

**INDIANA VALLEY METROPOLITAN DISTRICT**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**



**RECEIVED**

*By the Office of the State Auditor at 11:05 am, Aug 11, 2017*

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Board of Directors  
Indiana Valley Metropolitan District  
Jefferson County, Colorado

### Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Indiana Valley Metropolitan 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 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 Indiana Valley Metropolitan District 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***

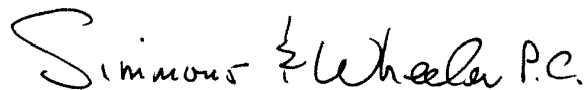
*Required Supplementary Information*

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 Indiana Valley Metropolitan District's basic financial statements. The supplemental 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 supplemental 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Simmons & Wheeler P.C.".

Englewood, CO  
July 26, 2017

## **BASIC FINANCIAL STATEMENTS**

**INDIANA VALLEY METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
December 31, 2016**

**ASSETS**

Cash and investments - unrestricted	\$ 94,839
Cash and investments - restricted	4,706,287
PIF revenue receivable	1,065,742
Other receivable	4,500
Prepaid expenses	22,173
Capital assets, not being depreciated	864,649
Capital assets, being depreciated (net of accumulated depreciation)	<u>35,164,307</u>
Total assets	<u>41,922,497</u>

**DEFERRED OUTFLOW OF RESOURCES**

Interest rate exchange agreement	<u>1,737,213</u>
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**LIABILITIES**

Accounts payable	8,112
Accrued interest payable - loan	150,446
Fair value of investment in interest rate exchange agreement	1,737,213
Due in one year	715,000
Due in more than one year	<u>40,735,000</u>
Total liabilities	<u>43,345,771</u>

**NET POSITION**

Net investment in capital assets	(5,122,453)
Restricted for emergencies	4,631
Restricted for debt service	4,414,226
Restricted for capital projects, improvements and repairs	1,207,491
Unrestricted	<u>(189,956)</u>
Total net position	<u><u>\$ 313,939</u></u>

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

**INDIANA VALLEY METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
Year Ended December 31, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General government	\$ 1,297,568	\$ 19,350	\$ 35,000	\$ -	\$ (1,243,218)
Interest and fiscal charges	3,873,998	-	-	-	(3,873,998)
	<u>\$ 5,171,566</u>	<u>\$ 19,350</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>(5,117,216)</u>

General revenues:

Public improvement fees

5,408,512

Net investment income

2,380

Total general revenues

5,410,892

Change in net position

293,676

Net position - Beginning

20,263

Net position - Ending

\$ 313,939

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

**INDIANA VALLEY METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2016**

	General	Debt Service	Capital Projects	IV PIC Capital Projects	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments - unrestricted	\$ 94,839	\$ -	\$ -	\$ -	\$ 94,839
Cash and investments - restricted	-	3,501,700	298,591	905,996	4,706,287
Due from other funds	2,770	-	-	-	2,770
PIF revenue receivable	-	1,065,742	-	-	1,065,742
Other receivable	-	-	-	4,500	4,500
Prepaid expenditures	20,351	-	-	1,822	22,173
<b>TOTAL ASSETS</b>	<b>\$ 117,960</b>	<b>\$ 4,567,442</b>	<b>\$ 298,591</b>	<b>\$ 912,318</b>	<b>\$ 5,896,311</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,694	\$ -	\$ -	\$ 3,418	\$ 8,112
Due to other funds	-	2,770	-	-	2,770
<b>TOTAL LIABILITIES</b>	<b>4,694</b>	<b>2,770</b>	<b>-</b>	<b>3,418</b>	<b>10,882</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	20,351	-	-	1,822	22,173
Restricted for:					
Emergencies	4,631	-	-	-	4,631
Debt service	-	4,564,672	-	-	4,564,672
Capital projects, improvements and repairs	-	-	298,591	907,078	1,205,669
Assigned for:					
Subsequent year's expenditures	69,837	-	-	-	69,837
Unassigned	18,447	-	-	-	18,447
<b>TOTAL FUND BALANCES</b>	<b>113,266</b>	<b>4,564,672</b>	<b>298,591</b>	<b>908,900</b>	<b>5,885,429</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 117,960</b>	<b>\$ 4,567,442</b>	<b>\$ 298,591</b>	<b>\$ 912,318</b>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.

