

BOWLES METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2018

with

Independent Auditors' Report

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# SCHILLING & COMPANY, INC.

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## **Independent Auditor's Report**

Board of Directors  
Bowles Metropolitan District  
Jefferson and Denver Counties, Colorado

### **Report for the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund, of Bowles Metropolitan District (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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bowles 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

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
June 26, 2019

**BOWLES METROPOLITAN DISTRICT**

BALANCE SHEET / STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>						
Cash and investments	\$ 690,134	\$ -	\$ -	\$ 690,134	\$ -	\$ 690,134
Cash and investments - restricted	43,500	172,590	663,279	879,369	-	879,369
Receivable - County Treasurer	16,973	-	-	16,973	-	16,973
Property taxes receivable - deferred	1,134,479	1,494,820	-	2,629,299	-	2,629,299
Receivable - other	6,753	-	-	6,753	-	6,753
Prepaid expenses	6,765	-	-	6,765	-	6,765
Prepaid bond insurance	-	-	-	-	123,158	123,158
Investment in Joseph W. Bowles Reservoir Company	-	-	-	-	2,051,964	2,051,964
Capital assets, not being depreciated	-	-	-	-	4,905,710	4,905,710
Capital assets, being depreciated, net of depreciation	-	-	-	-	919,655	919,655
<b>Total Assets</b>	<u>1,898,604</u>	<u>1,667,410</u>	<u>663,279</u>	<u>4,229,293</u>	<u>8,000,487</u>	<u>12,229,780</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss on refunding	-	-	-	-	536,116	536,116
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,116</u>	<u>536,116</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$1,898,604</u>	<u>\$ 1,667,410</u>	<u>\$ 663,279</u>	<u>\$ 4,229,293</u>		
<b>LIABILITIES</b>						
Accounts payable	\$ 40,279	\$ -	\$ -	\$ 40,279	-	40,279
Accrued interest on bonds	-	-	-	-	70,434	70,434
Long-term liabilities						
Due within one year	-	-	-	-	793,988	793,988
Due in more than one year	-	-	-	-	18,790,467	18,790,467
<b>Total Liabilities</b>	<u>40,279</u>	<u>-</u>	<u>-</u>	<u>40,279</u>	<u>19,654,889</u>	<u>19,695,168</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property taxes	1,134,479	1,494,820	-	2,629,299	-	2,629,299
<b>Total Deferred Inflows of Resources</b>	<u>1,134,479</u>	<u>1,494,820</u>	<u>-</u>	<u>2,629,299</u>	<u>-</u>	<u>2,629,299</u>
<b>FUND BALANCE</b>						
Nonspendable:						
Prepays	6,765	-	-	6,765	(6,765)	-
Restricted:						
Emergencies	43,500	-	-	43,500	(43,500)	-
Debt service	-	172,590	-	172,590	(172,590)	-
Assigned:						
Subsequent year's expenditures	651,630	-	-	651,630	(651,630)	-
Capital projects	-	-	663,279	663,279	(663,279)	-
Unrestricted	21,951	-	-	21,951	(21,951)	-
<b>Total Fund Balances</b>	<u>723,846</u>	<u>172,590</u>	<u>663,279</u>	<u>1,559,715</u>	<u>(1,559,715)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources     and Fund Balances</b>	<u>\$1,898,604</u>	<u>\$ 1,667,410</u>	<u>\$ 663,279</u>	<u>\$ 4,229,293</u>		
<b>NET POSITION</b>						
Net investment in capital assets					5,825,365	5,825,365
Restricted for:						
Emergencies					43,500	43,500
Debt service					102,156	102,156
Unrestricted					<u>(15,529,592)</u>	<u>(15,529,592)</u>
<b>Total Net Position (Deficit)</b>					<u>\$ (9,558,571)</u>	<u>\$ (9,558,571)</u>

The notes to the financial statements are an integral part of these statements.

