

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
Jefferson County, Colorado

FINANCIAL STATEMENTS
December 31, 2016



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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Leyden Rock Metropolitan District No. 10
Jefferson County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Leyden Rock Metropolitan District No. 10 as of and for the year 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 from material misstatement.

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

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

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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 Leyden Rock Metropolitan District No. 10, as of December 31, 2016, and the respective changes in financial position and the 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 the Leyden Rock Metropolitan District No. 10's basic financial statements. The budget to actual schedules for the debt service and capital projects funds (the Supplementary Information) and the schedule of debt service requirements to maturity and the schedule of assessed valuation, mill levy and property taxes collected (the Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 Other Information 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.

D'Agostino & Associates, P.C.

August 10, 2017

BASIC FINANCIAL STATEMENTS

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
STATEMENT OF NET POSITION
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments - Restricted	\$ 3,558,830
Property taxes receivable	1,859,255
Receivable from County Treasurer	1,351
Due from District No. 1	407,507
Due from District No. 5	1,038,931
Capital assets, not being depreciated	
Construction in progress	<u>45,144,984</u>
Total assets	<u>52,010,858</u>
LIABILITIES	
Accrued interest payable	144,430
Noncurrent liabilities	
Due in more than one year	<u>55,921,763</u>
Total liabilities	<u>56,066,193</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	<u>1,859,255</u>
Total deferred inflows of resources	<u>1,859,255</u>
NET POSITION	
Restricted for:	
Emergency reserves	6,300
Debt service	1,164,575
Unrestricted	<u>(7,085,465)</u>
Total net position	<u><u>\$ (5,914,590)</u></u>

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

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
STATEMENT OF ACTIVITIES
December 31, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Primary government:					
Government activities:					
General government	\$ 2,927	\$ -	\$ -	\$ -	\$ (2,927)
Intergovernmental - District No. 1	12,770,348	-	464,475	-	(12,305,873)
Intergovernmental - District No. 5	9,501,391	-	-	-	(9,501,391)
Acceptance of assets from other government - District No. 1	-	-	-	571,518	571,518
Acceptance of assets from other government - District No. 5	-	-	-	16,765,749	16,765,749
Interest and related costs on long-term debt	2,643,969	-	983,316	-	(1,660,653)
	<u>\$ 24,918,635</u>	<u>\$ -</u>	<u>\$ 1,447,791</u>	<u>\$ -</u>	<u>(6,133,577)</u>
General revenues:					
Property taxes					193,851
Specific ownership taxes					15,612
Net investment income					9,524
Total general revenues					<u>218,987</u>
Change in net position					(5,914,590)
Net position - Beginning					-
Net position - Ending					<u>\$ (5,914,590)</u>

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

**LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments - Restricted	\$ 991	\$ 3,555,795	\$ 2,044	\$ 3,558,830
Property taxes receivable	442,680	1,416,575	-	1,859,255
Receivable from County Treasurer	1,351	-	-	1,351
Due from District No. 1	407,507	-	-	407,507
Due from District No. 5	55,615	983,316	-	1,038,931
TOTAL ASSETS	<u>\$ 908,144</u>	<u>\$ 5,955,686</u>	<u>\$ 2,044</u>	<u>\$ 6,865,874</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	442,680	1,416,575	-	1,859,255
Total deferred inflows of resources	<u>442,680</u>	<u>1,416,575</u>	<u>-</u>	<u>1,859,255</u>
FUND BALANCES				
Restricted for:				
Emergency reserves	6,300	-	-	6,300
Debt Service	-	4,539,111	-	4,539,111
Capital Projects	-	-	2,044	2,044
Assigned for subsequent year	178,355	-	-	178,355
Unassigned:	280,809	-	-	280,809
Total fund balances	<u>465,464</u>	<u>4,539,111</u>	<u>2,044</u>	<u>5,006,619</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 908,144</u>	<u>\$ 5,955,686</u>	<u>\$ 2,044</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds.