    Capital assets, net of accumulated depreciation

36,028,956

36,028,956

Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

    Loan payable

(41,450,000)

    Accrued interest payable - loan

(150,446)

(41,600,446)

Net position of governmental activities

\$ 313,939

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

**INDIANA VALLEY METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2016**

	General	Debt Service	Capital Projects	IV PIC Capital Projects	Total Governmental Funds
<b>REVENUES</b>					
Public improvement fees	\$ -	\$ 4,622,218	\$ -	\$ 786,294	\$ 5,408,512
MOU maintenance payment	35,000	-	-	-	35,000
Cell tower lease	19,350	-	-	-	19,350
Net investment income	-	2,112	88	180	2,380
Total revenues	<u>54,350</u>	<u>4,624,330</u>	<u>88</u>	<u>786,474</u>	<u>5,465,242</u>
<b>EXPENDITURES</b>					
Current					
Legal	24,109	-	-	12,952	37,061
Management	15,000	-	-	-	15,000
Accounting	5,460	-	-	2,781	8,241
Audit	4,300	-	-	-	4,300
Insurance	18,194	-	-	2,044	20,238
Dues and memberships	1,089	-	-	-	1,089
Postage and delivery	92	-	-	12	104
Landscape maintenance	26,210	-	-	-	26,210
Repairs and maintenance	47,550	-	-	-	47,550
Holiday lighting	10,000	-	-	-	10,000
SWAP valuation	5,000	-	-	-	5,000
Miscellaneous	109	-	-	227	336
Debt service					
Loan principal	-	650,000	-	-	650,000
Loan interest	-	1,804,090	-	-	1,804,090
Paying agent fees	-	351	-	-	351
Loan issuance costs	-	2,770	-	-	2,770
Developer payment - Elk Valley pass through	-	1,763,560	-	-	1,763,560
City of Lakewood - administrative fee	-	205,374	-	-	205,374
Elk Valley PIC - administrative fee	-	115,000	-	-	115,000
Capital outlay					
Landscape improvements	-	-	3,230	-	3,230
Public improvements	-	-	-	79,080	79,080
Total expenditures	<u>157,113</u>	<u>4,541,145</u>	<u>3,230</u>	<u>97,096</u>	<u>4,798,584</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>					
	<u>(102,763)</u>	<u>83,185</u>	<u>(3,142)</u>	<u>689,378</u>	<u>666,658</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer (to) from other funds	100,000	(100,000)	-	-	-
Total other financing sources (uses)	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	(2,763)	(16,815)	(3,142)	689,378	666,658
<b>FUND BALANCES - BEGINNING OF YEAR</b>					
	116,029	4,581,487	301,733	219,522	5,218,771
<b>FUND BALANCES - END OF YEAR</b>					
	<u>\$ 113,266</u>	<u>\$ 4,564,672</u>	<u>\$ 298,591</u>	<u>\$ 908,900</u>	<u>\$ 5,885,429</u>

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

**INDIANA VALLEY METROPOLITAN DISTRICT  
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**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ 666,658</u>
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Depreciation	(1,106,309)
Capitalized capital outlay	<u>66,180</u>
	<u>(1,040,129)</u>
<p>Long-term debt (e.g. bonds, developer advances) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Principal payment on loan payable	<u>650,000</u>
	<u>650,000</u>
<p>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.</p>	
Change in accrued interest payable - loan	<u>17,147</u>
	<u>17,147</u>
Change in net position - Governmental activities	<u><u>\$ 293,676</u></u>

