PARKER HOMESTEAD METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2016

with

Independent Auditors' Report

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SIMMONS & WHEELER, P.C. Certified Public Accountants
304 Inverness Way South, Suite 490, Englewood, CO 80112 (303) 689-0833

Board of Directors
Parker Homestead Metropolitan District
Douglas County, Colorado

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Parker Homestead 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 Parker Homestead 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 Parker Homestead Metropolitan District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Simmons & Wheeler P.C.

Englewood, CO
September 28, 2017

PARKER HOMESTEAD METROPOLITAN DISTRICT

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

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Net Position
ASSETS						
Cash and investments	$ 546	$ -	$ -	$ 546	$ -	$ 546
Cash and investments - restricted	2,270	275,362	2,002	279,634	-	279,634
Property taxes receivable	72,004	387,088	-	459,092	-	459,092
Financial guarantee	-	-	11,500	11,500	-	11,500
Capital assets not being depreciated	-	-	-	-	6,949,676	6,949,676
Total Assets	$ 74,820	$ 662,450	$ 13,502	$ 750,772	6,949,676	7,700,448
DEFERRED OUTFLOWS OF RESOURCES						
Deferred cost on refunding	-	-	-	-	142,603	142,603
Total Deferred Outflows of Resources	-	-	-	-	142,603	142,603
Total Assets and Deferred Outflows of Resources	$ 74,820	$ 662,450	$ 13,502	$ 750,772		
LIABILITIES						
Accounts payable	$ 37,750	$ 2,103	$ 260	$ 40,113	-	40,113
Accrued interest - bonds	-	-	-	-	55,526	55,526
Long-term liabilities:						
Due in more than one year	-	-	-	-	10,533,682	10,533,682
Total Liabilities	37,750	2,103	260	40,113	10,589,208	10,629,321
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	72,004	387,088	-	459,092	-	459,092
Total Deferred Inflows of Resources	72,004	387,088	-	459,092	-	459,092
FUND BALANCES/NET POSITION						
Fund Balances:						
Restricted:						
Emergencies	2,270	-	-	2,270	(2,270)	-
Debt service	-	273,259	-	273,259	(273,259)	-
Capital projects	-	-	13,242	13,242	(13,242)	-
Unassigned	(37,204)	-	-	(37,204)	37,204	-
Total Fund Balances	(34,934)	273,259	13,242	251,567	(251,567)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 74,820	$ 662,450	$ 13,502	$ 750,772		
Net Position:						
Net investment in capital assets					(3,401,191)	(3,401,191)
Restricted for:						
Emergencies					2,270	2,270
Debt service					273,259	273,259
Capital projects					13,242	13,242
Unrestricted					(132,942)	(132,942)
Total Net Position					$(3,245,362)	$(3,245,362)

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

PARKER HOMESTEAD METROPOLITAN DISTRICT

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

	General	Debt Service	Capital Projects	Total	Adjustments	Statement of Activities
EXPENDITURES						
Accounting and audit	$ 20,721	$ -	$ -	$ 20,721	$ -	$ 20,721
Election expense	702	-	-	702	-	702
Engineering	-	-	1,290	1,290	-	1,290
Insurance	3,305	-	-	3,305	-	3,305
Legal	26,510	-	-	26,510	-	26,510
Management fees	11,883	-	-	11,883	-	11,883
Miscellaneous expenses	250	195	-	445	-	445
Treasurer's fees	631	4,770	-	5,401	-	5,401
Loan principal	-	5,063,420	-	5,063,420	(5,063,420)	-
Loan interest expense	-	252,814	-	252,814	(148,275)	104,539
Non-Use Fee	-	14,612	-	14,612	(1,905)	12,707
Bond interest expense	-	-	-	-	52,853	52,853
Bond issuance costs	-	-	325,977	325,977	-	325,977
Capital improvements	-	-	149,495	149,495	(149,495)	-
Acceptance of assets	-	-	2,498,751	2,498,751	(2,498,751)	-
Town of Parker	-	-	666,604	666,604	(666,604)	-
Repay developer advances	-	-	5,633,265	5,633,265	(5,633,265)	-
Developer advances - interest	-	-	-	-	185,364	185,364
Total Expenditures	64,002	5,335,811	9,275,382	14,675,195	(13,923,499)	751,697
GENERAL REVENUES						
Property taxes	42,003	317,767	-	359,770	-	359,770
Specific ownership taxes	4,023	30,436	-	34,459	-	34,459
Interest income	(56)	(144)	-	(200)	-	(200)
Miscellaneous income	-	-	500	500	-	500
Total General Revenues	45,970	348,059	500	394,529	-	394,529
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,032)	(4,987,752)	(9,274,882)	(14,280,666)	13,923,499	(357,168)
OTHER FINANCING SOURCES (USES)						
Loan proceeds	-	2,103,715	-	2,103,715	(2,103,715)	-
Refunding bonds	-	-	8,300,000	8,300,000	(8,300,000)	-
Bond premium	-	-	421,723	421,723	(421,723)	-
Developer advances	2,500	-	3,617,850	3,620,350	(3,620,350)	-
Developer contributions - Reversal	-	-	(1,119,081)	(1,119,081)	-	(1,119,081)
Transfers in/out	(530)	2,821,089	(2,820,559)	-	-	-
Total Other Financing Sources (Uses)	1,970	4,924,804	8,399,933	13,326,707	(14,445,788)	(1,119,081)
NET CHANGES IN FUND BALANCES	(16,062)	(62,948)	(874,949)	(953,959)	953,959	
CHANGE IN NET POSITION					(1,476,249)	(1,476,249)
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	(18,872)	336,207	888,191	1,205,526	(2,974,639)	(1,769,113)
END OF YEAR	$ (34,934)	$ 273,259	$ 13,242	$ 251,567	$ (3,496,929)	$ (3,245,362)