Construction in progress

45,144,984

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Bonds payable

(48,415,000)

Bond premium

(615,660)

Accrued interest on bonds payable

(553,123)

Developer advance payable

(6,142,587)

Accrued interest on developer advance payable

(339,823)

Net position of governmental activities

\$ (5,914,590)

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

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 193,851	\$ -	\$ -	\$ 193,851
Specific ownership taxes	15,612	-	-	15,612
Intergovernmental revenue - District No. 1	464,475	-	-	464,475
Intergovernmental revenue - District No. 5	-	983,316	-	983,316
Net investment income	58	9,429	37	9,524
Total revenues	<u>673,996</u>	<u>992,745</u>	<u>37</u>	<u>1,666,778</u>
EXPENDITURES				
Current				
County Treasurer's fees	2,916	-	-	2,916
Intergovernmental expenditures - District No. 1	205,605	-	-	205,605
Miscellaneous	11	-	-	11
Debt Service				
Bond interest - Series 2016A	-	659,562	-	659,562
Capital outlay				
Bond issue costs	-	-	1,233,704	1,233,704
Intergovernmental expenditures - District No. 1	-	-	11,814,874	11,814,874
Capital outlay	-	-	27,807,717	27,807,717
Total expenditures	<u>208,532</u>	<u>659,562</u>	<u>40,856,295</u>	<u>41,724,389</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>465,464</u>	<u>333,183</u>	<u>(40,856,258)</u>	<u>(40,057,611)</u>
OTHER FINANCING SOURCES (USES)				
Transfer to (from) other fund	-	4,205,928	(4,205,928)	-
Bond proceeds	-	-	48,415,000	48,415,000
Bond premium	-	-	626,759	626,759
Developer advance	-	-	27,807,717	27,807,717
Repay developer advance - principal	-	-	(29,134,191)	(29,134,191)
Repay developer advance - interest	-	-	(2,651,055)	(2,651,055)
Total other financing sources (uses)	<u>-</u>	<u>4,205,928</u>	<u>40,858,302</u>	<u>45,064,230</u>
NET CHANGE IN FUND BALANCES	465,464	4,539,111	2,044	5,006,619
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 465,464</u>	<u>\$ 4,539,111</u>	<u>\$ 2,044</u>	<u>\$ 5,006,619</u>

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

**LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016**

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

Net change in fund balances - Total governmental funds	\$	5,006,619
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital outlay		27,807,717
Acceptance of non depreciable assets from other government - District No. 1		571,518
Acceptance of non depreciable assets from other government - District No. 5		16,765,749

The issuance of long-term debt (e.g. bond issuance, developer advance) provides 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond issuance		(48,415,000)
Bond premium		(626,759)
Developer advance		(27,807,717)
Developer advance repayment - principal		29,134,191
Developer advance repayment - interest		2,651,055
Transfer of Developer advance liability - District No. 1		(618,725)
Transfer of Developer advance liability - District No. 5		(6,850,336)

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.

Accrued interest on Bonds - change in liability		(553,123)
Amortization of bond premium		11,099
Accrued interest on Developer advance - change in liability		(208,679)
Transfer of accrued interest on Developer advance - District No. 1		(131,144)
Transfer of accrued interest on Developer advance - District No. 5		(2,651,055)

Changes in net position of governmental activities	\$	<u>(5,914,590)</u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 194,639	\$ 194,639	\$ 193,851	\$ (788)
Specific ownership taxes	13,625	15,281	15,612	331
Intergovernmental revenue - District No. 1	-	562,057	464,475	(97,582)
Intergovernmental revenue - District No. 5	-	843	-	(843)
Net investment income	8	21	58	37
Total revenues	<u>208,272</u>	<u>772,841</u>	<u>673,996</u>	<u>(98,845)</u>
EXPENDITURES				
County Treasurer's fees	2,920	2,920	2,916	4
Contingency	-	40,059	-	40,059
Intergovernmental expenditures - District No. 1	205,352	207,021	205,605	1,416
Miscellaneous	-	-	11	(11)
Total expenditures	<u>208,272</u>	<u>250,000</u>	<u>208,532</u>	<u>41,468</u>
NET CHANGE IN FUND BALANCES	-	522,841	465,464	(57,377)
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 522,841</u>	<u>\$ 465,464</u>	<u>\$ (57,377)</u>

