

DENVER INTERNATIONAL BUSINESS CENTER
METROPOLITAN DISTRICT NO. 1

Financial Statements

Year Ended December 31, 2016

with

Independent Auditors' Report



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Board of Directors

Denver International Business Center Metropolitan District No. 1

City and County of Denver, Colorado

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Denver International Business Center Metropolitan District No. 1, 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Denver International Business Center Metropolitan District No. 1 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

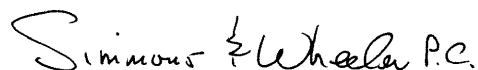
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 Denver International Business Center Metropolitan District No. 1's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure annual financial information, as 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 them.

 Simmons & Wheeler P.C.

Englewood, CO
September 28, 2017

**DENVER INTERNATIONAL BUSINESS CENTER
METROPOLITAN DISTRICT NO. 1**

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 60,232	\$ -	\$ -	\$ 60,232	\$ -	\$ 60,232
Cash and investments - restricted	13,722	556,086	18,276	588,084	-	588,084
Receivable - County Treasurer	4,709	-	-	4,709	-	4,709
Property taxes receivable	378,087	620,237	-	998,324	-	998,324
Interest receivable	-	-	-	-	-	-
Cost participation receivable	-	-	601,408	601,408	-	601,408
Prepaid expenses	5,738	-	-	5,738	-	5,738
Capital assets not being depreciated	-	-	-	-	1,782,502	1,782,502
Capital assets, net of accumulated depreciation	-	-	-	-	1,342,784	1,342,784
Total Assets	<u>462,488</u>	<u>1,176,323</u>	<u>619,684</u>	<u>2,258,495</u>	<u>3,125,286</u>	<u>5,383,781</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	299,569	299,569
Total Deferred Outflows of Resources	-	-	-	-	299,569	299,569
Total Assets and Deferred Outflows of Resources	<u>\$ 462,488</u>	<u>\$ 1,176,323</u>	<u>\$ 619,684</u>	<u>\$ 2,258,495</u>		
LIABILITIES						
Accounts payable	\$ 9,765	\$ 18	\$ 2,306	\$ 12,089	-	12,089
Accrued interest on bonds	-	-	-	-	50,268	50,268
Long-term liabilities:						
Due within one year	-	-	-	-	310,000	310,000
Due in more than one year	-	-	-	-	11,983,691	11,983,691
Total Liabilities	<u>9,765</u>	<u>18</u>	<u>2,306</u>	<u>12,089</u>	<u>12,343,959</u>	<u>12,356,048</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred construction reimbursement	-	-	601,408	601,408	-	601,408
Deferred property taxes	378,087	620,237	-	998,324	-	998,324
Total Deferred Inflows of Resources	<u>378,087</u>	<u>620,237</u>	<u>601,408</u>	<u>1,599,732</u>	<u>-</u>	<u>1,599,732</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Nonspendable:						
Prepays	5,738	-	-	5,738	(5,738)	-
Restricted:						
Emergencies	13,722	-	-	13,722	(13,722)	-
Debt service	-	556,068	-	556,068	(556,068)	-
Capital projects	-	-	15,970	15,970	(15,970)	-
Assigned:						
Project	7,251	-	-	7,251	(7,251)	-
Unassigned	47,925	-	-	47,925	(47,925)	-
Total Fund Balances	<u>74,636</u>	<u>556,068</u>	<u>15,970</u>	<u>646,674</u>	<u>(646,674)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 462,488</u>	<u>\$ 1,176,323</u>	<u>\$ 619,684</u>	<u>\$ 2,258,495</u>		
Net Position:						
Net investment in capital assets					(8,868,836)	(8,868,836)
Restricted for:						
Emergencies					13,722	13,722
Debt service					505,800	505,800
Capital projects					15,970	15,970
Unrestricted					60,914	60,914
Total Net Position					<u>\$ (8,272,430)</u>	<u>\$ (8,272,430)</u>

