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Accountant's Report

Board of Directors
Goldsmith Metropolitan District
Arapahoe and Denver Counties, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Goldsmith Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Goldsmith Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 26, 2017

**GOLDSMITH METROPOLITAN DISTRICT
SUMMARY
2018 BUDGET AS ADOPTED
WITH 2016 ACTUALS AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

12/26/2017

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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 14,582,072	\$ 16,058,657	\$ 15,437,091
REVENUES			
Property taxes	5,317,424	5,277,773	5,844,086
Specific ownership tax	380,066	382,900	459,740
Water sales	100,716	100,000	100,000
Investment income	69,169	102,000	87,000
Investment revenue - Interest	101,500	114,786	130,000
Investment revenue - Principal	-	110,000	196,039
Miscellaneous income	1,985	500	-
Reimbursed expenditure	14,120	5,000	25,000
In-lieu income	122,005	122,250	141,240
Block K revenues	704,714	767,401	935,191
ACC revenues	133,345	50,000	50,000
Total revenue	7,086,344	7,032,610	7,968,296
TRANSFERS IN/OUT	-	-	-
Total funds available	21,668,416	23,091,267	23,405,387
EXPENDITURES			
Accounting	58,143	62,100	64,500
Audit	7,269	7,200	7,500
ACC expenditures	190,026	200,000	235,000
Board support	20,736	20,000	20,000
Consulting fees	14,122	20,000	70,000
County Treasurer's fees	74,428	74,305	83,488
Dues and subscriptions	5,938	7,000	7,000
Insurance	34,959	37,743	40,000
Legal	19,636	25,000	40,000
Payroll taxes	375	450	450
Promo and events	65,227	65,000	75,000
Support management	186,552	186,600	196,900
Maintenance:			
Operational support	2,426,847	2,439,000	2,652,000
Materials	232,783	222,000	340,000
Contract services	199,680	256,500	430,500
Utilities:			
Xcel Energy	173,676	141,100	220,000
Denver Water	63,269	50,000	75,000
Water rights	50,144	25,000	25,000
Contingency	-	30,000	50,000
Subtotal General	3,823,810	3,868,998	4,632,338
Capital outlay	1,068,302	3,017,000	6,865,000
Block K expenses			
Operating	453,643	503,368	596,766
Debt Service	245,166	264,810	326,039
Capital projects	18,838	-	30,240
Subtotal Block K expenses	717,647	768,178	953,045
Total expenditures	5,609,759	7,654,176	12,450,383
Total expenditures and transfers out requiring appropriation	5,609,759	7,654,176	12,450,383
ENDING FUND BALANCES	\$ 16,058,657	\$ 15,437,091	\$ 10,955,004

**GOLDSMITH METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

12/26/2017

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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
ASSESSED VALUATION - Arapahoe County			
Residential	\$ 33,067,316	\$ 33,716,226	\$ 39,110,472
Commercial	189,899,049	190,303,093	226,068,051
State assessed	15,590,780	9,288,000	9,381,160
Vacant land	1,307,237	1,157,123	1,184,432
Personal property	23,547,872	21,822,607	23,251,477
Certified Assessed Value	<u>263,412,254</u>	<u>256,287,049</u>	<u>298,995,592</u>
Debt only	(39,997,392)	(40,512,708)	(45,767,135)
	<u>\$223,414,862</u>	<u>\$215,774,341</u>	<u>\$253,228,457</u>
ASSESSED VALUATION - Denver County			
Residential	\$ 31,109,940	\$ 30,604,930	\$ 31,106,520
Commercial	287,225,360	286,001,100	293,270,540
State assessed	-	-	4,063,800
Vacant land	-	-	3,616,720
Personal property	-	-	32,193,150
Certified Assessed Value	<u>318,335,300</u>	<u>316,606,030</u>	<u>364,250,730</u>
Debt only	(31,109,940)	(30,604,930)	(33,070,570)
	<u>\$287,225,360</u>	<u>\$286,001,100</u>	<u>\$331,180,160</u>
TOTAL ASSESSED VALUATION			
General assessed valuation	\$ 510,640,222	\$ 501,775,441	\$ 584,408,617
Debt Service only assessed valuation	71,107,332	71,117,638	78,837,705
Total certified assessed valuation	<u>\$581,747,554</u>	<u>\$572,893,079</u>	<u>\$663,246,322</u>
MILL LEVY			
General	10.500	10.500	10.000
Refund and abatements	-	-	-
Total mill levy	<u>10.500</u>	<u>10.500</u>	<u>10.000</u>
PROPERTY TAXES			
General	\$ 5,361,721	\$ 5,268,641	\$ 5,844,086
Refund and abatements	-	-	-
Levied property taxes	<u>5,361,721</u>	<u>5,268,641</u>	<u>5,844,086</u>
Adjustments to actual/rounding	(83,082)	-	-
Adjustments due to abatements	38,785	9,132	-
Budgeted/Actual property taxes	<u>\$ 5,317,424</u>	<u>\$ 5,277,773</u>	<u>\$ 5,844,086</u>
BUDGETED/ACTUAL PROPERTY TAXES			
General	\$ 5,317,424	\$ 5,277,773	\$ 5,844,086
	<u>\$ 5,317,424</u>	<u>\$ 5,277,773</u>	<u>\$ 5,844,086</u>