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

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - DEFINITION OF REPORTING ENTITY

Leyden Rock Metropolitan District No. 10 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the County of Jefferson on January 5, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Arvada on August 22, 2011.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, limited fire protection, security, television relay and translation and mosquito control improvements and services. The District serves as the Service District organized in conjunction with nine other related Districts – Leyden Rock Metropolitan District Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9. Beginning January 1, 2017 the District will provide covenant enforcement and serve as the Service and Financing District.

The Districts are not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City. The Districts are not authorized to plan for, design acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO 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. 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. The difference between the assets and deferred outflows of resources, and the liabilities and deferred inflows of resources of the District is 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.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Expenditures for property and equipment are shown as increases in assets and redemption of bonds 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 end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental fund:

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

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

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

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

Pooled Cash and Investments

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

Investments are carried at fair value.

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

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in process, and are not included in the calculation of investment in capital assets component of the District's net position.

Deferred Inflows of Resources

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

Amortization of Bond Premium

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

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

NOTE 3 - CASH AND INVESTMENTS

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

Statement of net position:

Cash and investments - Restricted	<u>\$ 3,558,830</u>
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Cash and investments as of December 31, 2016, consist of the following:

Deposits with financial institutions	\$ 3,035
Investments	<u>3,555,795</u>
	<u>\$ 3,558,830</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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 and carrying balance of \$3,035.

Investments

The District has not adopted a formal investment policy; however, the District follows State statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

Investment	Maturity	Value
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ <u>3,555,795</u>

CSAFE

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

NOTE 4 - CAPITAL-ASSETS

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

	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016
Governmental Activities				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 45,144,984	\$ -	\$ 45,144,984

The District's capital assets will be classified as construction in progress until such time the assets have been accepted and conveyed to the appropriate governmental entity.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

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 at December 31, 2015	Additions	Reductions	Balance at December 31, 2016	Due Within One Year
Governmental Activities:					
General obligation bonds payable:					
Series 2016A	\$ -	\$36,355,000	\$ -	\$ 36,355,000	\$ -
Series 2016B	-	5,585,000	-	5,585,000	-
Series 2016C	-	6,475,000	-	6,475,000	-
Premium	-	626,759	11,099	615,660	-
Accrued interest on 2016B		169,838		169,838	
Accrued interest on 2016C		238,855		238,855	
Developer advance	-	35,276,778	29,134,191	6,142,587	-
Interest on Developer advance	-	2,990,878	2,651,055	339,823	-
Total long term liabilities	<u>\$ -</u>	<u>\$87,718,108</u>	<u>\$ 31,796,345</u>	<u>\$ 55,921,763</u>	<u>\$ -</u>

The detail of the District's long-term obligation is as follows:

Series 2016A, 2016B and 2016C Bonds

The District issued its 2016A Senior Bonds and the 2016B Subordinate Bonds on July 14, 2016, in the amounts of \$36,355,000 and \$5,585,000, respectively. The proceeds from the sale of the 2016A Senior Bonds were used to: (i) pay the costs of refunding the District No. 5's 2013 Loan; (ii) finance a portion of the public improvements related to the Development; (iii) provide capitalized interest on the 2016A Senior Bonds; (iv) fund the Senior Reserve Fund; and (v) pay the costs of issuing the 2016A Senior Bonds. Proceeds of the 2016B Subordinate Bonds were used to: (i) finance a portion of the public improvements related to the Development; and (ii) pay the costs of issuing the 2016B Subordinate Bonds.