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

**INDIANA VALLEY METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended December 31, 2016**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
MOU maintenance payment	\$ 35,000	\$ 35,000	\$ -
Cell tower lease	19,350	19,350	-
	<u>54,350</u>	<u>54,350</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
Legal	35,000	24,109	10,891
Management	15,000	15,000	-
Accounting	7,000	5,460	1,540
Audit	4,500	4,300	200
Insurance	17,000	18,194	(1,194)
Dues and memberships	1,000	1,089	(89)
Postage and delivery	130	92	38
Landscape maintenance	2,000	26,210	(24,210)
Repairs and maintenance	80,000	47,550	32,450
Holiday lighting	-	10,000	(10,000)
SWAP valuation	5,000	5,000	-
Miscellaneous	100	109	(9)
Intergovernmental - IVMD #1	5,000	-	5,000
Capital outlay			
Public improvements	60,000	-	60,000
Contingency	10,000	-	10,000
Total Expenditures	<u>241,730</u>	<u>157,113</u>	<u>84,617</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(187,380)</u>	<u>(102,763)</u>	<u>84,617</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	100,000	100,000	-
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(87,380)	(2,763)	84,617
<b>FUND BALANCE - BEGINNING OF YEAR</b>	106,410	116,029	9,619
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 19,030</u>	<u>\$ 113,266</u>	<u>\$ 94,236</u>

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

**INDIANA VALLEY METROPOLITAN DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**NOTE 1 – DEFINITION OF REPORTING ENTITY**

Indiana Valley Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located within the City of Lakewood in Jefferson County, Colorado. The District operates under an Amended and Restated Service Plan dated December 7, 2009 as further amended on September 27, 2010. The 2009 amendment recognized the creation of Indiana Valley Metropolitan District No. 1 (District No. 1). The District and District No. 1 are collectively known as the Indiana Valley Districts (the Districts). On March 9, 2016, the Indiana Valley Metropolitan District No. 1 was dissolved.

The Indiana Valley Districts were established to provide funding for improvements and services necessary consisting largely of water, sanitation, parks and recreation, streets, traffic and safety protection, mosquito control, public transportation and other permitted improvements and facilities. The Loan was issued to finance the construction of certain public improvements (see Note 5).

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

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 a not component unit of any other primary governmental entity, however the District does report one blended component unit, the Indiana Valley Public Improvement Corporation (IV PIC). The IV PIC is a Colorado non-profit corporation formed in December 2015, which has additionally received 501(c)(3) public charity status from the Internal Revenue Service. IV PIC was formed to operate exclusively on behalf of and for the benefit and in furtherance of the purposes of the Indiana Valley Metropolitan District. All moneys realized by the IV PIC shall be used exclusively for the acquisition, construction, improvement, operation, and maintenance of public improvements, including payment of obligations of the IV PIC in connection therewith, all as determined by the Board of Directors of the IV PIC from time to time. Any such improvements shall be located within the Indiana Valley Metropolitan District or shall have a substantial connection therewith or impact thereon.

**INDIANA VALLEY METROPOLITAN DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District, with the difference between the assets and liabilities and deferred inflows of resources being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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 government considers revenues to be available if they are collected within 60 days of the

**INDIANA VALLEY METROPOLITAN DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

end of the current fiscal period. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

All other revenue items are considered to be measurable and available only when cash is received by the District.

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 general obligation 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.

The IV PIC Capital Projects Fund, the District's blended component unit, is used to account for financial resources to be used for the acquisition, construction, operation, and maintenance of public improvements, including payment of obligations of the IV PIC, exclusively for the benefit of the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**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 funds' average equity balance in total cash. Investments are carried at fair value.

**Capital Assets**

Capital assets, which include storm drainage system, sanitary sewer system, road and safety improvements, public parking facilities, retaining wall, trail systems and detention pond are reported in the governmental activities column 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized

**INDIANA VALLEY METROPOLITAN DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives. All assets are being depreciated with a life of 40 years except for the trail system which is being depreciated over 15 years.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net 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 has one item that qualifies for reporting in this category, deferred outflows of resources related to the interest rate exchange agreement.

In addition to liabilities, the statement of net 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 revenue continues to be recognized when earned in the government-wide statements. The District does not have any items that qualify for reporting in this category.

**Loan Issuance Costs**

Loan issuance costs are recognized as a cost in the period incurred. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**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 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 IV PIC is a Colorado non-profit corporation and a 501(c)(3) public charity and accordingly not subject to the State Budget Law. However, the IV PIC adopts an annual budget, and therefore a budget to actual comparison schedule is presented for the IV PIC capital projects fund.

