

**CENTRAL PLATTE VALLEY
COORDINATION METRO DISTRICT
City and County of Denver, Colorado**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
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Board of Directors
Central Platte Valley Coordination Metro District
City and County of Denver, Colorado

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Central Platte Valley Coordination Metro District, as of and for the year ended December 31, 2019, 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 of 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Central Plate Valley Coordination Metro District as of December 31, 2019, 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

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.

Simmons & Wheeler P.C.

Englewood, CO
March 22, 2020

BASIC FINANCIAL STATEMENTS

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 12,142
Accounts Receivable	4,453
Accounts Receivable - CPVMD	215,000
Prepaid Expenses	1,066
Total Assets	232,661
LIABILITIES	
Accounts Payable	217,796
Retainage Payable	5,103
Total Liabilities	222,899
NET POSITION	
Unrestricted	9,762
Total Net Position	\$ 9,762

See accompanying Notes to Basic Financial Statements.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		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	\$ 1,774,702	\$ -	\$ 1,749,488	\$ 20,012	\$ (5,202)
Total Governmental Activities	\$ 1,774,702	\$ -	\$ 1,749,488	\$ 20,012	(5,202)
					GENERAL REVENUES
					Other Revenue
					3,572
					Total General Revenues
					3,572
					CHANGE IN NET POSITION
					(1,630)
					Net Position - Beginning of Year
					11,392
					NET POSITION - END OF YEAR
					\$ 9,762

See accompanying Notes to Basic Financial Statements.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General
ASSETS	
Cash and Investments	\$ 12,142
Accounts Receivable	4,453
Accounts Receivable - CPVMD	215,000
Prepaid Expenditures	1,066
Total Assets	\$ 232,661
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 217,796
Retainage Payable	5,103
Total Liabilities	222,899
FUND BALANCE	
Nonspendable:	
Prepaid Amounts	1,066
Unassigned:	
General Government	8,696
Total Fund Balance	9,762
Total Liabilities and Fund Balances	\$ 232,661

Amounts reported for governmental activities in the statement of net position are the same as above for total fund balance.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2019**

	General
REVENUES	
Other Revenue	\$ 3,572
Total Revenues	3,572
EXPENDITURES	
General Government:	
Accounting	52,829
Audit	3,000
Director Fees	4,700
Dues and Membership	4,638
Insurance and Bonds	6,614
Legal	44,819
Management	48,561
Miscellaneous	2,358
Payroll Taxes	360
Website Maintenance	1,210
Operations and Maintenance:	
Onsite Management	76,360
17th Street Gardens	225,233
Engineering - Administrative	11,117
Engineering - Repairs and Maintenance	51,287
Landscaping and Other Maintenance	375,915
Millennium Bridge Maintenance	286,253
Security	403,088
Union Gateway Bridge Maintenance	153,841
Capital Outlay:	
Development Coordination	22,519
Total Expenditures	1,774,702
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,771,130)
OTHER FINANCING SOURCES (USES)	
Payment from CPVMD - Operations	1,749,488
Payment from CPVMD - Capital	20,012
Total Other Financing Sources (Uses)	1,769,500
NET CHANGE IN FUND BALANCE	(1,630)
Fund Balance - Beginning of Year	11,392
FUND BALANCE - END OF YEAR	\$ 9,762

Amounts reported for governmental activities in the statement of activities are the same as above.

See accompanying Notes to Basic Financial Statements.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Other Revenues	\$ -	\$ 3,572	\$ 3,572
Total Revenues	<u>-</u>	<u>3,572</u>	<u>3,572</u>
EXPENDITURES			
General Government:			
Accounting	62,000	52,829	9,171
Audit	3,000	3,000	-
Director Fees	6,000	4,700	1,300
Dues and Membership	5,000	4,638	362
Insurance and Bonds	6,500	6,614	(114)
Legal	50,000	44,819	5,181
Management	62,000	48,561	13,439
Miscellaneous	1,000	2,358	(1,358)
Payroll Taxes	458	360	98
Website Maintenance	3,000	1,210	1,790
Contingency	13,042	-	13,042
Operations and Maintenance:			
Onsite Management	75,000	76,360	(1,360)
17th Street Gardens	130,000	225,233	(95,233)
Engineering - Administrative	10,000	11,117	(1,117)
Engineering - Repairs and Maintenance	50,000	51,287	(1,287)
Landscaping and Other Maintenance	625,000	375,915	249,085
Millennium Bridge Maintenance	320,000	286,253	33,747
Security	545,000	403,088	141,912
Vendor Permitting	1,000	-	1,000
Union Gateway Bridge Maintenance	150,000	153,841	(3,841)
Capital Outlay:			
Art Funds	345,000	-	345,000
Development Coordination	20,000	22,519	(2,519)
Total Expenditures	<u>2,483,000</u>	<u>1,774,702</u>	<u>708,298</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,483,000)	(1,771,130)	711,870
OTHER FINANCING SOURCES (USES)			
Payment from CPVMD - Operations	2,120,000	1,749,488	(370,512)
Payment from CPVMD - Capital	365,000	20,012	(344,988)
Total Other Financing Sources (Uses)	<u>2,485,000</u>	<u>1,769,500</u>	<u>(715,500)</u>
NET CHANGE IN FUND BALANCE	2,000	(1,630)	(3,630)
Fund Balance - Beginning of Year	<u>5,648</u>	<u>11,392</u>	<u>5,744</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 7,648</u></u>	<u><u>\$ 9,762</u></u>	<u><u>\$ 2,114</u></u>