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

**DENVER INTERNATIONAL BUSINESS CENTER
METROPOLITAN DISTRICT NO. 1**

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting and audit	\$ 19,084	\$ -	\$ -	\$ 19,084	\$ -	\$ 19,084
Administration	14,626	-	-	14,626	-	14,626
Insurance	5,989	-	-	5,989	-	5,989
Landscape maintenance/snow removal	14,412	-	-	14,412	-	14,412
Legal	25,510	-	1,050	26,560	(1,050)	25,510
Engineering	-	-	139,352	139,352	(139,352)	-
Project Management	-	-	95,521	95,521	(95,521)	-
Capital Outlay Infrastructure	-	-	1,546,524	1,546,524	(1,546,524)	-
Statutory Compliance	330	-	-	330	-	330
Miscellaneous expenses	3,031	-	55	3,086	(55)	3,031
City and County of Denver Fee	5,000	-	-	5,000	-	5,000
Utilities	14,532	-	-	14,532	-	14,532
Treasurer's fees	2,722	6,120	-	8,842	-	8,842
Bond principal	-	250,000	-	250,000	(250,000)	-
Bond interest expense	-	611,963	-	611,963	28,232	640,195
Paying agent fees	-	220	-	220	-	220
Depreciation	-	-	-	-	12,274	12,274
Developer advances - interest	-	-	-	-	14,907	14,907
Total Expenditures	<u>105,236</u>	<u>868,303</u>	<u>1,782,502</u>	<u>2,756,041</u>	<u>(1,977,089)</u>	<u>778,952</u>
GENERAL REVENUES						
Property taxes	278,182	606,375	-	884,557	-	884,557
Specific ownership taxes	58,764	-	-	58,764	-	58,764
Interest income	2,453	4,447	917	7,817	-	7,817
Miscellaneous income	10	-	-	10	-	10
Total General Revenues	<u>339,409</u>	<u>610,822</u>	<u>917</u>	<u>951,148</u>	<u>-</u>	<u>951,148</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	234,173	(257,481)	(1,781,585)	(1,804,893)	1,977,089	172,196
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	<u>(402,631)</u>	<u>260,162</u>	<u>142,469</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(402,631)</u>	<u>260,162</u>	<u>142,469</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES						
	(168,458)	2,681	(1,639,116)	(1,804,893)	1,804,893	
CHANGE IN NET POSITION						
					172,196	172,196
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR - Restated	243,094	553,387	1,655,086	2,451,567	(10,896,193)	(8,444,626)
END OF YEAR	<u>\$ 74,636</u>	<u>\$ 556,068</u>	<u>\$ 15,970</u>	<u>\$ 646,674</u>	<u>\$ (8,919,104)</u>	<u>\$ (8,272,430)</u>

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

**DENVER INTERNATIONAL BUSINESS CENTER
METROPOLITAN DISTRICT NO. 1**

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

For the Year Ended December 31, 2016

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 278,655	\$ 278,182	\$ (473)
Specific ownership taxes	46,000	58,764	12,764
Interest income	600	2,453	1,853
Miscellaneous income	<u>-</u>	<u>10</u>	<u>10</u>
Total Revenues	<u>325,255</u>	<u>339,409</u>	<u>14,154</u>
EXPENDITURES			
Accounting and audit	15,500	19,084	(3,584)
Administration	9,000	14,626	(5,626)
Insurance	6,427	5,989	438
Landscape maintenance/snow removal	18,000	14,412	3,588
Legal	12,000	25,510	(13,510)
Statutory Compliance	750	330	420
Legal Publications/Election	1,000	-	1,000
Miscellaneous expenses	1,499	3,031	(1,532)
City and County of Denver Fee	5,000	5,000	-
Utilities	8,000	14,532	(6,532)
Treasurer's fees	2,787	2,722	65
Capital reserve	9,878	-	9,878
Contingency	40,000	-	40,000
Emergency reserve	<u>13,750</u>	<u>-</u>	<u>13,750</u>
Total Expenditures	<u>143,591</u>	<u>105,236</u>	<u>38,355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	181,664	234,173	52,509
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(429,889)</u>	<u>(402,631)</u>	<u>27,258</u>
Total Other Financing Sources (Uses)	<u>(429,889)</u>	<u>(402,631)</u>	<u>27,258</u>
NET CHANGE IN FUND BALANCE	(248,225)	(168,458)	79,767
FUND BALANCE:			
BEGINNING OF YEAR	<u>248,225</u>	<u>243,094</u>	<u>(5,131)</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 74,636</u>	<u>\$ 74,636</u>