The District issued, simultaneous with the issuance of the 2016A and 2016B Bonds, its Junior Subordinate Limited Tax General Obligation Bonds, Series 2016C (Taxable), in the aggregate principal amount of \$6,475,000 with such obligations having a lien which is subordinate and junior to the lien of the 2016A Senior Bonds and 2016B Subordinate Bonds. The 2016C Bonds bear interest at 8.0%.

The 2016A Senior Bonds bear interest at 4.0%-5.0%, payable semi-annually on June 1 and December 1, beginning on December 1, 2016. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2019. The 2016A Senior Bonds mature on December 1, 2045, and are subject to optional redemption on December 1, 2021, and on any date thereafter, upon payment of par and accrued interest and redemption premium, at the following price.

Redemption Date	Redemption Premium
December 1, 2021 through November 30, 2022	103%
December 1, 2022 through November 30, 2023	102%
December 1, 2023 through November 30, 2024	101%
December 1, 2024 and thereafter	100%

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The 2016B Subordinate Bonds bear interest at the rate of 7.25% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The 2016B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. In the event any amounts due and owing on the 2016B Subordinate Bonds remain outstanding on December 15, 2054, such amounts shall be extinguished and no longer be due and outstanding. Unpaid interest on the 2016B Subordinate Bonds compounds annually on each December 15.

The 2016B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2021, and on any date thereafter, upon payment of par and accrued interest and redemption premium, at the following price.

Redemption Date	Redemption Premium
December 15, 2021 through December 14, 2022	103%
December 15, 2022 through December 14, 2023	102%
December 15, 2023 through December 14, 2024	101%
December 15, 2024 and thereafter	100%

The 2016A Senior Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, which includes monies derived from the following, net of costs of collection: (i) the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy and (iii) any other legally available amounts that the District may designate held under the Senior Indenture.

The Senior Indenture provides that a Senior Required Mill Levy be imposed in an amount sufficient to pay the principal of, premium if any, and interest on the 2016A Senior Bonds, as they become due and payable, and replenish the Senior Reserve Fund to the Reserve Requirement amount of \$2,796,750, but not in excess of 40 mills (subject to adjustment for changes occurring after January 1, 2004, in the method of calculating assessed valuation), and for so long as the Surplus Fund is less than the Maximum Surplus Amount of \$3,635,500, not less than 40 mills (as adjusted). In the event the minimum mill levy would produce revenue in excess of that required to repay all principal and interest on the 2016A Senior Bonds, then such minimum mill levy shall be reduced to a mill levy which will produce revenue sufficient to repay all principal and interest on the 2016A Senior Bonds. Upon reaching 50% Senior Debt to Assessed, the Senior Surplus Fund will be terminated and any moneys therein applied to any legal purpose of the District. The District has acknowledged that State Law places certain restrictions on the use of money derived from the Senior Required Mill Levy. As of December 31, 2016, the Senior Reserve Fund had a total of \$2,800,399. Subsequent to year end, the District received \$984,286 in surplus funds deposited in the Senior Surplus Fund account.

The 2016B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which includes monies derived from the following, net of costs of collection: (i) the Required Subordinate Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Subordinate Mill Levy; (iii) the Excess Senior Pledged Revenue; and (iv) any other legally available amounts that the District may designate held under the Subordinate Indenture.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The Subordinate Indenture defines the Required Subordinate Mill Levy as an ad valorem mill levy imposed upon all taxable property of the District in an amount equal to 40 mills (subject to adjustment) less the Senior Required Mill Levy. As a result, the Required Subordinate Mill Levy will be zero for any year in which the Senior Required Mill Levy equals 40 mills (as adjusted).

Excess Senior Pledged Revenue is defined as, generally, revenue available for payment of the 2016B Subordinate Bonds that is first pledged to the 2016A Senior Bonds.

The current debt service schedule is attached for the Series 2016A Bonds. Debt service schedules for the 2016B and 2016C Bonds are not provided as the Bonds are cash flow bonds and the timing of the payments are unknown. Payments made on the 2016C Bonds will be made on December 20 as the funds are available and are no longer due in 2054.