See accompanying Notes to Basic Financial Statements.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 DEFINITION OF REPORTING ENTITY

Central Platte Valley Coordination Metro District (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 City and County of Denver, Colorado (City), on February 19, 2013, 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 City Council on November 26, 2012. The District's boundaries and service area are located in the City.

The District was organized to implement a multi-district structure to more effectively accommodate both residential and commercial development within and without the District's physical boundaries.

The District has no power to issue any debt and no authority to impose a mill levy upon any property within or without its boundaries. Rather, the primary source of revenue available to the District is based upon its ability to enter into inter-governmental agreements with other governmental entities (IGAs). The basic nature of these IGAs would be for a governmental entity with taxing or other revenue-generating authority to transfer revenues to the District, which would then use the funds to provide for the operation and maintenance of all of the improvements and the provision of public services not otherwise dedicated to third party entities.

In accordance with its Service Plan, the District is entirely responsible for coordinating the operation and maintenance of all public services and improvements throughout the Central Platte Valley development area.

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 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 financial benefits or burdens and fiscal dependency.

The District is not financially accountable to 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.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 subject to accrual are payments from Central Platte Valley Metropolitan District. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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 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.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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.

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.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 12,142
Total Cash and Investments	<u>\$ 12,142</u>

Cash and investments as of December 31, 2019, consist of the following:

Deposits with Financial Institutions	\$ 12,142
Total Cash and Investments	<u>\$ 12,142</u>

Deposits with Financial Institutions

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

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

At December 31, 2019, the District's cash deposits had a bank balance of \$30,259 and a carrying balance of \$12,142.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 investments 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 disclosure requirements or subject to investment custodial risk 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 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, 2019, the District had no investments.

NOTE 4 NET POSITION

The District has net position consisting of one component – unrestricted.

The unrestricted component of net position is the net amount of assets, deferred outflow of resources, liabilities, and deferred inflows of resources that are not included in the determination of the restricted component of net position.

The District's unrestricted net position as of December 31, 2019, is \$9,762.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 5 INTERGOVERNMENTAL AGREEMENTS

On October 8, 2013, the District entered into an Intergovernmental Funding and Cooperation Agreement (IGA) with Central Platte Valley Metropolitan District (CPVMD). The District shall manage, administer, and supervise the operational aspects of both Districts' responsibilities for landscaping, infrastructure replacement, maintenance and repair, and coordination with other private and governmental entities, including negotiation of certain easements, licenses, and contracts. Both Districts shall work diligently to manage the operational costs through a coordinated budget process. All operations and maintenance expenditures of the District shall be funded by CPVMD with an operations and maintenance mill levy not to exceed 20.000 mills levied by CPVMD, unless agreed upon by the District and CPVMD through a joint resolution.

NOTE 6 RELATED PARTIES

Some members of the Board of Directors are employees of, owners of, or associated with Developers of the property within the District and CPVMD, and may have conflicts of interest in dealing with the District.

NOTE 7 RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**CENTRAL PLATTE VALLEY COORDINATION METRO DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 8 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.

On February 5, 2013, the District's voters authorized to collect, retain, and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, or charges authorized by law or contract to be imposed, collected or received by the District during 2013 and each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the District without regard to any spending, revenue-raising, or other limitation.

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. Intergovernmental revenue received by the District from CPVMD is not included in the calculation of the Emergency Reserves, as those revenues are reported in CPVMD.

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.