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

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2016

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Denver International Business Center Metropolitan District No. 1 (the "District"), located in 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 1994, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. 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, Statement No. 61, *The Financial Reporting Entity: Omnibus, which amended GASB Statement No. 14, The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which provides 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.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2016

Basis of Presentation

The accompanying financial statements are 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 taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2016

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 except those required to be accounted for 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.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. 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.

In December 2016, the District amended its total appropriations in the Debt Service Fund from \$868,017 to \$868,500 primarily due to interest expense. In December 2016, the District amended its total appropriations in the Capital Fund from \$1,750,220 to \$1,826,188 primarily due to engineering and infrastructure costs.

Assets, Liabilities, Deferred Inflows/Inflows of Resources 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, 2016, 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.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2016

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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, which 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 two types of items that qualify for reporting in this category. Deferred property taxes and deferred construction reimbursement 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.

Deferred Loss on Refunding and Original Issue Discount

Deferred loss on refunding and original issue discount from the Series 2010 Bonds are being amortized over the respective terms of the bonds using the interest method. Accumulated amortization of the deferred loss on refunding and original issue discount amounted to \$179,558 at December 31, 2016.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements
December 31, 2016

Capital Assets

Capital assets, which include landscaping and monument walls, 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 acquisition 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:

Monument Wall	15 years
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Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows 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:

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements
December 31, 2016

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 \$5,738 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 \$13,722 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 \$556,068 is restricted for the payment of the debt service costs associated with the General Obligation Refunding Bonds Series 2010 (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$15,970 is restricted for the payment of the costs for capital improvements within the District.

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.

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 in the amount of \$7,251 is assigned for the payment of the costs for capital improvements within the District.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements
December 31, 2016

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

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, 2016, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 60,232
Cash and investments – Restricted	<u>588,084</u>
Total	<u>\$ 648,316</u>

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

Deposits with financial institutions	\$ 7,716
Investments – COLOTRUST	<u>640,600</u>
	<u>\$ 648,316</u>

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2016

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 does not have a formal policy for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Credit Risk

The District investment policy requires that the District follow state statutes for 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.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements
December 31, 2016

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, a Level 2 investment under the fair value hierarchy. 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. 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, 2013, the District had \$640,600 invested in COLOTRUST.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2016 follows:

	Restated			
	Balance			Balance
<u>Governmental Type Activities:</u>	<u>1/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2016</u>
<u>Capital assets not being depreciated:</u>				
Landscaping	\$ 506,865	\$ -	\$ -	\$ 506,865
Construction in Progress	<u>829,798</u>	<u>1,782,502</u>	<u>-</u>	<u>\$2,612,300</u>
Total capital assets not being depreciated	<u>1,336,663</u>	<u>1,782,502</u>	<u>-</u>	<u>3,119,165</u>
<u>Capital assets being depreciated:</u>				
Monument wall	<u>184,061</u>	<u>-</u>	<u>-</u>	<u>184,061</u>
Total capital assets being depreciated	<u>184,061</u>	<u>-</u>	<u>-</u>	<u>184,061</u>
<u>Accumulated Depreciation:</u>				
Monument wall	<u>(165,666)</u>	<u>(12,274)</u>	<u>-</u>	<u>(177,940)</u>
Total accumulated depreciation	<u>(165,666)</u>	<u>(12,274)</u>	<u>-</u>	<u>(177,940)</u>
Net capital assets being depreciated	<u>18,395</u>	<u>(12,274)</u>	<u>-</u>	<u>6,121</u>
Government type assets, net	<u>\$ 525,260</u>	<u>\$ 1,770,228</u>	<u>\$ -</u>	<u>\$ 3,125,286</u>