GOLDSMITH METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION - BLOCK K SUBAREA
For the Years Ended and Ending December 31,

12/26/2017

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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
Arapahoe County			
ASSESSED VALUATION - BLOCK K SUBAREA			
Residential	\$ 6,445,758	\$ 7,090,362	\$ 7,838,268
State assessed	25,500	25,720	28,010
Vacant land	657,130	507,016	478,500
Personal property	-	-	2,578
Certified Assessed Value	7,128,388	7,623,098	8,347,356
Debt only	-	-	-
	\$ 7,128,388	\$ 7,623,098	\$ 8,347,356
MILL LEVY			
General	60.000	60.000	65.947
Debt Service	30.000	30.000	32.974
Refund and abatements	-	-	-
Total mill levy	90.000	90.000	98.921
PROPERTY TAXES			
General	\$ 427,703	\$ 457,386	\$ 550,483
Debt Service	213,852	228,693	275,246
Refund and abatements	-	-	-
Levied property taxes	641,555	686,079	825,729
Adjustments to actual/rounding	1	-	-
Adjustments due to abatements	-	2	-
Budgeted/Actual property taxes	\$ 641,556	\$ 686,081	\$ 825,729
BUDGETED/ACTUAL PROPERTY TAXES			
General	\$ 427,703	\$ 457,388	\$ 550,483
Debt Service	213,853	228,693	275,246
	\$ 641,556	\$ 686,081	\$ 825,729

**GOLDSMITH METROPOLITAN DISTRICT
GENERAL FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUALS AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

12/26/2017

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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 1,814,013	\$ 1,998,637	\$ 2,235,000
REVENUES			
Property taxes	5,317,424	5,277,773	5,844,086
Specific ownership tax	380,066	382,900	459,740
Water sales	100,716	100,000	100,000
Miscellaneous income	370	500	-
Reimbursed expenditures	2,090	5,000	5,000
In-lieu income	122,005	122,250	141,240
Total revenue	5,922,671	5,888,423	6,550,066
Total funds available	7,736,684	7,887,060	8,785,066
EXPENDITURES			
Accounting	40,700	43,400	45,150
Audit	7,269	7,200	7,500
Board support	20,736	20,000	20,000
Consulting fees	14,122	20,000	25,000
County Treasurer's fees	64,789	64,014	71,102
Dues and subscriptions	5,938	7,000	7,000
Insurance	34,959	37,743	40,000
Legal	19,636	25,000	40,000
Payroll taxes	375	450	450
Promo and events	65,227	65,000	75,000
Support management	93,276	93,300	98,450
Maintenance:			
Operational support	2,426,847	2,439,000	2,652,000
Materials	232,783	222,000	340,000
Contract services	199,680	256,500	430,500
Utilities:			
Xcel Energy	173,676	141,100	220,000
Denver Water	63,269	50,000	75,000
Water rights	50,144	25,000	25,000
Block K:			
Contingency	-	30,000	50,000
Total expenditures	3,513,426	3,546,707	4,222,152
TRANSFERS OUT			
ACC Fund	50,000	205,000	190,000
Capital Projects Fund	2,174,621	1,900,353	2,372,914
Total transfers out	2,224,621	2,105,353	2,562,914
Total expenditures and transfers out requiring appropriation	5,738,047	5,652,060	6,785,066
ENDING FUND BALANCES	\$ 1,998,637	\$ 2,235,000	\$ 2,000,000
EMERGENCY RESERVE	\$ 175,000	\$ 173,000	\$ 193,000

**GOLDSMITH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUALS AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