For the year ended December 31, 2016, the District approved supplemental appropriations for the Debt Service Fund which increased appropriations from \$4,251,825 to \$4,641,145.

**INDIANA VALLEY METROPOLITAN DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**Fund Balances – Governmental Funds**

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints as follows.

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

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

Unassigned fund balance—amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

**NOTE 3 – CASH AND INVESTMENTS**

At December 31, 2016, cash and investments are classified in the accompanying statements as follows:

Cash and investments - unrestricted	\$ 94,839
Cash and investments - restricted	4,706,287
	<u>\$ 4,801,126</u>

**Cash Deposits**

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

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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 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.

At December 31, 2016, the District's cash deposits had a bank balance of \$4,874,534 and a carrying balance of \$4,801,126.

**Investments**

The District's formal investment policy is to follow Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts

**Investment Valuation**

Certain investments are measured at fair value on a recurring basis and are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

However, certain investments are not measured at fair value and are therefore not categorized within the fair value hierarchy. Examples of these investments may include money market investments and certain 2a7-like external investment pools. It is permitted to record these types of investments at amortized cost. It is also permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment.

At December 31, 2016 and during the year, the District had no investments.

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**NOTE 4 – CAPITAL ASSETS**

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

	<u>Balance at December 31, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2016</u>
Capital assets, not being depreciated:				
Real property interest in leasehold improvements	\$ 798,469	\$ -	\$ -	\$ 798,469
Construction in progress	-	66,180	-	66,180
Total capital assets, not being depreciated	<u>798,469</u>	<u>66,180</u>	<u>-</u>	<u>864,649</u>
Capital assets, being depreciated:				
Storm drainage system	6,608,100	-	-	6,608,100
Sanitary sewer system	1,598,932	-	-	1,598,932
Road and safety improvements	2,910,654	-	-	2,910,654
Public parking facilities	12,346,617	-	-	12,346,617
Parking garage	11,867,126	-	-	11,867,126
Retaining wall	6,129,986	-	-	6,129,986
Pedestrian trail system	1,046,611	-	-	1,046,611
Total capital assets, being depreciated	<u>42,508,026</u>	<u>-</u>	<u>-</u>	<u>42,508,026</u>
Less accumulated depreciation for:				
Storm drainage system	(949,914)	(165,203)	-	(1,115,117)
Sanitary sewer system	(229,846)	(39,974)	-	(269,820)
Road and safety improvements	(418,407)	(72,766)	-	(491,173)
Public parking facilities	(1,774,826)	(308,665)	-	(2,083,491)
Parking garage	(1,705,899)	(296,678)	-	(2,002,577)
Retaining wall	(881,186)	(153,249)	-	(1,034,435)
Pedestrian trail system	(277,332)	(69,774)	-	(347,106)
Total accumulated depreciation	<u>(6,237,410)</u>	<u>(1,106,309)</u>	<u>-</u>	<u>(7,343,719)</u>
Total capital assets, being depreciated, net	<u>36,270,616</u>	<u>(1,106,309)</u>	<u>-</u>	<u>35,164,307</u>
Total capital assets, net	<u>\$ 37,069,085</u>	<u>\$ (1,040,129)</u>	<u>\$ -</u>	<u>\$ 36,028,956</u>

Depreciation is recorded as an expense in the Statement of Activities in the general government function.

On April 19, 2010, Elk Valley Public Improvement Corporation entered into a Detention Pond Lease Agreement (Lease) with Denver West Metropolitan District. Further agreements were entered into on April 20, 2010 which subsequently assigned this lease to the District. Denver West Metropolitan District holds fee title to property underlying detention pond improvements which have been constructed. The District is leasing the property from Denver West Metropolitan District which includes all rights of surface possession, privileges, easements and appurtenances pertaining to the property. Title to the property is held by the District during the term of the lease and requires the District to operate and maintain the property including the improvements. The lease expiration date is on December 31, 2090. No annual lease payments are required under the Lease.

**INDIANA VALLEY METROPOLITAN DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 - LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2016.