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2016

Upon completion and acceptance, all fixed assets except for the landscaping and the monument wall will be conveyed by the District to other local governments. The District will not be responsible for maintenance.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2016, is as follows:

General Obligation Refunding Bonds, Series 2010

On November 16, 2010, the District authorized the issuance of \$12,465,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds Series 2010 (the "Bonds") dated November 16, 2010, for defeasing the outstanding Series 2002 and Series 2006 Bonds. The Bonds are term bonds due on December 1, 2035. The Bonds bear interest at rates between 3% and 5.375%, payable semiannually on each June 1 and December 1, commencing on June 1, 2011.

The Bonds are subject to mandatory sinking fund redemption commencing on December 1, 2013. The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2020, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

The Bonds are secured by Pledged Revenues including moneys derived from the Required Mill Levy, as described in the bond indenture, after payment of any costs of collection and any other legally available moneys which the Board determines in its sole discretion to apply. The Bonds are further secured by a Reserve Fund in the amount of \$547,860.

Developer Advance

On July 10, 2006, the District entered into a Reimbursement Agreement (the "Agreement") with Fully's Bonds, LLC (Fully's). Pursuant to the Agreement, the District acknowledged that Fully's had previously advanced the District \$212,952. According to the Agreement, the District agrees to reimburse Fully's for the total advances, plus interest at 7% per annum from the date the funds were advanced to the District. The District's obligation to repay Fully's shall be contingent on the District having revenue available after payment of all of its obligations and responsibilities. Any payments made by the District shall first be applied to accrued interest and then to principal. The term for repayment of this agreement shall extend from the date of the Agreement through and including December 31, 2046.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements
December 31, 2016

The following is an analysis of changes in long-term debt for the period ending December 31, 2016:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Current Portion
General Obligation Bonds -					
Series 2010	\$ 12,160,000	\$ -	\$ 250,000	\$ 11,910,000	\$ 310,000
Developer Advance - Capital	212,952	-	-	212,952	-
Developer Advance - Interest	217,399	14,907	-	232,306	-
Total	<u>12,590,351</u>	<u>14,907</u>	<u>250,000</u>	<u>12,355,258</u>	<u>310,000</u>
Original issue discount	(66,504)	(4,937)	-	(61,567)	-
	<u>\$ 12,523,847</u>	<u>\$ 9,970</u>	<u>\$ 250,000</u>	<u>\$ 12,293,691</u>	<u>\$ 310,000</u>

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2010 Bonds.

	Principal	Interest	Total
2017	310,000	603,213	913,213
2018	325,000	591,588	916,588
2019	340,000	578,587	918,587
2020	360,000	564,987	924,987
2021-2025	2,215,000	2,542,044	4,757,044
2026-2030	3,275,000	2,332,276	5,607,276
2031-2035	5,085,000	459,426	5,544,426
	<u>\$ 11,910,000</u>	<u>\$ 7,672,121</u>	<u>\$ 19,582,121</u>

Debt Authorization

As of December 31, 2016, the District had remaining voted debt authorization of approximately \$204,412,027 for public improvements, \$20,000,000 for operations and maintenance, \$24,827,973 for refunding debt and \$20,000,000 for intergovernmental agreement debt. The District has not budgeted to issue any new debt during 2017.

Note 5: Related Party

The majority landowners of undeveloped land within the District are entities related to L.C. Fulenwider, Inc. (“Developer”). The Board members of the District are employees, officers or consultants to the Developer. Fully’s Bonds, LLC, an entity related to the Developer, has advanced cash to the District (see Note 4). The District has entered into the following agreements with the Developer.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2016

Operational Advance

The Developer has advanced funds for operations. These advances were recorded as prepaid facility fees when they were received. As of December 31, 2016, the District has not determined a development fee methodology or policy to charge builders/developers in the future. It is the intention of the Board to credit the Developer for the amount paid when the fee is determined.