The District's long-term obligations regarding the Series 2016A general obligation bonds will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 1,733,156	\$ 1,733,156
2018	-	1,733,156	1,733,156
2019	245,000	1,733,156	1,978,156
2020	445,000	1,723,356	2,168,356
2021	500,000	1,705,556	2,205,556
2022-2026	3,240,000	8,187,580	11,427,580
2027-2031	4,590,000	7,391,344	11,981,344
2032-2036	6,400,000	6,213,688	12,613,688
2037-2041	8,825,000	4,407,500	13,232,500
2042-2045	12,110,000	1,757,250	13,867,250
	<u>\$ 36,355,000</u>	<u>\$ 36,585,742</u>	<u>\$ 72,940,742</u>

Authorized Debt

On November 1, 2011, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$80,000,000. Subsequent to year end the residential assessment rate was changed from 7.96% to 7.20%. Based upon the May 2017 preliminary assessed valuations, the service plan limitation of 40.000 mills could be increased to 44.223 mills. The final adjusted mill levy will be based upon final assessed value for collection in Budget Year 2018.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

At December 31, 2016, District has authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized November 1, 2011	Authorization Used - Series 2016A Bond	Authorization Used - Series 2016B Bond	Authorization Used - Series 2016C Bond	Authorized But Unissued
Streets	\$ 80,000,000	\$ 8,947,083	\$ 2,036,235	\$ 2,360,720	\$ 66,655,962
Water	80,000,000	6,338,782	1,442,621	1,672,510	70,546,087
Sanitation	80,000,000	6,756,047	1,539,633	1,784,982	69,919,338
Parks and recreation	80,000,000	2,454,154	558,532	647,537	76,339,777
Public transportation	80,000,000	-	-	-	80,000,000
Television relay	80,000,000	-	-	-	80,000,000
Mosquito control	80,000,000	-	-	-	80,000,000
Security services	80,000,000	-	-	-	80,000,000
Traffic and safety	80,000,000	35,061	7,979	9,251	79,947,709
Fire protection	80,000,000	-	-	-	80,000,000
Operations and maintenance	80,000,000	-	-	-	80,000,000
Refundings	80,000,000	11,814,874	-	-	68,185,126
Intergovernmental Agreements	80,000,000	-	-	-	80,000,000
Contracts	80,000,000	-	-	-	80,000,000
	<u>\$ 1,120,000,000</u>	<u>\$ 36,346,001</u>	<u>\$ 5,585,000</u>	<u>\$ 6,475,000</u>	<u>\$ 1,071,593,999</u>

NOTE 6 - NET POSITION

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

The restricted component of net position consists of assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District had a restricted net position as of December 31, 2016, as follows:

	<u>Governmental Activities</u>
Restricted net position:	
Emergencies reserve	\$ 6,300
Debt service	<u>1,164,575</u>
Total restricted net position	<u>\$ 1,170,875</u>

The District has a deficit in unrestricted net position. This amount was a result of the District being responsible for the financing and repayment of debt obligations and advances for the construction of public improvements.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 - AGREEMENTS

Funding and Reimbursement Agreement

On December 3, 2012, effective January 10, 2012, and an Addendum on July 28, 2015, District No. 1 and RRCEA, LLC (Developer) entered into a Funding and Reimbursement Agreement whereby which the District is an obligor. The Developer will fund the costs related to the Public Infrastructure and costs in the nature of general operating, administrative and maintenance costs, such as attorneys, engineers, architects, surveyors, district management, accounting, auditing and insurance. The Developer agrees to loan to District No. 1, on behalf of the Districts, one or more sums of money, not to exceed the aggregate of \$150,000 per annum for five years, up to \$750,000 through December 31, 2016. District No. 1 will accrue interest at a rate of 8% per annum from the date any such advance is made. As of December 31, 2016, outstanding advances under the agreement totaled \$618,725 and accrued interest totaled \$131,144.

On July 14, 2016 the Agreement was Amended and Restated and so that all prior advances made to District No. 1 are assigned to the District. Any future advances will be requested and received by the District.

