

**COLORADO INTERNATIONAL CENTER
METROPOLITAN DISTRICT NO. 3
Adams County, Colorado**

**FINANCIAL STATEMENTS
December 31, 2016**



RECEIVED

By the Office of the State Auditor at 4:49 pm, Jul 07, 2017

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position.....	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	6
Notes to Financial Statements	7
SUPPLEMENTARY INFORMATION	21
Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	22
Capital Projects Fund – Schedule of revenues, Expenditures and Changes in Fund Balances – Budget and actual	23
OTHER INFORMATION	24
Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected	25
Schedule of Debt Service Requirements to Maturity	26
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION	27
Assessed Valuation Classes, Largest Taxpayers and Selected Debt Ratios	28



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086

FAX: 720.348.2920

Independent Auditor's Report

Board of Directors
Colorado International Center
Metropolitan District No. 3
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado International Center Metropolitan District No. 3 (District) as of and for the year ended December 31, 2016, 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 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 Colorado International Center Metropolitan District No. 3, as of December 31, 2016, 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 supplementary 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 supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information and continuing disclosure annual financial information listed in the table of contents have 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, 2017

BASIC FINANCIAL STATEMENTS

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 6,713
Cash and investments - Restricted	2,341,256
Receivable from County Treasurer	2,004
Property taxes receivable	396,015
Total assets	<u>2,745,988</u>
LIABILITIES	
Accounts payable	6,572
Due to Aurora High Point at DIA Metropolitan District	21,790
Accrued bond interest payable	49,041
Noncurrent liabilities	
Due in more than one year	12,407,506
Total liabilities	<u>12,484,909</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	396,015
Total deferred inflows of resources	<u>396,015</u>
NET POSITION	
Restricted for:	
Debt service	2,250,874
Capital projects	21,696
Unrestricted	(12,407,506)
Total net position	<u>\$ (10,134,936)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges</u> <u>for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 6,934,831	\$ -	\$ -	\$ -	\$ (6,934,831)
Interest and related costs on long-term debt	761,033	-	-	-	(761,033)
	<u>\$ 7,695,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,695,864)</u>
General revenues:					
Property taxes					333,584
Aurora Regional Improvement taxes					6,672
Specific ownership taxes					28,043
Investment income					3,998
Total general revenues					<u>372,297</u>
Change in net position					(7,323,567)
Net position - Beginning					(2,811,369)
Net position - Ending					<u>\$ (10,134,936)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments	\$ 6,713	\$ -	\$ -	\$ 6,713
Cash and investments - Restricted	-	2,300,461	40,795	2,341,256
Receivable from County Treasurer	550	1,454	-	2,004
Aurora Regional Improvements receivable	7,765	-	-	7,765
Property taxes receivable	77,650	310,600	-	388,250
TOTAL ASSETS	\$ 92,678	\$ 2,612,515	\$ 40,795	\$ 2,745,988
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 6,572	\$ -	\$ -	\$ 6,572
Due to Aurora High Point at DIA Metropolitan District	691	2,000	19,099	21,790
Total liabilities	7,263	2,000	19,099	28,362
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	85,415	310,600	-	396,015
Total deferred inflows of resources	85,415	310,600	-	396,015
FUND BALANCES				
Restricted for:				
Debt service	-	2,299,915	-	2,299,915
Capital projects	-	-	21,696	21,696
Total fund balances	-	2,299,915	21,696	2,321,611
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 92,678	\$ 2,612,515	\$ 40,795	

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

Long-term liabilities are not due and payable in the current period funds		
Bonds payable		(11,960,000)
Premium on bonds		(61,571)
Developer advances		(214,034)
Accrued interest on bonds payable		(49,041)
Accrued interest on Developer advances		(171,901)
Net position of governmental activities		\$ (10,134,936)