Project Management Agreement

On June 4, 2008, the Developer and the District entered into a Project Management Agreement under which the Developer agreed to provide project management services for the construction and installation of certain public infrastructure improvements (“Project Management Agreement”). The District shall pay the Developer 4% of the actual costs of the improvements. The Developer shall submit a monthly statement for all fees payable. The term of the Project Management Agreement is for 1 year and shall renew annually thereafter for a period of 20 years, unless either Party gives written notice of termination 90 days in advance of the end of the current term. During the year ending December 31, 2016, the District paid the Developer \$95,521 in project management fees under the Project Management Agreement.

Agreement Regarding Payments in Lieu of Taxes

The District and FlightSafety International Inc. (FlightSafety), entered into an Agreement Regarding Payments in Lieu of Taxes, effective July 9, 2015 (the PILOT Agreement). The Pilot Agreement sets forth the terms under which the District will design and construct certain off-site improvements (as defined in the PILOT Agreement) and the District’s agreement that the Property owned by FlightSafety (as defined in the PILOT Agreement) will not be included into the District’s boundaries or subject to tax or assessment by the District. In turn, FlightSafety (and future owners of the property) agree to pay an annual fee to the District, in lieu of the annual taxes and assessments that the District would impose on the Property if the District were to include the Property into the District Boundaries.

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 or benefit increases.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements December 31, 2016

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.

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 has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which 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, and property and general liability coverage. 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 \$260,162 from the General Fund to the Debt Service Fund was to transfer funds for the purpose of paying the interest and principal on the Series 2010 bonds. The transfer of \$142,469 from the General Fund to the Capital Projects Fund was to transfer funds for the purpose of paying additional engineering and project management expenses.

Note 9: Commitments and Contingencies

Sewage Lift Station

The District has entered into agreements with two contiguous landowners and/or developers not within the District boundaries to design a sewage lift station to benefit all three parties. One participant agreed to pay the District when development commences on its property plus 8% interest from November 1, 1995, for its Phase 1 share, and from funding date for its Phase 2 share (cost participation receivable/deferred construction reimbursements). As of December 31, 2016, development has not started. During the year ended December 31, 2002, a final accounting was completed with the other participant.

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Notes to Financial Statements
December 31, 2016

Note 10: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

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

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds;
- 2) 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,
- 3) Deferred loss on bond refunding is reported as deferred charge and amortized over the term of the related debt in the government-wide financial statements.

The Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities – Governmental Funds 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 process pending transfer to other governmental entities;
- 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; and
- 3) Governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

Note 11: Prior Period Adjustment

Beginning Net Position

In 2016, the beginning net position was adjusted from \$11,725,991 to \$10,896,193 to recognize \$829,798 of capital outlays reported as expenditures in 2015. These capital expenditures were added to construction in progress in 2016.

SUPPLEMENTAL INFORMATION

**DENVER INTERNATIONAL BUSINESS CENTER
METROPOLITAN DISTRICT NO. 1**

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

For the Year Ended December 31, 2016

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 607,406	\$ 607,406	\$ 606,375	\$ (1,031)
Interest income	<u>750</u>	<u>4,100</u>	<u>4,447</u>	<u>347</u>
Total Revenues	<u>608,156</u>	<u>611,506</u>	<u>610,822</u>	<u>(684)</u>
EXPENDITURES				
Bond principal	250,000	250,000	250,000	-
Bond interest expense	611,693	612,130	611,963	167
Paying agent fees	250	250	220	30
Treasurer's fees	<u>6,074</u>	<u>6,120</u>	<u>6,120</u>	<u>-</u>
Total Expenditures	<u>868,017</u>	<u>868,500</u>	<u>868,303</u>	<u>197</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(259,861)	(256,994)	(257,481)	(487)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>259,889</u>	<u>260,162</u>	<u>260,162</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>259,889</u>	<u>260,162</u>	<u>260,162</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	28	3,168	2,681	(487)
FUND BALANCE:				
BEGINNING OF YEAR	<u>548,000</u>	<u>553,387</u>	<u>553,387</u>	<u>-</u>
END OF YEAR	<u>\$ 548,028</u>	<u>\$ 556,555</u>	<u>\$ 556,068</u>	<u>\$ (487)</u>