**BOWLES METROPOLITAN DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>						
Accounting	\$ 11,061	\$ -	\$ -	\$ 11,061	\$ -	\$ 11,061
Audit	6,600	-	-	6,600	-	6,600
Directors' fees	6,500	-	-	6,500	-	6,500
Insurance	7,874	-	-	7,874	-	7,874
Legal	3,805	-	-	3,805	-	3,805
Management fees	93,262	-	-	93,262	-	93,262
Office misc	4,456	-	-	4,456	-	4,456
Payroll taxes	497	-	-	497	-	497
Snow removal	1,105	-	-	1,105	-	1,105
General tree maintenance/replacement	72,856	-	-	72,856	-	72,856
General landscape maintenance	445,036	-	-	445,036	-	445,036
Foothills Recreation IGA	11,560	-	-	11,560	-	11,560
Special events	7,500	-	-	7,500	-	7,500
Treasurer's fees	14,212	18,726	-	32,938	-	32,938
Paying agent fee	-	300	-	300	-	300
Telephone	2,989	-	-	2,989	-	2,989
Utilities	24,234	-	-	24,234	-	24,234
Storm drainage services	4,960	-	-	4,960	-	4,960
Water operations	2,245	-	-	2,245	-	2,245
Water annual assessment	47,151	-	-	47,151	(6,150)	41,001
Engineering (water)	14,274	-	-	14,274	-	14,274
Capital expense	-	-	149,440	149,440	(83,000)	66,440
Bond principal	-	745,000	-	745,000	(745,000)	-
Bond interest expense	-	867,563	-	867,563	18,298	885,861
Bond insurance	-	-	-	-	7,737	7,737
Depreciation	-	-	-	-	107,977	107,977
Total Expenditures	<u>782,177</u>	<u>1,631,589</u>	<u>149,440</u>	<u>2,563,206</u>	<u>(700,138)</u>	<u>1,863,068</u>
<b>PROGRAM REVENUES</b>						
Conservation Trust proceeds	24,923	-	-	24,923	-	24,923
HOA Contribution/Water/Landscape	30,000	-	-	30,000	-	30,000
Sub HOA Contribution/Irrigation	10,797	-	-	10,797	-	10,797
Total Program Revenues	<u>65,720</u>	<u>-</u>	<u>-</u>	<u>65,720</u>	<u>-</u>	<u>65,720</u>
Net Program Income (Expense)	<u>(716,457)</u>	<u>(1,631,589)</u>	<u>(149,440)</u>	<u>(2,497,486)</u>	<u>700,138</u>	<u>(1,797,348)</u>
<b>GENERAL REVENUES</b>						
Property taxes	1,133,889	1,494,042	-	2,627,931	-	2,627,931
Specific ownership taxes	198,657	-	-	198,657	-	198,657
Interest and other income	49,057	587	-	49,644	-	49,644
Total General Revenues	<u>1,381,603</u>	<u>1,494,629</u>	<u>-</u>	<u>2,876,232</u>	<u>-</u>	<u>2,876,232</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>665,146</u>	<u>(136,960)</u>	<u>(149,440)</u>	<u>378,746</u>	<u>700,138</u>	<u>1,078,884</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in (out)	<u>(600,000)</u>	<u>150,000</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>150,000</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	65,146	13,040	300,560	378,746	(378,746)	
<b>CHANGE IN NET POSITION</b>					1,078,884	1,078,884
<b>FUND BALANCE/NET POSITION</b>						
<b>BEGINNING OF YEAR</b>	<u>658,700</u>	<u>159,550</u>	<u>362,719</u>	<u>1,180,969</u>	<u>(11,818,424)</u>	<u>(10,637,455)</u>
<b>END OF YEAR</b>	<u>\$ 723,846</u>	<u>\$ 172,590</u>	<u>\$ 663,279</u>	<u>\$ 1,559,715</u>	<u>\$ (11,118,286)</u>	<u>\$ (9,558,571)</u>

The notes to the financial statements are an integral part of these statements.