These financial statements should be read only in connection with the accompanying notes to financial statements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 86,732	\$ 246,852	\$ -	\$ 333,584
Aurora Regional Improvement taxes	6,672	-	-	6,672
Specific ownership tax	7,698	20,345	-	28,043
Investment income	26	3,927	45	3,998
Total revenues	<u>101,128</u>	<u>271,124</u>	<u>45</u>	<u>372,297</u>
EXPENDITURES				
Current				
Aurora Regional Improvement fee	6,572	-	-	6,572
County Treasurer's fees	1,301	3,704	-	5,005
County Treasurer's fees - ARI	100	-	-	100
Miscellaneous	341	-	-	341
Intergovernmental expense - Aurora				
High Point at DIA Metropolitan District	94,076	-	-	94,076
Debt service				
Bond principal	-	2,777,000	-	2,777,000
Bond interest expense	-	236,417	-	236,417
Paying agent fees	-	2,000	-	2,000
Capital outlay				
Bond Issue cost	-	-	405,334	405,334
Transfer to Aurora High Point DIA MD	-	-	6,832,441	6,832,441
Total expenditures	<u>102,390</u>	<u>3,019,121</u>	<u>7,237,775</u>	<u>10,359,286</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,262)</u>	<u>(2,747,997)</u>	<u>(7,237,730)</u>	<u>(9,986,989)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	11,960,000	11,960,000
Bond premium	-	-	61,828	61,828
Transfers from (to) other funds	-	4,762,402	(4,762,402)	-
Total other financing sources (uses)	<u>-</u>	<u>4,762,402</u>	<u>7,259,426</u>	<u>12,021,828</u>
NET CHANGE IN FUND BALANCES	(1,262)	2,014,405	21,696	2,034,839
FUND BALANCES - BEGINNING OF YEAR	<u>1,262</u>	<u>285,510</u>	<u>-</u>	<u>286,772</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 2,299,915</u>	<u>\$ 21,696</u>	<u>\$ 2,321,611</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016**

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

Net changes in fund balances - Total governmental funds	\$ 2,034,839
---	--------------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Bond principal payment	2,777,000
Bond issuance	(11,960,000)
Bond premium	(61,828)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Expense remaining bond discount- 2006 Bonds	(62,666)
Amortization of bond premium - 2016 Bonds	257
Accrued interest on Developer advances - Change in liability	(17,170)
Accrued interest on bonds payable - Change in liability	(33,999)
Change in net position of governmental activities	<u>\$ (7,323,567)</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 86,732	\$ 86,732	\$ 86,732	\$ -
Aurora Regional Improvement taxes	6,672	6,672	6,672	-
Specific ownership tax	7,470	7,580	7,698	118
Investment income	-	30	26	(4)
Other income	2,000	2,724	-	(2,724)
Total revenues	<u>102,874</u>	<u>103,738</u>	<u>101,128</u>	<u>(2,610)</u>
EXPENDITURES				
Current				
Aurora Regional Improvement fee	6,572	6,506	6,572	(66)
Contingency	1,753	-	-	-
County Treasurer's fees	1,300	1,300	1,301	(1)
County Treasurer's fees - ARI	100	100	100	-
Miscellaneous	-	267	341	(74)
Intergovernmental expense - Aurora High Point at DIA MD	92,275	96,827	94,076	2,751
Total expenditures	<u>102,000</u>	<u>105,000</u>	<u>102,390</u>	<u>2,610</u>
NET CHANGE IN FUND BALANCES	874	(1,262)	(1,262)	-
FUND BALANCES - BEGINNING OF YEAR	<u>651</u>	<u>1,262</u>	<u>1,262</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - DEFINITION OF REPORTING ENTITY

Colorado International Center Metropolitan District No. 3 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by an order and decree of the District Court recorded in Adams County on January 18, 2005, 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 of Aurora (the City) on August 30, 2004, and modified on August 14, 2006. Concurrently with the formation of the District, the City approved the formation of Aurora High Point at DIA Metropolitan District (the Management District) and Colorado International Center Metropolitan District Nos. 4, 5, 6, 7, 8, 9, 10 and 11 (together with the District, the Taxing Districts) (collectively, the Aurora High Point Districts).

The District was established to provide the funding for improvements necessary for a portion of the High Point Development, consisting largely of water, sanitation, parks and recreation, street, safety protection, transportation and other permitted improvements and facilities within and outside of the District. The operation and maintenance of most District services and facilities are anticipated to be provided by the City and not by the District. The District expects to own, operate and maintain certain park and recreation improvements within the District. Per the Service Plan, the District is not authorized to provide fire protection facilities or television relay and translation facilities unless provided pursuant to an intergovernmental agreement with the City.