On December 31, 2016, the District's Developer advance liability totaled \$618,725 and accrued interest totaled \$131,144.

Infrastructure Acquisition and Reimbursement Agreement

On March 5, 2012, District No. 1 and the Developer entered into an Infrastructure Acquisition and Reimbursement Agreement whereby the District acknowledges its financial obligations. The Developer will construct certain Public Infrastructure improvements and will be reimbursed by the District for those improvements that are determined to be "District Eligible Costs." The District will accept Public Infrastructure improvements and become obligated to reimburse the Developer for the District Eligible Costs upon satisfaction of certain terms and conditions of the Agreement. Upon acceptance of eligible costs by the District, interest will accrue at 8% per annum from the date of acceptance.

On July 14, 2016 the Agreement was Amended and Restated and the District assumes all responsibilities (e.g. operations, maintenance, repayment, etc) of the accepted infrastructure. As of December 31, 2016, outstanding advances under the agreement totaled \$5,523,862 and accrued interest totaled \$208,679.

District Agreement

On November 5, 2012, the District entered into a District Operating Agreement (Operating Agreement) with District Nos. 1, 2, 3, 4 and 5. The Operating Agreement provides for the Financing Districts to levy the taxes necessary to pay the District for the costs of managing the financing, construction, operation and maintenance of the facilities and administrative services for the benefit of the Districts. Under this IGA, the Taxing Districts are responsible for funding the public improvements and will also provide the primary revenue stream for any bonds or other obligations issued to fund the public improvements. The District Operating Agreement was terminated on July 14, 2016.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 - AGREEMENTS (CONTINUED)

On July 14, 2016, the District entered into District Cooperative Intergovernmental Agreement with District Nos.1, 2, 3, 4 and 5. The Agreement provides that the District is responsible for issuing debt to finance public facilities and to provide for the operations and maintenance of the public improvements serving the Development. Additionally, the District will provide for the administrative services of the Districts. Upon the return to active status, Districts Nos. 6-9 will also become parties to the Agreement.

NOTE 8 - RELATED PARTIES

The Developers of the property which constitutes the District are RRCEA, LLC, RRCEA Two, LLC and Leyden Rock Development, Inc. The majority of the members of the Board of Directors are employees, owners, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 9 - RISK MANAGEMENT

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). 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 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations 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.

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

On November 1, 2011, the District voters passed an election question to increase property taxes \$5,000,000 annually as adjusted for inflation, without limitation of rate, to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

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

SUPPLEMENTARY INFORMATION

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Net investment income	\$ -	\$ 11,000	\$ 9,429	\$ (1,571)
Intergovernmental revenue - District No. 5	-	947,300	983,316	36,016
Total revenues	<u>-</u>	<u>958,300</u>	<u>992,745</u>	<u>(1,571)</u>
Bond interest - Series 2016A	-	659,562	659,562	-
Paying agent / trustee fees	-	4,750	-	4,750
Contingency	-	335,688	-	335,688
Total expenditures	<u>-</u>	<u>1,000,000</u>	<u>659,562</u>	<u>340,438</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(41,700)</u>	<u>333,183</u>	<u>374,883</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other fund	-	4,204,397	4,205,928	1,531
Total other financing sources (uses)	<u>-</u>	<u>4,204,397</u>	<u>4,205,928</u>	<u>1,531</u>
NET CHANGE IN FUND BALANCES	-	4,162,697	4,539,111	376,414
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 4,162,697</u>	<u>\$ 4,539,111</u>	<u>\$ 376,414</u>

**LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Net investment income	\$ -	\$ 60	\$ 37	\$ (23)
Other income	-	8,150,464	-	(8,150,464)
Total revenues	<u>-</u>	<u>8,150,524</u>	<u>37</u>	<u>(8,150,487)</u>
EXPENDITURES				
Bond issue costs	-	1,216,018	1,233,704	(17,686)
Capital outlay	-	27,807,717	27,807,717	-
Contingency	-	8,170,498	-	8,170,498
Paying agent / trustee fees	-	1,250	-	1,250
Intergovernmental expenditures - District No. 1	-	11,814,874	11,814,874	-
Total expenditures	<u>-</u>	<u>49,010,357</u>	<u>40,856,295</u>	<u>8,154,062</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>-</u>	<u>(40,859,833)</u>	<u>(40,856,258)</u>	<u>3,575</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	48,415,000	48,415,000	-
Bond premium	-	626,759	626,759	-
Developer advance	-	27807717	27,807,717	-
Transfer to other fund	-	(4,204,397)	(4,205,928)	(1,531)
Repay developer advance - principal	-	(31,785,246)	(29,134,191)	2,651,055
Repay developer advance - interest	-	-	(2,651,055)	(2,651,055)
Total other financing sources (uses)	<u>-</u>	<u>40,859,833</u>	<u>40,858,302</u>	<u>(1,531)</u>
NET CHANGE IN FUND BALANCES	-	-	2,044	2,044
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,044</u>	<u>\$ 2,044</u>

OTHER INFORMATION

LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
SCHEDULE OF DEBT SERVICE CASH REQUIREMENTS TO MATURITY
December 31, 2016

\$36,355,000 Series 2016A
Limited Tax (Convertible to Unlimited Tax)
General Obligation Refunding and Improvement Bonds
Interest Rate: 4.000% - 5.000%
Interest Payable
June 1 and December 1
Principal Payable
December 1

<u>December 31,</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	4.000%	\$ 1,733,156	\$ 1,733,156
2018	-	4.000%	1,733,156	1,733,156
2019	245,000	4.000%	1,733,156	1,978,156
2020	445,000	4.000%	1,723,356	2,168,356
2021	500,000	4.000%	1,705,556	2,205,556
2022	565,000	4.000%	1,685,556	2,250,556
2023	585,000	4.000%	1,662,956	2,247,956
2024	655,000	4.000%	1,639,556	2,294,556
2025	680,000	4.000%	1,613,356	2,293,356
2026	755,000	4.375%	1,586,156	2,341,156
2027	785,000	4.375%	1,553,125	2,338,125
2028	870,000	4.375%	1,518,781	2,388,781
2029	905,000	4.375%	1,480,719	2,385,719
2030	995,000	4.375%	1,441,125	2,436,125
2031	1,035,000	4.375%	1,397,594	2,432,594
2032	1,130,000	4.375%	1,352,313	2,482,313
2033	1,180,000	4.375%	1,302,875	2,482,875
2034	1,280,000	5.000%	1,251,250	2,531,250
2035	1,345,000	5.000%	1,187,250	2,532,250
2036	1,465,000	5.000%	1,120,000	2,585,000
2037	1,535,000	5.000%	1,046,750	2,581,750
2038	1,665,000	5.000%	970,000	2,635,000
2039	1,750,000	5.000%	886,750	2,636,750
2040	1,890,000	5.000%	799,250	2,689,250
2041	1,985,000	5.000%	704,750	2,689,750
2042	2,135,000	5.000%	605,500	2,740,500
2043	2,240,000	5.000%	498,750	2,738,750
2044	2,410,000	5.000%	386,750	2,796,750
2045	5,325,000	5.000%	266,250	5,591,250
	<u>\$ 36,355,000</u>		<u>\$ 36,585,742</u>	<u>\$ 72,940,742</u>

**LEYDEN ROCK METROPOLITAN DISTRICT NO. 10
SCHEDULE OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2016**

Year Ended December 31	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2013	\$ -	0.000	0.000	\$ -	\$ -	N/A
2014	\$ 2,639,011	5.000	0.000	\$ 13,195	\$ 13,188	99.95%
2015	\$ 9,142,271	6.250	0.000	\$ 57,139	\$ 57,140	100.00%
2016	\$ 31,142,287	6.250	0.000	\$ 194,639	\$ 193,851	99.60%
Estimated 2017	\$ 35,414,376	12.500	40.000	\$ 1,859,255		

NOTE:

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