	Balance December 31, 2015	Additions/ Issuances	Retirements	Balance December 31, 2016	Due Within One Year
2010 Loan Agreement	\$ 42,100,000	\$ -	\$ (650,000)	\$ 41,450,000	\$ 715,000
	<u>\$ 42,100,000</u>	<u>\$ -</u>	<u>\$ (650,000)</u>	<u>\$ 41,450,000</u>	<u>\$ 715,000</u>

**2010 Loan Agreement**

In order to satisfy the District's obligations under the Credit Support Agreement, defease the Elk Valley Public Improvement Corporation's Revenue Bonds and finance additional public improvements, the District has entered into a Loan Agreement with Compass Mortgage Corporation on April 20, 2010 in the principal amount of \$44,500,000. On May 10, 2012 the District entered into the First Amendment to Loan Agreement which extended the due date from April 20, 2017 to October 20, 2020. The 2010 Loan bears interest at a variable rate of 65% of the 30-day LIBOR rate plus 1.95%, not to exceed 12.00%, payable June 1 and December 1. Principal is payable on the first day of December each year commencing December 1, 2010 through October 20, 2020, at which time the outstanding balance would be due and payable in full. The 2010 Loan may be prepaid in whole or in part prior to October 20, 2016 at par plus interest and a prepayment penalty of 2% or 3% depending on prepayment date. The loan may be prepaid on any date after October 20, 2016, upon payment of the principal amount and accrued interest, without penalty.

The 2010 Loan is payable from Pledged Revenue which includes the following:

- Required Mill Levy, net of costs of collection;
- The Specific Ownership Tax, net of costs of collection;
- The PIF revenue (excluding Excess PIF Revenue to the extent it is used to pay obligations under the MOU (as amended) – See Note 5);
- All Swap Provider Net Swap Payments due under the Interest Rate Exchange Agreement (see Note 6)
- All amounts held in the funds and accounts established and maintained under the Loan Agreement together with interest earnings thereon and
- All other legally available moneys as determined by the District

The District's covenant to levy the Required Mill Levy on all taxable property within the District as well as the specific ownership taxes that are derived from the imposition of the Required Mill Levy is calculated together with the (1) projected PIF revenue and (2) all amounts on deposit in the Loan Payment Fund and the Net Pledged Revenue Fund on

**INDIANA VALLEY METROPOLITAN DISTRICT  
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December 15 of the year of mill levy certification which is to be sufficient to pay amounts due under the Loan Agreement, the Interest Rate Exchange Agreement as well as the various administrative costs and replenishment of the Reserve Fund, if necessary. As of December 15, 2015, the District had determined that there would be sufficient PIF revenues to make all payments required under the Loan Agreement therefore, no mill levy was certified for collection in 2016.

Pursuant to the 2010 Loan, the District was required to establish a Reserve Fund in the amount of \$3,500,000. In the event that the funds held in the Loan Repayment Fund account are insufficient to make debt service payments, these reserves may be used to meet the debt service requirements. At December 31, 2016, the District held \$3,501,698 in the Reserve Fund in connection with the 2010 Loan.

Subsequent to yearend, the District renegotiated the terms of the loan agreement and the agreement was amended and the loan was changed to a fixed rate. The closing for the amended loan agreement was completed on February 16, 2017 (see Note 15). The District's long-term obligations will now mature as follows.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 715,000	\$ 1,589,692	\$ 2,304,692
2018	765,000	1,726,372	2,491,372
2019	820,000	1,693,951	2,513,951
2020	880,000	1,663,744	2,543,744
2021	940,000	1,621,904	2,561,904
2022-2026	5,685,000	7,462,225	13,147,225
2027-2031	31,645,000	5,239,716	36,884,716
	<u>\$ 41,450,000</u>	<u>\$ 20,997,604</u>	<u>\$ 62,447,604</u>

**Memorandum of Understanding**

On April 20, 2010, the District entered into a Memorandum of Understanding Concerning Allocation of PIF Revenues (MOU) with Elk Valley Public Improvement Corporation for the purpose of evidencing their agreement with respect to the allocation of the Excess PIF Revenues between Elk Valley Public Improvement Corporation and the District. The parties agree that all Annual Excess PIF Revenues shall be applied (1) first to the payment of collection costs incurred by the parties with the collection of PIF revenues; (2) 80% of the Excess PIF Revenue to the District for payment of Reimbursement Amounts owed to the District (for subsequent obligations to Colorado Mills Mall Limited Partnership) (3) 20% of the Excess PIF Revenue to the payment of Reimbursement Amounts owed to Elk Valley Public Improvement Corporation. Once the Reimbursement Amounts and all obligations of the District under the Termination Agreement have been satisfied, the MOU provides for the distribution of the Excess PIF Revenues based on area. In December 2015, the final Reimbursement Amount was remitted under the Termination Agreement, and all obligations of the District under the Termination Agreement have been satisfied.