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

The District is not financially accountable for any other organization nor is the District a component unit of any other primary governmental entity, including the City and any of the Aurora High Point Districts.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2016.

Property Taxes

Property taxes are levied by the District 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 taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facility Fee

On October 28, 2015, the District and the Management District (collectively, the Districts) adopted a Joint Resolution Concerning the Imposition of Facilities Fee. This Joint Resolution supersedes all previous resolutions imposing Facilities Fees.

A facility fee of \$2,500 for each residential unit and \$0.25 per square foot for each commercial unit is charged against properties within the District. The facility fee is due at the time of issuance of a building permit. The District records the facility fees as revenue when received.

Maintenance Fee

On October 28, 2015, the Districts adopted a Joint Resolution Concerning the Imposition of a Maintenance Fee. This Joint Resolution supersedes all other resolutions imposing Maintenance Fees.

A monthly recurring maintenance fee is charged to each residential and commercial unit in the District for services provided in connection with the construction, operation, and maintenance of public facilities within the District, including but not limited to the operation and maintenance of park and recreational facilities, landscaping, and common areas. The maintenance fee may be adjusted from time to time. In 2016, the fees were \$26.50 for residential units without underdrains and \$27.50 for residential units with underdrains. The maintenance fees are billed, collected, and retained by the Management District.

The Districts are also authorized to charge a one-time maintenance fee payable upon the transfer of a residential or commercial unit by an End User at a rate established by the Districts from time to time. As of December 31, 2016, no rate for the one-time maintenance fee had been established.

Any unpaid fees constitute a statutory and perpetual lien against the property served.

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. In the fund financial statements, governmental fund types recognize bond premium and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred property tax revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 is 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.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 6,713
Cash and investments - Restricted	<u>2,341,256</u>
Total cash and investments	<u>\$ 2,347,969</u>

Cash and investments as of December 31, 2016, consist of the following:

Deposits with financial institutions	\$ 10,240
Investments	<u>2,337,729</u>
	<u>\$ 2,347,969</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, 2016, the District’s cash deposits had a bank balance of \$10,240 and a carrying balance of \$10,240.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District has adopted a formal investment policy whereby the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements 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 reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

Fair Value Measurement and Application

The District categorizes its fair value measurements 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; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

As of December 31, 2016, the District had the following investments:

Investment	Maturity	Balance
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 2,337,729</u>

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's.

NOTE 4 - LONG-TERM OBLIGATIONS

An analysis of the changes in long-term obligations for the year ended December 31, 2016, follows:

	<u>Balance December 31, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2016</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds					
Series 2006	\$ 2,777,000	\$ -	\$ 2,777,000	\$ -	\$ -
Series 2016	-	11,960,000	-	11,960,000	-
Developer advance - CIC LLC	100,316	-	-	100,316	-
Accrued interest on					
Developer advances - CIC LLC	79,227	8,048	-	87,275	-
Developer advance - LNR	113,718	-	-	113,718	-
Accrued interest on					
Developer advances - LNR	75,504	9,122	-	84,626	-
	<u>3,145,765</u>	<u>11,977,170</u>	<u>2,777,000</u>	<u>12,345,935</u>	<u>-</u>
Discount on Series 2006 Bonds	(62,666)	-	62,666	-	-
Premium on Series 2016 Bonds	-	61,828	257	61,571	2,808
	<u>(62,666)</u>	<u>61,828</u>	<u>62,923</u>	<u>61,571</u>	<u>2,808</u>
	<u>\$ 3,083,099</u>	<u>\$ 12,038,998</u>	<u>\$ 2,839,923</u>	<u>\$ 12,407,506</u>	<u>\$ 2,808</u>

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's long-term obligations are as follows:

Series 2006 General Obligation Refunding and Improvement Bonds (Limited Tax Convertible to Unlimited Tax) (2006 Bonds) were issued on February 7, 2006 in the amount of \$8,875,000. On October 25, 2016, the remaining \$2,777,000 of the 2006 Bonds was refunded and paid by the issuance of the 2016 Bonds (see below). The interest rate on the 2006 bonds was 6.5% per annum and the interest rate on the 2016 bonds is 4.625% - 5.000% per annum, which provided a net present value savings of \$296,654 on the 2006 Bonds.