**BOWLES METROPOLITAN DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND

For the Year Ended December 31, 2018

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 1,134,533	\$ 1,133,889	\$ (644)
Specific ownership taxes	190,632	198,657	8,025
Miscellaneous income	1,861	-	(1,861)
Conservation Trust proceeds	20,000	24,923	4,923
HOA Contribution/Water/Landscape	30,000	30,000	-
Sub HOA Contribution/Irrigation	4,000	10,797	6,797
Interest and other income	<u>2,000</u>	<u>49,057</u>	<u>47,057</u>
Total Revenues	<u>1,383,026</u>	<u>1,447,323</u>	<u>64,297</u>
<b>EXPENDITURES</b>			
Accounting	11,000	11,061	(61)
Audit	6,600	6,600	-
Directors' fees	6,000	6,500	(500)
Insurance	19,500	7,874	11,626
Legal	10,000	3,805	6,195
Management fees	72,000	93,262	(21,262)
Election expense	2,000	-	2,000
Office misc	5,000	4,456	544
Payroll taxes	600	497	103
Snow removal	40,000	1,105	38,895
General tree maintenance/replacement	75,000	72,856	2,144
General landscape maintenance	340,000	445,036	(105,036)
Foothills Recreation IGA	10,000	11,560	(1,560)
Special events	13,000	7,500	5,500
Treasurer's fees	17,022	14,212	2,810
Telephone	3,000	2,989	11
Utilities	32,000	24,234	7,766
Storm drainage services	32,000	4,960	27,040
Water operations	10,000	2,245	7,755
Water annual assessment	55,000	47,151	7,849
Engineering (water)	5,000	14,274	(9,274)
Contingency	534,876	-	534,876
Emergency reserve	<u>22,942</u>	<u>-</u>	<u>22,942</u>
Total Expenditures	<u>1,322,540</u>	<u>782,177</u>	<u>540,363</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>60,486</u>	<u>665,146</u>	<u>604,660</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(539,514)	65,146	604,660
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>539,514</u>	<u>658,700</u>	<u>119,186</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 723,846</u>	<u>\$ 723,846</u>

The notes to the financial statements are an integral part of these statements.

## **BOWLES METROPOLITAN DISTRICT**

Notes to Financial Statements  
December 31, 2018

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Bowles Metropolitan District, located in the City of Lakewood, Jefferson County, and the City and County of Denver, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized in 1987, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to provide for the construction of water and sewer facilities, including storm drainage, streets and associated improvements, safety facilities, park and open space facilities and mosquito control. The District is responsible for the maintenance for certain parks and open space. All other facilities constructed by the District are conveyed to other governmental entities for perpetual maintenance. Other streetscape maintenance is to be performed by Grant Ranch Master Homeowners Association, Inc. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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



# BOWLES METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

## Basis of Presentation

For financial statements presented per GASB Statement No. 34 – Special Purpose Governments:.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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*.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

## **BOWLES METROPOLITAN DISTRICT**

Notes to Financial Statements  
December 31, 2018

Property taxes associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

As a general rule, the effect of interfund activity has been eliminated from the statements of net position.

### Budgetary Accounting

Budgets are adopted on a non-GAAP basis. 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 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 appropriation is at the total fund expenditures level and lapses at year end.

### Assets, Liabilities and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2018, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

## **BOWLES METROPOLITAN DISTRICT**

Notes to Financial Statements  
December 31, 2018

### Deposits 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 minimum number of bank accounts. 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.

### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

### Original Issue Premium and Prepaid Debt Insurance

Original Issue Premium from the Series 2013 Bonds is being amortized over the term of the bonds using the effective interest method, the Prepaid Debt Insurance is being amortized over the term of the bonds using the straight-line method. Accumulated amortization amounted to \$183,073 and \$41,266, respectively, at December 31, 2018.

# BOWLES METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

## Deferred Costs on Bond Refunding

Deferred costs on bond refunding from the Series 2013 Bonds are being amortized over the respective terms of the defeased bonds using the straight-line method. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources. The accumulated amortization amounted to \$191,681 at December 31, 2018.

## Capital Assets

Capital assets, which include land, landscape & signage, park improvements and irrigation systems, are reported in the applicable governmental 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets 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 using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Park improvements	5-30 years
Irrigation improvements	15-30 years

## Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

## **BOWLES METROPOLITAN DISTRICT**

### Notes to Financial Statements December 31, 2018

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

#### Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

#### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$6,765 represents prepaid expenditures.

#### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$43,500 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$172,590 is restricted for the payment of the debt service costs associated with the outstanding bonds (see Note 4).

#### Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2018.

The assigned fund balance in the Capital Projects fund in the amount of \$663,279 is assigned for the payment of the costs for capital improvements within the District.

# BOWLES METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

## Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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.

## Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can only report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

## Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

## Note 2: 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	\$ 690,134
Cash and investments – Restricted	<u>879,369</u>
Total	<u>\$ 1,569,503</u>

## BOWLES METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

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

Deposits with financial institutions	\$ 2,926
Investments - COLOTRUST	<u>1,566,577</u>
	<u>\$ 1,569,503</u>

#### Deposits

##### Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

#### Investments

##### Credit Risk

The District has not adopted a formal investment policy; however the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

##### Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

##### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

# BOWLES METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

## Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value method (NAV) per share.