**INDIANA VALLEY METROPOLITAN DISTRICT  
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On May 8, 2012 the District entered into the First Addendum to 2010 MOU, concerning the allocation of PIF revenues. This amendment revised the manner in which the PIF revenue amounts were to be treated in 2012. The amended MOU also revised the amount of Annual Excess PIF Revenues to be remitted by Elk Valley to the District for the calendar years 2014, 2015 and 2016, to \$35,000 each year for the payment of public improvements maintenance costs. The Amended Memorandum of Understanding was effective upon execution of the extension of the Loan Agreement, as discussed above.

**NOTE 6 – INTEREST RATE EXCHANGE AGREEMENT**

On April 20, 2010, the District entered into an Interest Rate Exchange Agreement (Swap Agreement) with Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). The Swap Agreement was amended May 10, 2012. Under the amended Swap Agreement, the District pays a fixed interest rate of 4.215% for the period from April 20, 2010 through April 20, 2017 and 4.121% for the period from April 20, 2017 through October 20, 2020, plus a swap advisory fee and receives, in return, interest at the variable rate that is equal to the variable rate due on the loan. The effective date of the amended Swap Agreement was April 20, 2010 and the termination date is October 20, 2020. The purpose of the Swap Agreement is for the District to create a synthetic fixed interest rate on its variable rate loan. The original notional amount of the Swap Agreement was \$44,500,000. At December 31, 2016 the fair value and the notional amount of the Swap Agreement was \$(1,737,213) and \$41,450,000 respectively. The notional amount is equal to the principal balance outstanding on the 2010 Loan as of that date. The District pays a fixed interest rate of 4.215% or 4.121% on the notional amount as described above. In return, BBVA pays a variable rate of interest on a like notional amount. The variable rate of interest is based upon the 30-Day LIBOR Index (Index), subject to certain adjustments.

Credit Risk

The District's Swap Agreement relies upon the performance of the counterparty and as a result the District is exposed to credit risk – i.e. the risk that the counterparty fails to perform according to its contractual obligations. As of December 31, 2016, the District had no net exposure to actual credit risk on its hedging derivative as the swap is a liability of the District. BBVA was rated Baa1 by Moody's Investors Service as of December 31, 2016.

Basis Risk

The District is not exposed to basis risk as the variable rate paid to the holders of the variable rate debt is equivalent to the variable interest rate received under the Agreement.

Termination Risk

The District's Swap Agreement does not contain any out-of-the-ordinary termination events that would expose it to significant termination risk.

Rollover Risk

The District is not exposed to rollover risk as the Swap Agreement's termination date is the same date as the maturity date of the associated debt.

**INDIANA VALLEY METROPOLITAN DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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Foreign Currency Risk

The swap is denominated in US Dollars and therefore the District is not exposed to foreign currency risk.

Interest Rate Risk

Subsequent to yearend the District renegotiated the terms of the loan agreement and as a result the Swap Agreement was terminated on February 16, 2017. At termination of the Swap Agreement the District paid a Swap Termination Payment of \$1,745,150 (see Note 15).