12/26/2017

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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 12,698,629	\$ 14,017,090	\$ 13,113,229
REVENUES			
Investment income	66,416	100,000	85,000
Investment revenue - Interest	101,500	114,786	130,000
Investment revenue - Principal	-	110,000	196,039
Miscellaneous income	1,615	-	-
Reimbursed expenditures	12,030	-	20,000
Tap fees	141,300	-	-
Total revenue	322,861	324,786	431,039
TRANSFERS IN			
General Fund	2,174,621	1,900,353	2,372,914
Total transfers in	2,174,621	1,900,353	2,372,914
Total funds available	15,196,111	16,242,229	15,917,182
EXPENDITURES			
Accounting	17,443	18,700	19,350
Consulting fees	-	-	45,000
Support management	93,276	93,300	98,450
Contingency	18,768	75,000	75,000
Capital projects			
Transportation:			
Bus shelter renovation	14,891	300,000	200,000
DTC signals	-	-	175,000
Median renovations	75,904	150,000	400,000
Orchard station park enhancement	-	-	450,000
Road and curb repairs			
GWL repairs	-	-	700,000
Sidewalk repairs/replacement	78,579	50,000	75,000
Landscape:			
Artwork / Features	-	-	300,000
Bullock Park	-	-	10,000
Entry area improvements	58,873	800,000	200,000
Identity walls	22,726	45,000	75,000
Lighting upgrades	17,714	50,000	50,000
Park bench/table replacement	-	10,000	10,000
Park painting	31,741	-	125,000
Park/landscape upgrades	311,508	125,000	100,000
Signal painting/repair	19,707	25,000	200,000
Street sign replacement/directories	110,245	250,000	800,000
Street trees	123,248	110,000	150,000
Facilities:			
Storm and WQ structures	-	450,000	650,000
Goldsmith Gulch mucking	12,011	287,000	200,000
HQ restoration	29,159	110,000	300,000
Irrigation electrical upgrades	17,105	50,000	50,000
Irrigation main line repair	117,135	110,000	150,000
North well relocation	-	-	1,400,000
Upgrade electrical cabinets	8,988	20,000	20,000
Total expenditures	1,179,021	3,129,000	7,027,800
Total expenditures and transfers out requiring appropriation	1,179,021	3,129,000	7,027,800
ENDING FUND BALANCES	\$ 14,017,090	\$ 13,113,229	\$ 8,889,382
RESERVE FOR WATER EXPANSION	\$ 1,667,265	\$ 1,667,265	\$ 1,667,265

**GOLDSMITH METROPOLITAN DISTRICT
ACC FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUALS AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

12/26/2017

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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 5,550	\$ 1,622	\$ 58,622
REVENUES			
ACC fees	133,345	50,000	50,000
Investment income	2,753	2,000	2,000
Total revenue	136,098	52,000	52,000
TRANSFERS IN			
General Fund	50,000	205,000	190,000
Total transfers in	50,000	205,000	190,000
Total funds available	191,648	258,622	300,622
EXPENDITURES			
ACC expenditures	190,026	200,000	235,000
Total expenditures	190,026	200,000	235,000
Total expenditures and transfers out requiring appropriation	190,026	200,000	235,000
ENDING FUND BALANCES	\$ 1,622	\$ 58,622	\$ 65,622

**GOLDSMITH METROPOLITAN DISTRICT
GENERAL FUND - BLOCK K SUBAREA
2018 BUDGET AS ADOPTED
WITH 2016 ACTUALS AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

12/26/2017

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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 5,815	\$ 9,871	\$ -
REVENUES			
Property taxes	427,703	457,388	550,483
Specific ownership tax	32,788	36,470	49,540
Investment income	3,634	6,500	5,000
Total revenue	464,125	500,358	605,023
Total funds available	469,940	510,229	605,023
EXPENDITURES			
County Treasurer's fees	6,426	6,861	8,257
Operations support	453,643	503,368	581,766
Contingency	-	-	15,000
Total expenditures	460,069	510,229	605,023
Total expenditures and transfers out requiring appropriation	460,069	510,229	605,023
ENDING FUND BALANCES	\$ 9,871	\$ -	\$ -

**GOLDSMITH METROPOLITAN DISTRICT
DEBT SERVICE FUND - BLOCK K SUBAREA
2018 BUDGET AS ADOPTED
WITH 2016 ACTUALS AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

12/26/2017

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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 8,987	\$ 1,197	\$ -
REVENUES			
Property taxes	213,853	228,693	275,246
Specific ownership tax	16,394	18,200	24,772
System development fees	10,000	20,000	30,000
Investment income	342	150	150
Total revenue	240,589	267,043	330,168
Total funds available	249,576	268,240	330,168
EXPENDITURES			
County Treasurer's fees	3,213	3,430	4,129
Interest expense	101,500	114,786	130,000
Principal expense - Scheduled	105,000	110,000	115,000
Principal expense - Paydown	38,666	40,024	81,039
Total expenditures	248,379	268,240	330,168
Total expenditures and transfers out requiring appropriation	248,379	268,240	330,168
ENDING FUND BALANCES	\$ 1,197	\$ -	\$ -