Series 2016 General Obligation Refunding and Improvement Bonds (Limited Tax Convertible to Unlimited Tax) (2016 Bonds) were issued on October 25, 2016 in the amount of \$11,960,000. The proceeds of the 2016 Bonds and other District revenues were used for the purpose of (i) paying or reimbursing the Developer for, or otherwise financing, a portion of the costs of public improvements; (ii) refunding the District's 2006 bonds; (iii) funding capitalized interest; (iv) funding the Reserve Fund; (v) funding the Surplus Fund; and (vi) paying the costs of issuance of the 2016 Bonds.

Interest on the 2016 Bonds is payable semi-annually on June 1 and December 1, beginning on December 1, 2016. Annual mandatory sinking fund principal payments are due on December 1 of each year beginning on December 1, 2020. The 2016 Bonds mature on December 1, 2046. The 2016 Bonds are subject to redemption prior to maturity at the option of the District on December 1, 2021 through November 30, 2022 at 3.00% redemption premium, on December 1, 2022 through November 30, 2023 at 2.00% redemption premium and on December 1, 2023 through November 30, 2024 at 1.00% redemption premium.

The 2016 Bonds are secured by and payable solely from Pledged Revenue, which includes property taxes derived from the Required Mill Levy net of the cost of collection, Debt Service Specific Ownership Taxes, and any other legally available moneys of the District credited to the Bond Fund. The 2016 Bonds are also secured on the date of issuance by the following funds: (1) the Reserve Fund in the amount of \$920,750, (2) the Capitalized Interest Fund in the amount of \$1,225,503, and (3) the Surplus Fund in the amount of \$200,000.

The Required Mill Levy is defined in the Indenture as a mill levy imposed upon all taxable property in the District each year in an amount sufficient to pay the principal of and interest on the Series 2016 Bonds but not in excess of 50 mills, and for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 40 mills. Such minimum and maximum mill levies will be adjusted for changes occurring after January 1, 2004, in the ratio of actual value to assessed value of property within the District. Once the Debt to Assessed Ratio is 50% or less, the mill levy may be imposed in an amount sufficient to pay debt service on the 2016 Bonds without limitation of rate.

Prior to the date the Debt to Assessed Ratio is equal to 50% or less, Pledged Revenue that is not needed to pay debt service on the 2016 Bonds in any year will be deposited to and held in the Surplus Fund, up to a maximum amount of \$1,196,000. When the Debt to Assessed Ratio becomes less than 50%, the Surplus Fund can be terminated and any moneys therein applied to any legal purpose of the District. As of December 31, 2016, the Debt to Assessed Ratio is 154%.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

Outstanding bond principal and interest mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 588,494	\$ 588,494
2018	-	588,493	588,493
2019	-	588,494	588,494
2020	65,000	588,493	653,493
2021	140,000	585,488	725,488
2022-2026	945,000	2,815,056	3,760,056
2027-2031	1,385,000	2,557,664	3,942,664
2032-2036	1,985,000	2,171,500	4,156,500
2037-2041	2,755,000	1,602,000	4,357,000
2042-2046	4,685,000	817,250	5,502,250
	<u>\$ 11,960,000</u>	<u>\$ 12,902,932</u>	<u>\$ 24,862,932</u>

Developer Advances

On January 20, 2006, the Management District, CIC LLC (CIC), and the District entered into the 2006 Operation Funding Agreement. Under this agreement, CIC agreed to advance funds to the District for its required payments to the Management District pursuant to a District Facilities Agreement. Interest on such advanced funds is to accrue at a rate of 8% per annum. The repayment obligation is limited to revenues derived from an Operations Mill Levy of no more than 15 mills and is subject to annual budget and appropriation. This agreement is effective through December 31, 2045, unless terminated earlier by mutual agreement. From 2005 through 2006, the District received advances in the amount of \$100,316 from CIC. At December 31, 2016, the outstanding amount due to CIC was \$187,591, which includes \$87,275 of accrued interest.