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

<u>Investments</u>	<u>Maturity</u>	<u>Carrying Value</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$ 1,566,577

## COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. The trusts operate similarly to a money market fund with each share maintaining a value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes 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 repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2018, the District had \$1,566,577 invested in COLOTRUST.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determining value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.



**BOWLES METROPOLITAN DISTRICT**

Notes to Financial Statements  
December 31, 2018

Note 3: Capital Assets

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

<u>Governmental Type Activities:</u>	<u>Balance</u> 1/1/2018	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/2018
<u>Capital assets not being depreciated:</u>				
Land easements and water rights	\$ 269,543	\$ -	\$ -	\$ 269,543
Landscaping	4,636,167	-	-	4,636,167
Total capital assets not being depreciated:	<u>4,905,710</u>	<u>-</u>	<u>-</u>	<u>4,905,710</u>
<u>Capital assets being depreciated:</u>				
Park improvements	1,178,659	83,000	-	1,261,659
Irrigation systems	808,407	-	-	808,407
Total capital assets, being depreciated:	<u>1,987,066</u>	<u>83,000</u>	<u>-</u>	<u>2,070,066</u>
Less accumulated depreciation for:				
Park improvements	575,223	76,897	-	652,120
Irrigation systems	467,211	31,080	-	498,291
Total accumulated depreciation	<u>1,042,434</u>	<u>107,977</u>	<u>-</u>	<u>1,150,411</u>
Net capital assets being depreciated:	<u>944,632</u>	<u>(24,977)</u>	<u>-</u>	<u>919,655</u>
Government type assets, net	<u>\$ 5,850,342</u>	<u>\$ (24,977)</u>	<u>\$ -</u>	<u>\$ 5,825,365</u>

Note 4: Long Term Debt

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

\$23,015,000 General Obligation Refunding and Improvement Bonds, Series 2013

The District issued \$23,015,000 of General Obligation Refunding and Improvement Bonds, Series 2013 (“Series 2013 Bonds”), dated September 3, 2013. The Series 2013 Bonds were issued to current refund a portion of the Series 2003 Bonds, as described below, to fund the purchase of certain water rights and to pay the cost of issuance. The Series 2013 Bonds bear interest at rates which vary from 2.00% to 5.00% payable semi-annually on June 1 and December 1. The Series 2013 Bonds consist of serial bonds issued in the amount of \$15,390,000 due annually through 2034 and term bonds issued in the original amount of \$7,625,000 due December 1, 2033.

## BOWLES METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

The Series 2013 Bonds maturing on or before December 1, 2022 are not subject to redemption prior to their maturities. The Series 2013 Bonds maturing on or after December 1, 2023 are subject to redemption prior to their maturities at the option of the District, on December 1, 2022 and on any date thereafter. Term bonds are subject to mandatory sinking fund redemption beginning five years prior to the date of maturity. The bonds' principal and interest are insured as to repayment by Build America Mutual Assurance Company.

The District current refunded a portion of the 2003 Series Bonds to reduce its total debt service payments by approximately \$687,211 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,255,240. In the government-wide statements, the District incurred a cost on refunding in the amount of \$727,799, which has been deferred and is being amortized over the life of the old debt.

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

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018	Current Portion
General Obligation Bonds - Series 2013	\$ 20,225,000	\$ -	\$ 745,000	\$ 19,480,000	\$ 785,000
Total long-term debt	20,225,000	-	745,000	19,480,000	785,000
Plus bond premium	120,235	-	15,780	104,455	8,988
	\$ 20,345,235	\$ -	\$ 760,780	\$ 19,584,455	\$ 793,988

The following is a summary of the annual long-term debt principal and interest requirements.

	Principal	Interest	Total
2019	\$ 785,000	\$ 845,213	\$ 1,630,213
2020	825,000	821,663	1,646,663
2021	865,000	796,913	1,661,913
2022	910,000	770,963	1,680,963
2023	960,000	741,388	1,701,388
2024-2028	5,680,000	3,091,540	8,771,540
2029-2033	7,625,000	1,613,940	9,238,940
2034	1,830,000	84,638	1,914,638
	\$ 19,480,000	\$ 8,766,258	\$ 28,246,258

#### Debt Authorization

As of December 31, 2018, the District has \$10,793,633 in remaining authorized but unissued debt. In the future, the District may issue a portion or all of the remaining authorized but unissued debt.