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

**DENVER INTERNATIONAL BUSINESS CENTER
METROPOLITAN DISTRICT NO. 1**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Interest income	\$ -	\$ 1,100	\$ 917	\$ (183)
Total Revenues	<u>-</u>	<u>1,100</u>	<u>917</u>	<u>(183)</u>
EXPENDITURES				
Capital Outlay Infrastructure	1,645,220	1,681,132	1,546,524	134,608
Legal	5,000	5,000	1,050	3,950
Engineering	100,000	140,000	139,352	648
Miscellaneous expenses	-	56	55	1
Project Management	<u>-</u>	<u>-</u>	<u>95,521</u>	<u>(95,521)</u>
Total Expenditures	<u>1,750,220</u>	<u>1,826,188</u>	<u>1,782,502</u>	<u>43,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,750,220)	(1,825,088)	(1,781,585)	43,503
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>170,000</u>	<u>212,537</u>	<u>142,469</u>	<u>(70,068)</u>
Total Other Financing Sources (Uses)	<u>170,000</u>	<u>212,537</u>	<u>142,469</u>	<u>(70,068)</u>
NET CHANGE IN FUND BALANCE	(1,580,220)	(1,612,551)	(1,639,116)	(26,565)
FUND BALANCE:				
BEGINNING OF YEAR	<u>1,580,220</u>	<u>1,655,086</u>	<u>1,655,086</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 42,535</u>	<u>\$ 15,970</u>	<u>\$ (26,565)</u>

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

CONTINUING DISCLOSURE ANNUAL
FINANCIAL INFORMATION (UNAUDITED)

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Continuing Disclosure Annual Financial Information (Unaudited)
December 31, 2016

HISTORY OF ASSESSED VALUATIONS AND MILL LEVIES FOR THE DISTRICT

District Assessed Valuation and Mill Levies

<u>Levy Year/ Collection Year</u>	<u>Assessed Valuation</u>		<u>Mill Levies</u>		
	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>General Fund</u>	<u>Debt Fund</u>	<u>Total</u>
2005/2006	\$ 11,971,360	-	16.680	23.320	40.000
2006/2007	12,684,270	6.0%	16.680	23.320	40.000
2007/2008	17,337,280	36.7%	16.680	23.320	40.000
2008/2009	19,079,230	10.0%	16.680	23.320	40.000
2009/2010	24,183,210	26.8%	16.680	23.320	40.000
2010/2011	22,713,810 ⁽¹⁾	-6.1%	16.680	23.320	40.000
2011/2012	17,052,570	-24.9%	16.680	23.320	40.000
2012/2013	17,120,840	0.4%	16.680	23.320	40.000
2013/2014	16,527,080	-3.5%	16.680	23.320	40.000
2014/2015	16,200,030	-2.0%	16.680	23.320	40.000
2015/2016	22,117,250	36.5%	12.599	27.463	40.062

(1) In 2009, a parcel of land within the District was reclassified from commercial/mixed use to agricultural, resulting in a \$1,391,170 reduction in assessed valuation of such parcel. The remaining \$78,230 reflects the net overall decline in the assessed valuation of the District from 2009 to 2010 (a .32% reduction)

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Continuing Disclosure Annual Financial Information (Unaudited)
December 31, 2016

