	152,113	777,113
2046	675,000	118,519	793,519
2047	1,530,000	54,824	1,584,824
Total	\$ 9,690,000	\$ 11,013,109	\$ 20,703,109

**DENVER CONNECTION WEST METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2018**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2017	\$ 6,460	50.000	0.000	\$ 323	\$ 323	100.00 %
2018	3,158,300	10.000	40.000	157,915	157,915	100.00
Estimated for Year Ending December 31, 2019	\$ 4,230,150	11.055	44.222	\$ 233,830		