On or about May 10, 2006, LNR CPI High Point, LLC (LNR) purchased the property comprising the Aurora High Point Districts from CIC. On October 14, 2016, the District (along with the Management District and Districts 4-11) (the Districts) entered into an Operations Funding and Reimbursement Agreement which formally acknowledged that from May 10, 2006 through the date of this Agreement, LNR has advanced funds to the Districts for operations and maintenance. Simple interest on such advances shall accrue at the rate of 8% per annum. Repayment of advances will be from ad valorem taxes, fees, or other legally available revenues. Any mill levy certified by the District for the purpose of repaying advances shall not exceed 50 mills, less amounts needed for current administrative, operations and maintenance costs, and to service existing debt. This Agreement is in effect until the earlier of repayment of advances or December 1, 2046. At December 31, 2016, the outstanding amount due to LNR by the District was \$198,344 which includes \$84,626 of accrued interest.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 2, 2004, the District's electors authorized the incurrence of general obligation debt totalling \$4,820,000,000 in principal at a rate not to exceed 18%. At December 31, 2016, the District has authorized but unissued indebtedness for the following purposes:

	<u>Authorized November 2, 2004 Election</u>	<u>Authorization Used - Series 2006 Bonds</u>	<u>Authorization Used - Series 2016 Bonds</u>	<u>Remaining at December 31, 2016</u>
Streets	\$ 400,000,000	\$ 5,765,000	\$ 5,905,166	\$ 388,329,834
Water supply system	400,000,000	1,200,000	1,229,176	397,570,824
Storm and sanitary sewer	400,000,000	1,185,000	1,213,811	397,601,189
Parks and recreation	400,000,000	725,000	742,627	398,532,373
Mosquito control	400,000,000	-	-	400,000,000
Fire protection	400,000,000	-	-	400,000,000
Television relay/translation	400,000,000	-	-	400,000,000
Public transportation	400,000,000	-	-	400,000,000
Traffic and safety controls	400,000,000	-	-	400,000,000
Debt refunding	400,000,000	-	2,869,219	397,130,781
Operating expenses	20,000,000	-	-	20,000,000
Intergovernmental agreements	400,000,000	-	-	400,000,000
Multiple fiscal year contracts	400,000,000	-	-	400,000,000
	<u>\$ 4,820,000,000</u>	<u>\$ 8,875,000</u>	<u>\$ 11,959,999</u>	<u>\$ 4,799,165,001</u>

The District's Service Plan limits total debt issuance to \$400,000,000. The Service Plan also imposes a maximum debt mill levy which, until the debt to assessed value ratio is 50% or less, cannot exceed 50 mills as adjusted for any change in the method of calculating assessed valuation by the State on or after January 1, 2004. Once the debt to assessed value ratio is 50% or less, the District is not subject to a maximum debt mill levy. The District shall not impose a debt mill levy past 40 years after the year of the initial imposition of a debt service mill levy.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - NET POSITION

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

The restricted components of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of \$2,250,874 for debt service and \$21,696 for capital projects as of December 31, 2016.

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

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, while the funds for construction of those improvements have been transferred to the Management District.

NOTE 6 - RELATED PARTIES

The property within the District is owned by and is being developed by LNR, a Colorado limited liability corporation, which acquired the property from Landmark Properties Group, Inc., a Colorado corporation, in May 2006. The managing partner of LNR was LNR Property, LLC. In April 2013, Starwood Capital Group (Starwood) purchased LNR Property, LLC, and is now the managing partner for LNR. During 2016, a majority of the members of the Board of Directors were officers of, employees of, or associated with Starwood.

NOTE 7 - AGREEMENTS

Facilities Funding, Construction and Operations Agreement (FFCOA)

On January 21, 2005, the Management District entered into a Facilities Funding, Construction and Operations Agreement (FFCOA) with the Taxing Districts. The Management District will own, operate, maintain, finance and construct facilities benefiting all of the Districts, and the Taxing Districts will contribute to the costs of construction, operation, and maintenance of such facilities. Since all assessed valuation of property developed will be located in the Taxing Districts, the Taxing Districts will either use proceeds of general obligation bonds or pledge their ad valorem tax revenues to pay their obligations to the Management District. The District has transferred all bond proceeds deposited in the Unrestricted Account of the Construction Fund to the Management District as partial payment of its obligations to the Management District under the FFCOA.