**NOTE 7 – DEBT AUTHORIZATION**

On November 6, 2001, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount at an interest rate not to exceed 18% per annum as follows:

	<b>Authorized November 6, 2001</b>	<b>Authorization Used</b>	<b>Remaining Authorization</b>
Streets	\$ 45,000,000	\$ (3,061,668)	\$ 41,938,332
Traffic and safety controls	45,000,000	-	45,000,000
Sewer and storm drainage	45,000,000	-	45,000,000
Park and recreation	45,000,000	-	45,000,000
Contract debt	45,000,000	(44,500,000)	500,000
Refunding	270,000,000	-	270,000,000
	<u>\$ 495,000,000</u>	<u>\$ (47,561,668)</u>	<u>\$ 447,438,332</u>

**NOTE 8 – CELLULAR TOWER LEASE**

The District entered into an Assignment and Assumption of Option and Lease Agreement effective January 15, 2012 with Elk Valley Public Improvement Corporation (Assumption Agreement) under which the District assumed the burdens and benefits of a Lease Agreement (Lease) between Elk Valley Public Improvement Corporation and New Cingular Wireless PCS, LLC dated May 11, 2007. During 2016, the District received monthly rent payments of \$1,613.

**NOTE 9 – RELATED PARTIES**

The members of the Board of Directors of the District are employees of, owners of, or are associated with the Colorado Mills Residual Limited Partnership and Colorado Mills Mall Limited Partnership and have conflicts of interest in dealing with the District.

**NOTE 10 – FUND EQUITY**

At December 31, 2016, the District reported the following classifications of fund equity.

**INDIANA VALLEY METROPOLITAN DISTRICT  
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**Nonspendable Fund Balance**

The nonspendable fund balances in the General Fund and IV PIC Capital Projects Fund in the amounts of \$20,351 and \$1,822, respectively, are comprised of prepaid amounts which are not in spendable form.

**Restricted Fund Balance**

The restricted fund balance in the General Fund in the amount of \$4,631 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 14).

The restricted fund balances in the Capital Projects Fund and IV PIC Capital Projects Fund in the amounts of \$298,591 and \$907,078 are to be used exclusively for capital asset construction or acquisition or public improvements.

The restricted fund balance in the Debt Service Fund in the amount of \$4,564,672 is to be used exclusively for debt service requirements (see Note 5).

**Assigned Fund Balance**

The assigned fund balance in the General Fund in the amount of \$69,837 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

**NOTE 11 – NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2016, the District had a net investment in capital assets, calculated as follows:

	<b>Governmental Activities</b>
Net investment in capital assets:	
Capital assets, net	<u>\$ 36,028,956</u>
Capital-related debt:	
2010 loan agreement payable	(41,450,000)
Plus:	
Unspent bond proceeds	<u>298,591</u>
Total capital-related debt	<u>(41,151,409)</u>
Net investment in capital assets	<u><u>\$ (5,122,453)</u></u>

**INDIANA VALLEY METROPOLITAN DISTRICT  
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Restricted position includes amounts 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. At December 31, 2016, the District had the following restricted net position:

Restricted:

Emergencies	\$ 4,631
Debt service	4,414,226
Capital projects, improvements and repairs	1,207,491
	<u>\$ 5,626,348</u>

The District had unrestricted net position in the amount of (\$189,956) at December 31, 2016. This deficit amount was a result of the District being responsible for repayment of debt issued for public improvements.

**NOTE 12 – TRANSFERS**

During the year ended December 31, 2016, the Debt Service transferred \$100,000 to the General Fund for operations in accordance with the 2010 Loan Agreement (see Note 5).

**NOTE 13 – RISK MANAGEMENT**

Except as provided by the Colorado Governmental Immunity Act § 24-10-101, et seq., C.R.S. as may be amended from time to time, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2016. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

**NOTE 14 – 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

**INDIANA VALLEY METROPOLITAN DISTRICT  
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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.

On November 6, 2001, the District's electors authorized the District to increase taxes \$5,000,000 annually, without limitation to rate, to pay the District's administration, operations, and maintenance and other expenses in fiscal year 2001 and subsequent years.

Additionally, District's electors authorized the District to retain and spend the full amount of all taxes, tap fees, system development fees, rental income, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, or charge authorized by law to be imposed or collected by the District and any other revenues or income lawfully received by the District from the State, political subdivision of the State, other governmental entity or Elk Valley Public Improvement Corporation during 2001 and each year thereafter, without limitation by Article X, Section 20 of the Colorado Constitution or any other law as they currently exist or as they may be amended in the future.