## **BOWLES METROPOLITAN DISTRICT**

Notes to Financial Statements  
December 31, 2018

### Note 5: Agreements

#### Grant Water and Sanitation District

The District has an intergovernmental agreement (“IGA”) dated April 14, 1994, with Grant Water and Sanitation District (“Grant”) which provides for the sharing of costs of certain sized water and sewer lines as well as under drains and storm drainage facilities. The District is located wholly within the service area boundaries of Grant. Pursuant to an amendment to the IGA dated April 14, 1997, Grant and the District clarified the improvements to be constructed by each party and agreed that each party will construct its improvements at its sole cost and expense.

#### Irrigation Agreements

The District entered into an agreement with Grant Ranch Master Homeowners Association, Inc. (“Association”) dated March 14, 2017, which extended and updated the initial agreement dated January 22, 1998. The District has agreed to provide irrigation water for certain sites and common elements within the Association. The Association agreed to make annual payments to the District in the amount of \$30,000. Irrigation income of \$30,000 was received by the District in 2018.

The District has entered into irrigation agreements with Belvedere Association, Inc., Heron Shores Sub-Homeowners Association, Inc., Dorado Green Sub-Homeowners Association, Inc. and Belmont Shores Sub-Homeowners Association, Inc., collectively called the Sub Associations. The Sub Associations agree to make payments to the District for water usage at the water fees/rates set annually by the District’s Board of Directors. Irrigation income of \$10,797 was received by the District in 2018 under the agreements.

#### Storm Water Agreement

The District has entered into an agreement with the Town of Bow Mar, Bow Mar Owners, Inc., Lower Bowles Company, The Joseph W. Bowles Reservoir Company and RSRF Ranch Company, LLC. The agreement allows the District to discharge storm water onto property of the Town of Bow Mar and Bow Mar Owners, Inc., and ultimately in reservoirs owned by the Lower Bowles Company and The Joseph W. Bowles Reservoir Company. The District is responsible for the maintenance and operation of the storm water discharge system and associated storm water quality and quantity. If the quality of the storm water discharging from the water quality control facility fails to meet defined performance standards, the District is obligated to take corrective action and may be liable for damages. Due to changing water quality standards, the District’s costs of operations of these facilities could increase substantially in future years.

## BOWLES METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

#### Intergovernmental Agreement for Bowles Metropolitan District Resident Use of the Foothills' Recreation Amenities

During 2016, the District and Foothills Park & Recreation District (“Foothills”) entered into the Intergovernmental Agreement for Bowles Metropolitan District Resident Use of the Foothills' Recreation Amenities whereby the District's residents are allowed access to the Foothills' Recreation Amenities and recreation programs at the admission rates that Foothills otherwise charges for Foothills residents effective March 1, 2016. For each District resident who accesses the Recreation Amenities at the Resident Rates, or participates in a program or class at the Resident Rates, the District will reimburse Foothills for the difference between the Resident Rates and the admission rates that Foothills otherwise charges for all non-Foothills residents, such amount to be invoiced and paid monthly. The initial term of this Agreement will continue through December 31, 2016 and shall automatically renew for successive one-year periods unless terminated by either party. During 2018, the District paid \$11,560 to Foothills under this agreement.

#### Capital Stock

At December 31, 2018, the District owned 82 shares of capital stock (“shares”) in The Joseph W. Bowles Reservoir Company (Company). The District's interest includes beneficial rights, title and interest in all water, water rights, reservoirs, reservoir rights, storage, storage rights and all other rights represented by the shares.

The District pays operating and capital assessments as determined necessary by the Company based on the shares owned at the time of the assessments. During 2018, the District paid operating and capital assessments to the Company in the amounts of \$41,000 and \$6,150 respectively.

#### Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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 of benefit increases.

## BOWLES METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

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.

On May 7, 1996, the District's electors authorized the District to retain and spend all revenue derived from its infrastructure fees in 1995 and all subsequent years up to a maximum of \$4,000,000 along with any investment earnings thereon. Additionally, the electors authorized the District to retain and spend all revenue derived from its ad valorem property tax mill levy including specific ownership tax revenue and any investment earnings thereon in 1996 and all subsequent years without limitations under TABOR and any spending limitations that might otherwise apply.