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 – AGREEMENTS (CONTINUED)

Intergovernmental Agreement with the City of Aurora

The District and the City are parties to an intergovernmental agreement (City IGA) dated February 4, 2005, pursuant to the requirements of the Service Plan. Under the City IGA, the District covenants to dedicate all public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The agreement states that the District is not authorized to operate and maintain improvements, other than park and recreation improvements, unless otherwise agreed to by the City. The District is required to impose a mill levy for Aurora regional improvements (the ARI Mill Levy). The ARI Mill Levy is defined in the Service Plan as (i) for the first 20 years, one mill; (ii) for the next 20 years, five mills; and (iii) for the next 10 years, a mill levy equal to the average debt service mill levy imposed by the District in the 10 years prior to the date of repayment of the debt it issued to construct non-regional improvements. The ARI Mill Levy is not pledged to the payment of the 2016 Bonds.

ARTA Agreement

In 2006, the District, along with other metropolitan districts within Aurora, entered into the Aurora Regional Transportation Authority (ARTA) Establishment Agreement. This Agreement was amended on August 14, 2007, February 20, 2008, July 21, 2008, and June 11, 2009, to add additional metropolitan district members. ARTA will plan, design, acquire, construct, relocate, redevelop and finance regional improvements within the boundaries of the metropolitan districts which are a party to the Agreement using the revenue from the ARI Mill Levy of each of the districts. In accordance with the Agreement, the City has been offered the right to appoint no less than 30% and no more than 49% of the ARTA Board, but as of December 31, 2016, had not exercised this right.

NOTE 8 - INTERFUND TRANSFERS

The net transfer of \$4,762,402 from the Capital Projects Fund to the Debt Service Fund was due to the transfer of funds from the issuance of the District's 2016 Bonds, which were used to repay the District's 2006 Bonds and to establish capitalized interest, reserve, and surplus funds for the 2016 Bonds.

NOTE 9 - RISK MANAGEMENT

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

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

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 - RISK MANAGEMENT (CONTINUED)

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

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that 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 November 2, 2004, a majority of the District's electors authorized the District to collect and spend or retain taxes of up to \$20,000,000 annually for operations and maintenance and any revenues from any other sources without regard to any limitations imposed by TABOR beginning in 2005. Additionally, the District electors authorized the District to collect, retain, and spend all revenue without regard to limitation under TABOR in 2005 and all subsequent years.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District transfers its net operating revenue to Aurora High Point at DIA Metropolitan District. Therefore, the Emergency Reserves related to the District's revenues are captured in Aurora High Point at DIA Metropolitan District.

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.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 246,852	\$ 246,852	\$ 246,852	\$ -
Specific ownership tax	19,750	20,050	20,345	295
Net investment income	210	1,700	3,927	2,227
Total revenues	<u>266,812</u>	<u>268,602</u>	<u>271,124</u>	<u>2,522</u>
EXPENDITURES				
Debt service				
County Treasurer's fee	3,700	3,700	3,704	(4)
Bond principal - Series 2006	54,000	2,777,000	2,777,000	-
Bond principal - additional payment	310,000	-	-	-
Bond interest - Series 2006	180,505	182,472	182,472	-
Bond interest - Series 2016	-	53,945	53,945	-
Paying agent fees	1,000	3,000	2,000	1,000
Contingency	1,795	3,883	-	3,883
Total expenditures	<u>551,000</u>	<u>3,024,000</u>	<u>3,019,121</u>	<u>4,879</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(284,188)</u>	<u>(2,755,398)</u>	<u>(2,747,997)</u>	<u>7,401</u>
OTHER FINANCING SOURCES				
Transfers from other fund	-	4,762,402	4,762,402	-
Total other financing sources	<u>-</u>	<u>4,762,402</u>	<u>4,762,402</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(284,188)	2,007,004	2,014,405	7,401
FUND BALANCES - BEGINNING OF YEAR	<u>286,482</u>	<u>285,510</u>	<u>285,510</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,294</u>	<u>\$ 2,292,514</u>	<u>\$ 2,299,915</u>	<u>\$ 7,401</u>

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ -	\$ -	\$ 45	\$ 45
Total revenues	<u>-</u>	<u>-</u>	<u>45</u>	<u>45</u>
EXPENDITURES				
Bond Issue cost	-	426,985	405,334	21,651
Transfer to Aurora High Point DIA MD	-	6,832,441	6,832,441	-
Total expenditures	<u>-</u>	<u>7,259,426</u>	<u>7,237,775</u>	<u>21,651</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(7,259,426)</u>	<u>(7,237,730)</u>	<u>21,696</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	11,960,000	11,960,000	-
Bond premium	-	61,828	61,828	-
Transfers to other fund	-	(4,762,402)	(4,762,402)	-
Total other financing sources (uses)	<u>-</u>	<u>7,259,426</u>	<u>7,259,426</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	21,696	21,696
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,696</u>	<u>\$ 21,696</u>