Property Tax Collections in the District

<u>Levy Year/ Collection Year</u>	<u>Taxes Levied ⁽¹⁾</u>	<u>Current Tax Collections ⁽²⁾</u>	<u>Collection Rate</u>
2005/2006	\$ 454,983	\$ 457,993	100.66%
2005/2006	\$ 478,854	\$ 478,853	100.00%
2006/2007	\$ 507,371	\$ 507,371	100.00%
2007/2008	\$ 693,491	\$ 691,806	99.76%
2008/2009	\$ 763,169	\$ 773,238	101.32%
2009/2010	\$ 967,328	\$ 911,937	94.27%
2010/2011	\$ 908,552	\$ 908,224	99.96%
2011/2012	\$ 683,303	\$ 682,840	99.93%
2012/2013	\$ 684,834	\$ 680,643	99.39%
2013/2014	\$ 661,084	\$ 662,684	100.24%
2014/2015	\$ 648,002	\$ 646,561	99.78%

(1) Levied amounts do not reflect abatements or other adjustments.

(2) The Denver Treasurer's collection fee has not been deducted from these amounts.
Figures do not include penalties , interest and fees.

Source: City and County of Denver Assessor's Office

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Continuing Disclosure Annual Financial Information (Unaudited)
December 31, 2016

**2016 ASSESSED VALUATION OF CLASSES
OF PROPERTY IN THE DISTRICT**

<u>Property Class</u>	<u>Total Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation¹</u>
Commercial	\$ 20,244,980	89.64%
Vacant	180,210	0.80%
Personal Property	1,949,180	8.63%
State Assessed	209,300	0.93%
Agricultural	780	0.00%
Total	<u>\$ 22,584,450</u>	<u>100.00%</u>

(1) Based on a 2016 Certified Valuation of \$ 22,584,450

Source: City and County of Denver Assessor's Office

Top Ten Tax Payers

<u>Taxpayer</u>	<u>2016 Assessed Valuation</u>	<u>Percent of District Total Assessed Valuation¹</u>
HH Denver LLC	3,864,840	17.11%
AP/AIM DIA Suites LLC	3,605,660	15.97%
BRE/LQ Properties	2,341,950	10.37%
Runway Properties LLC & Pawnee Transportation Inc.	2,152,060	9.53%
Arc Hospitality	4,101,080	18.16%
Today's V Inc	1,894,020	8.39%
BRE Frontier	906,770	4.02%
DIBC Office I LLC	768,240	3.40%
DiCicco, Vittorio	437,290	1.94%
RT Denver Franchise LP	400,720	1.77%
Total	<u>\$ 20,472,630</u>	<u>90.65%</u>

(1) Based on a 2016 Certified Valuation of \$ 22,584,450

Source: City and County of Denver Assessor's Office

DENVER INTERNATIONAL BUSINESS CENTER METROPOLITAN DISTRICT NO. 1

Continuing Disclosure Annual Financial Information (Unaudited)
December 31, 2016

Selected Debt Ratios as of
December 31, 2016

Direct General Obligation Debt	\$	11,910,000
Overlapping Debt	\$	7,440,134
Total Direct and Overlapping Debt	\$	19,350,134
2016 District Assessed Valuation		22,584,450
Direct Debt to 2016 Assessed Valuation		52.74%
Direct Debt Plus Overlapping Debt to 2016 Assessed Valuation		85.68%
2016 District Statutory "Actual" Valuation	\$	71,608,200
Direct Debt to 2016 "Actual" Valuation		16.63%
Direct Debt Plus Overlapping Debt to 2016 "Actual" Valuation		27.02%

Estimated Overlapping General Obligation Debt

<u>Overlapping Entity</u>	<u>2016 Assessed Valuation</u>	<u>Outstanding General Obligation Debt</u>	<u>Net Outstanding Debt Chargeable to Properties Within the District Percent</u>	<u>Amount</u>
Denver School District No. 1	\$ 13,460,852,897	\$ 1,251,397,000	0.17%	\$ 2,124,679
City and County of Denver	\$ 14,384,909,283	\$ 761,405,500	0.16%	\$ 1,209,706
Gateway Regional Metro District	\$ 48,567,280	\$ 8,725,000	47.06%	\$ 4,105,749
TOTAL	\$ 27,894,329,460	\$ 2,021,527,500		<u>\$ 7,440,134</u>