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District is a member of the Colorado Special District's Property and Liability pool as of December 31, 2018. The Colorado Special Districts Property and Liability Pool (the "Pool") is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, property and general liability coverage and workers compensation. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 8: Interfund and Operating Transfers

The transfer of \$450,000 from the General Fund to Capital Fund was transferred for the purpose of assisting with the costs of capital improvements.

The transfer of \$150,000 from the General Fund to Debt Service Fund was transferred for the purpose of assisting with the debt service costs.

## BOWLES METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) prepaid bond insurance and the deferred loss on refunding are not a financial resource and therefore are not reported in the funds,
- 2) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds;
- 3) the long-term liabilities such as bonds payable and accrued bond interest payable, are not due and payable in the current period and, therefore, are not in the funds; and
- 4) capital stock purchases and ongoing capital assessments are not financial resources and, therefore are not reported in the funds.

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in progress pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the statement of activities;
- 3) governmental funds report bond principal payments as expenditures, however, in the government-wide financial statements, these are reported as changes in long-term bonds payable;
- 4) governmental funds report bond premiums as income, however, in the statement of activities, the bond premium is amortized over the term of the related debt; and,
- 5) governmental funds report capital stock purchases and assessments as expenditures, however, in the government-wide financial statements, these costs are not reflected on the statement of activities and are recorded as assets on the statement of net position.

## SUPPLEMENTAL INFORMATION

**BOWLES METROPOLITAN DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
DEBT SERVICE FUND

For the Year Ended December 31, 2018

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,494,888	\$ 1,494,042	\$ (846)
Interest and other income	500	587	87
Total Revenues	<u>1,495,388</u>	<u>1,494,629</u>	<u>(759)</u>
EXPENDITURES			
Bond principal	745,000	745,000	-
Bond interest expense	867,563	867,563	-
Paying agent fee	2,500	300	2,200
Treasurer's fees	22,423	18,726	3,697
Total Expenditures	<u>1,637,486</u>	<u>1,631,589</u>	<u>5,897</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(142,098)</u>	<u>(136,960)</u>	<u>5,138</u>
OTHER FINANCING SOURCES			
Transfers in	<u>150,000</u>	<u>150,000</u>	-
Total Other Financing Sources	<u>150,000</u>	<u>150,000</u>	-
NET CHANGE IN FUND BALANCE	7,902	13,040	5,138
FUND BALANCE - BEGINNING OF YEAR	<u>153,359</u>	<u>159,550</u>	<u>6,191</u>
FUND BALANCE - END OF YEAR	<u>\$ 161,261</u>	<u>\$ 172,590</u>	<u>\$ 11,329</u>

The notes to the financial statements are an integral part of these statements.



**BOWLES METROPOLITAN DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
CAPITAL PROJECTS FUND  
For the Year Ended December 31, 2018

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Capital expense	445,000	149,440	295,560
Contingency	<u>16,165</u>	<u>-</u>	<u>16,165</u>
Total Expenditures	<u>461,165</u>	<u>149,440</u>	<u>311,725</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(461,165)</u>	<u>(149,440)</u>	<u>311,725</u>
OTHER FINANCING SOURCES			
Transfers in	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Total Other Financing Sources	<u>450,000</u>	<u>450,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(11,165)	300,560	311,725
FUND BALANCE - BEGINNING OF YEAR	<u>324,967</u>	<u>362,719</u>	<u>37,752</u>
FUND BALANCE - END OF YEAR	<u>\$ 313,802</u>	<u>\$ 663,279</u>	<u>\$ 349,477</u>

The notes to the financial statements are an integral part of these statements.