OTHER INFORMATION

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
Year Ended December 31, 2016**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Total Mill Levy</u>		<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>General (1)</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2012	\$ 2,381,030	11.000	40.000	\$ 121,432	\$ 121,433	100.0%
2013	\$ 2,808,540	11.000	40.000	\$ 143,236	\$ 143,236	100.0%
2014	\$ 3,112,920	11.000	40.000	\$ 158,759	\$ 158,759	100.0%
2015	\$ 3,863,580	11.000	40.000	\$ 197,043	\$ 197,043	100.0%
2016	\$ 6,671,670	14.000	37.000	\$ 340,256	\$ 340,256	100.0%
Estimated for year ending December 31, 2017	\$ 7,765,010	11.000	40.000	\$ 396,015		

(1) Includes 1.000 mill for Aurora Regional Improvements for collection years beginning in 2007.

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

**COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2016**

\$11,960,000

**General Obligation Refunding and
Improvement Bonds (Limited Tax Convertible to
Unlimited Tax), Series 2016**

Dated October 28, 2016

Interest Rate 4.625% - 5.000%

Interest Payable June 1,

December 1

Principal Due December 1

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 588,494	\$ 588,494
2018	-	588,493	588,493
2019	-	588,494	588,494
2020	65,000	588,493	653,493
2021	140,000	585,488	725,488
2022	160,000	579,012	739,012
2023	170,000	571,613	741,613
2024	190,000	563,756	753,756
2025	200,000	554,962	754,962
2026	225,000	545,713	770,713
2027	235,000	535,306	770,306
2028	260,000	524,436	784,436
2029	275,000	512,412	787,412
2030	300,000	499,692	799,692
2031	315,000	485,818	800,818
2032	345,000	471,250	816,250
2033	365,000	454,000	819,000
2034	400,000	435,750	835,750
2035	420,000	415,750	835,750
2036	455,000	394,750	849,750
2037	480,000	372,000	852,000
2038	520,000	348,000	868,000
2039	545,000	322,000	867,000
2040	590,000	294,750	884,750
2041	620,000	265,250	885,250
2042	670,000	234,250	904,250
2043	700,000	200,750	900,750
2044	755,000	165,750	920,750
2045	790,000	128,000	918,000
2046	1,770,000	88,500	1,858,500
	<u>\$ 11,960,000</u>	<u>\$ 12,902,932</u>	<u>\$ 24,862,932</u>

CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION

COLORADO INTERNATIONAL CENTER METROPOLITAN DISTRICT NO. 3
Continuing Disclosure Annual Financial Information
December 31, 2016
(Unaudited)

2016 Assessed Valuation of Classes of Property in the District

Class	Total Assessed Valuation	Percent of Total Assessed Valuation
Residential	\$ 7,365,540	94.86%
Agricultural	1,850	0.02%
Vacant land	261,520	3.37%
Personal property	135,430	1.74%
State assessed	670	0.01%
Total	\$ 7,765,010	100.00%

Largest Taxpayers in the District for 2016

Taxpayer Name	2016 Assessed Valuation	Percentage of Total Assessed Valuation
Public Service Company of Colorado (Xcel Energy)	\$ 130,970	1.69%
Melody Homes, Inc.	117,210	1.51%
LNR CPI High Point LLC	51,370	0.66%
Private homeowner	31,240	0.40%
Private homeowner	29,570	0.38%
Private homeowner	29,510	0.38%
Private homeowner	29,440	0.38%
Private homeowner	29,390	0.38%
Private homeowner	29,210	0.38%
Private homeowner	29,180	0.38%
All others	7,257,920	93.46%
	\$ 7,765,010	100.00%

Selected Debt Ratios of the District

Amount of Debt	\$ 11,960,000
Total Assessed Valuation	\$ 7,765,010
Ratio of Debt to Total Assessed Valuation	154.0%
2016 District Statutory Actual Value	\$ 93,909,392
Ratio of Debt to Statutory Actual Value	12.7%