**GOLDSMITH METROPOLITAN DISTRICT
 CAPITAL PROJECTS FUND - BLOCK K SUBAREA
 2018 BUDGET AS ADOPTED
 WITH 2016 ACTUALS AND 2017 ESTIMATED
 For the Years Ended and Ending December 31,**

12/26/2017
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	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 49,078	\$ 30,240	\$ 30,240
REVENUES			
Total revenue	-	-	-
Total funds available	49,078	30,240	30,240
EXPENDITURES			
Capital outlay	18,838	-	30,240
Total expenditures	18,838	-	30,240
Total expenditures and transfers out requiring appropriation	18,838	-	30,240
ENDING FUND BALANCES	\$ 30,240	\$ 30,240	\$ -

**GOLDSMITH METROPOLITAN DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Goldsmith Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado organized by order of the Denver District Court on March 28, 1975. The District's service area is located in the City and County of Denver, Colorado and the City of Greenwood Village, Arapahoe County, Colorado. The District was organized to provide storm sewer improvements, street improvements, park and recreational facilities and safety protection services.

On November 4, 2003, the sub-district Block K Subarea was formed. The Sub-district will finance the capital and operating costs of development within Block K of the Denver Technological Center. The formation of the Sub-district will allow the District to fix different rates of levy for property tax purposes against property contained solely in the sub-area. On November 4, 2003, the voters of the District also approved additional debt in the amount of \$23,000,000 and \$200,000 in additional annual taxes to pay for the construction and maintenance of the infrastructure costs of the Sub-district. Block K is located entirely within the City of Greenwood Village.

The District's Board of Directors are considered employees of the District. The District contracts for all of its management and professional services.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

Revenues

Property Taxes

The primary source of revenue is property taxes. The calculation of the taxes levied is displayed on the Property Tax Summary Information pages of the budget.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8% of the property taxes collected by both Arapahoe County and Denver County.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.00%.

System Development Fees

System development fees that the District expects to collect from development within the Block K Subarea are displayed on the Debt Service Fund - Block K Subarea page of the budget.

ACC Fees

ACC fees that the District expects to receive for the review of architectural and design plans are displayed on the ACC Fund page of the budget.

**GOLDSMITH METROPOLITAN DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, banking, meeting expense and other administrative expenses.

Debt Service

In 2014, Goldsmith Metro paid off the \$5,300,000 Block K Subarea General Obligation Variable Rate Bonds, Series 2004, dated August 5, 2004. The bonds were paid off through the Amended and Restated Funding Agreement between Goldsmith Metro and Goldsmith Block K, dated November 1, 2014. The Agreement states that the Block K Subdistrict will reimburse Goldsmith Metro the principal amount paid of \$4,960,000, plus interest calculated at the Colotrust Plus+ average monthly yield plus 1.5%.

Per the Amended and Restated Funding Agreement, any excess of revenue generated by the Debt Service Mill Levy and Development Fees should be applied to the next principal payment due on the Amortization Schedule.

Capital Projects

Anticipated expenditures for capital projects include various transportation and landscaping projects.

Debt and Leases

The District's current debt service schedule is attached. The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending, as defined under TABOR.

Additional Information

Per the Service Plan: There is no mill levy cap and no limit on the amount of debt the District can issue.

Per Amended and Restated Funding Agreement, Goldsmith Block K Subdistrict debt service mill levy is not to exceed 50 mills.

This information is an integral part of the accompanying budget.

GOLDSMITH METROPOLITAN DISTRICT
SCHEDULE OF INTERGOVERNMENTAL OBLIGATION REQUIREMENTS TO MATURITY
December 31, 2017

Block K Subarea
\$4,960,000 Intergovernmental Obligation
Variable Rate Loan, Series 2014
Dated November 1, 2014
Variable Interest Rate (1)
Interest Due June 1 and December 1
Principal Due December 1

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 115,000	\$ 107,335	\$ 222,335
2019	120,000	104,575	224,575
2020	145,000	101,695	246,695
2021	150,000	98,215	248,215
2022	180,000	94,615	274,615
2023	185,000	90,295	275,295
2024	220,000	85,855	305,855
2025	225,000	80,575	305,575
2026	260,000	75,175	335,175
2027	270,000	68,935	338,935
2028	310,000	62,455	372,455
2029	320,000	55,015	375,015
2030	360,000	47,335	407,335
2031	375,000	38,695	413,695
2032	420,000	29,695	449,695
2033	435,000	19,615	454,615
2034	382,311	9,175	391,486
	<u>\$ 4,472,311</u>	<u>\$ 1,169,255</u>	<u>\$ 5,641,566</u>

(1) Interest calculated at Colotrust Plus average 30 day yield rate on June 1 and December 1 plus 1.5%. Colotrust Plus average monthly yield was 0.90% at August 31, 2017.