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 15 – SUBSEQUENT EVENT**

On February 16, 2017 the District entered into an Amended and Restated Loan Agreement with Compass Mortgage Corporation. This agreement amended the loan agreement entered into on April 20, 2010 as later amended on May 10, 2012. The Amended and Restated Loan Agreement modified numerous terms of the original loan agreement, as amended, and the significant modifications are as follows: 1) extended the maturity date from October 20, 2020 to February 16, 2031, 2) changed the interest rate from a variable rate to a fixed rate of 4.18%, 3) terminated the International Swap Dealers Association Master Agreement with Banco Bilbao Vizcaya Argentaria S.A. (BBVA) dated April 20, 2010 as later amended on May 10, 2012, and 4) reduced the required reserve on the loan from \$3,500,000 to \$1,384,236.24. At closing on February 16, 2017, available funds in the Net Pledged Revenue Fund and Reserve Fund were used to pay accrued interest from December 1, 2016 through February 16, 2017 of \$213,604.60, loan issuance costs of \$368,775.50, and a swap termination payment to BBVA of \$1,745,150.

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

**SUPPLEMENTAL INFORMATION**

**INDIANA VALLEY METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year Ended December 31, 2016**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Public improvement fees	\$ 5,100,000	\$ 4,622,218	\$ 4,622,218	\$ -
Net investment income	2,000	2,000	2,112	112
	<u>5,102,000</u>	<u>4,624,218</u>	<u>4,624,330</u>	<u>112</u>
<b>EXPENDITURES</b>				
<b>Debt service</b>				
Loan principal	650,000	650,000	650,000	-
Loan interest	1,804,090	1,804,090	1,804,090	-
Paying agent fees	1,700	351	351	-
Loan issuance costs	-	2,770	2,770	-
Developer repayment - Elk Valley pass through	753,000	1,763,560	1,763,560	-
City of Lakewood - administrative fee	206,035	205,374	205,374	-
Elk Valley PIC - administrative fee	115,000	115,000	115,000	-
Elk Valley PIC - contractual payment	612,000	-	-	-
Contingency	10,000	-	-	-
Total Expenditures	<u>4,151,825</u>	<u>4,541,145</u>	<u>4,541,145</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>950,175</u>	<u>83,073</u>	<u>83,185</u>	<u>112</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	850,175	(16,927)	(16,815)	112
<b>FUND BALANCE - BEGINNING OF YEAR</b>	5,237,154	4,581,487	4,581,487	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,087,329</u>	<u>\$ 4,564,560</u>	<u>\$ 4,564,672</u>	<u>\$ 112</u>

**INDIANA VALLEY METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended December 31, 2016**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Net investment income	\$ 100	\$ 88	\$ (12)
Total revenues	<u>100</u>	<u>88</u>	<u>(12)</u>
<b>EXPENDITURES</b>			
Capital outlay	301,838	3,230	298,608
Total Expenditures	<u>301,838</u>	<u>3,230</u>	<u>298,608</u>
<b>NET CHANGE IN FUND BALANCE</b>	(301,738)	(3,142)	298,596
<b>FUND BALANCE - BEGINNING OF YEAR</b>	301,738	301,733	(5)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 298,591</u>	<u>\$ 298,591</u>

**INDIANA VALLEY METROPOLITAN DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
IV PIC - CAPITAL PROJECTS FUND  
Year Ended December 31, 2016**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>			
Public improvement fees	\$ 786,275	\$ 786,294	\$ 19
Net investment income	118	180	62
Total revenues	<u>786,393</u>	<u>786,474</u>	<u>81</u>
<b>EXPENDITURES</b>			
Current			
Legal	15,108	12,952	2,156
Accounting	2,776	2,781	(5)
Insurance	3,866	2,044	1,822
Postage and delivery	20	12	8
Miscellaneous	212	227	(15)
Capital outlay			
Public improvements	<u>116,775</u>	<u>79,080</u>	<u>37,695</u>
Total Expenditures	<u>138,757</u>	<u>97,096</u>	<u>41,661</u>
<b>NET CHANGE IN FUND BALANCE</b>	647,636	689,378	41,742
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>219,522</u>	<u>219,522</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 867,158</u>	<u>\$ 908,900</u>	<u>\$ 41,742</u>