## OTHER INFORMATION

**BOWLES METROPOLITAN DISTRICT**

SUMMARY OF ASSESSED VALUATION, MILL LEVY  
AND PROPERTY TAXES COLLECTED  
December 31, 2018

Levy/Collection Year	Prior Year Assessed Valuation for Current Year Property Tax Levy	Denver	Jefferson	Percent increase	General fund	Debt service	Mills Levied	Total Property Tax		Percent Collected to Levied
								Levied	Collected	
2007/2008	\$ 52,617,120	\$ 26,439,100	\$ 26,178,020		18.122	21.878	40.000	\$ 2,104,685	\$ 2,086,521	99.14%
2008/2009	\$ 52,298,570	\$ 26,444,760	\$ 25,853,810	-0.6%	18.122	21.878	40.000	\$ 2,091,943	\$ 2,091,421	99.98%
2009/2010	\$ 53,415,880	\$ 27,467,330	\$ 25,948,550	2.1%	18.122	21.878	40.000	\$ 2,136,635	\$ 2,136,759	100.01%
2010/2011	\$ 53,389,840	\$ 27,482,540	\$ 25,907,330	0.0%	18.122	21.878	40.000	\$ 2,135,596	\$ 2,134,261	99.94%
2011/2012	\$ 50,329,667	\$ 25,528,880	\$ 24,800,787	-5.7%	18.122	23.878	42.000	\$ 2,113,848	\$ 2,108,075	99.73%
2012/2013	\$ 50,897,449	\$ 26,031,730	\$ 24,865,719	1.1%	18.122	23.878	42.000	\$ 2,137,695	\$ 2,137,652	100.00%
2013/2014	\$ 50,068,652	\$ 24,299,500	\$ 25,769,152	-1.6%	18.122	23.878	42.000	\$ 2,102,833	\$ 2,102,890	100.00%
2014/2015	\$ 50,102,795	\$ 24,292,390	\$ 25,810,405	0.1%	18.122	23.878	42.000	\$ 2,104,317	\$ 2,104,280	100.00%
2015/2016	\$ 58,892,797	\$ 29,652,720	\$ 29,240,077	17.5%	18.122	23.878	42.000	\$ 2,473,497	\$ 2,473,348	99.99%
2016/2017	\$ 58,929,179	\$ 29,680,280	\$ 29,248,899	0.1%	18.122	23.878	42.000	\$ 2,475,026	\$ 2,475,361	100.01%
2017/2018	\$ 62,605,269	\$ 30,918,520	\$ 31,686,749	6.2%	18.122	23.878	42.000	\$ 2,629,421	\$ 2,627,931	99.94%
Estimated for year ending December 31, 2018/2019	\$ 62,602,364	\$ 30,882,390	\$ 31,719,974	0.0%	18.122	23.878	42.000	\$ 2,629,299		

**NOTE**

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

# BOWLES METROPOLITAN DISTRICT

## SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2018

### GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013

Series 2013

Interest Rates from 2.00% to 5.00%

Interest Payable June 1 and December 1

Principal Due December 1

<b>Year Ended</b>			
<b><u>December 31,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2019	\$ 785,000	\$ 845,213	\$ 1,630,213
2020	825,000	821,663	1,646,663
2021	865,000	796,913	1,661,913
2022	910,000	770,963	1,680,963
2023	960,000	741,388	1,701,388
2024	1,010,000	707,788	1,717,788
2025	1,070,000	668,663	1,738,663
2026	1,130,000	625,863	1,755,863
2027	1,200,000	569,363	1,769,363
2028	1,270,000	519,863	1,789,863
2029	1,340,000	465,888	1,805,888
2030	1,430,000	398,888	1,828,888
2031	1,520,000	327,388	1,847,388
2032	1,620,000	251,388	1,871,388
2033	1,715,000	170,388	1,885,388
2034	<u>1,830,000</u>	<u>84,638</u>	<u>1,914,638</u>
	<u>\$ 19,480,000</u>	<u>\$ 8,766,258</u>	<u>\$ 28,246,258</u>

**BOWLES METROPOLITAN DISTRICT  
LARGEST TAXPAYERS WITHIN THE DISTRICT  
Year Ended December 31, 2018**

<u>Name/Business</u>	<u>2018 Assessed Valuation</u>	<u>% of 2018 Total District Assessed Valuation (1)</u>
CUSA Community Center	\$ 6,819,120	10.89%
Public Service of Colorado	\$ 547,279	0.87%
		<u>11.77%</u>

(1) Based on 2018 certified assessed valuation of the District of \$62,602,364

Obtain directly from Jefferson County and Denver County

**BOWLES METROPOLITAN DISTRICT  
 ASSESSED VALUATION OF CLASSES OF  
 PROPERTY IN THE DISTRICT  
 Year ended December 31, 2018**

<u>Class</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>	<u>Actual Valuation</u>	<u>Percent of Actual Valuation</u>
Residential	\$ 60,935,076	97.3%	\$ 846,301,023	99.3%
Commercial	531,790	0.8%	1,833,627	0.2%
State Assessed	1,135,498	1.8%	3,915,613	0.5%
Total	<u>\$ 62,602,364</u>	<u>100.0%</u>	<u>\$ 852,050,263</u>	<u>100.0%</u>

Source: Jefferson County Assessor's Office and City and County Of Denver Assessor's Office