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

PARKER HOMESTEAD METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 43,728	$ 43,728	$ 42,003	$ (1,725)
Specific ownership taxes	2,100	2,100	4,023	1,923
Interest income	60	60	(56)	(116)
Total Revenues	45,888	45,888	45,970	82
EXPENDITURES				
Accounting and audit	19,000	19,000	20,721	(1,721)
Election expense	1,000	1,000	702	298
Insurance	3,000	3,000	3,305	(305)
Legal	8,000	26,160	26,510	(350)
Management fees	12,000	12,000	11,883	117
Miscellaneous expenses	1,500	1,500	250	1,250
Treasurer's fees	700	700	631	69
Emergency reserve	2,140	2,140	-	2,140
Total Expenditures	47,340	65,500	64,002	1,498
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,452)	(19,612)	(18,032)	1,580
OTHER FINANCING SOURCES (USES)				
Developer advances	25,398	43,558	2,500	(41,058)
Transfers in/out	(1,500)	(1,500)	(530)	970
Total Other Financing Sources (Uses)	23,898	42,058	1,970	(40,088)
NET CHANGE IN FUND BALANCE	22,446	22,446	(16,062)	(38,508)
FUND BALANCE:				
BEGINNING OF YEAR	(22,446)	(22,446)	(18,872)	3,574
END OF YEAR	$ -	$ -	$ (34,934)	$ (34,934)

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

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Parker Homestead Metropolitan District, located in Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on March 15, 2011, as a quasi-municipal corporation and political subdivision established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes and developer advances. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB Pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District.

The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *availabl*e when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

> General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.
>
> Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.
>
> Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

Budgetary Accounting

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

In October 2016, the District amended its appropriations in the Debt Service Fund from $1,479,744 to $11,100,000 primarily due to the issuance of new bonds, and in the Capital Projects Fund from $1,300,000 to $6,420,000 primarily due to the acceptance of assets.

In September 2017, the District amended its appropriations in the General Fund from $48,840 to $67,000 primarily due to higher legal expenses and in the Capital Projects Fund from $6,420,000 to $14,000,000 primarily due to the issuance of the bonds and repayments to the developer.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2016, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

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

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

Interfund Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the Statement of Net Position.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred cost on refunding reported in the government-wide statement of net position. A deferred cost on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

Capital assets, which include infrastructure assets (e.g. roads, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2016.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $2,270 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $273,259 is restricted for the payment of the debt service costs associated with the Series 2014 Loan (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of $13,242 is restricted for the payment of the costs for capital improvements within the District.

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance

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

Unassigned Fund Balance

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

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Deficits
The General Fund had a deficit reported in the amount of ($34,934) in the fund financial statements as of December 31, 2016. The deficit is anticipated to be eliminated with the receipt of funds advanced by the Developer during 2017.

Net Position
Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

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

Statement of Net Position:		
Cash and investments	$	546
Cash and investments - Restricted		279,634
Total	$	280,180

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

Deposits with financial institutions	$ 3,036
Investments - CSAFE	277,144
	$ 280,180

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

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

Investments

Investment Valuation

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; 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.

The District has no recurring fair value measurements as of December 31, 2016.

Credit Risk

The District has adopted an investment policy by which it follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk
None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk
Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

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

CSAFE
The local government investment pool Colorado Surplus Asset Fund Trust ("CSAFE"), is rated AAAm by Standard and Poor's and the maturity is weighted average under 60 days. CSAFE 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 custodian agreements. 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 custodians' internal records identify the investments owned by CSAFE. At December 31, 2016, the District had $277,144 invested in CSAFE.

Note 3: Capital Assets

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

Governmental Type Activities:	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Capital assets not being depreciated:				
Construction in progress	$ 3,634,826	$ 3,314,850	$ -	$ 6,949,676
Total capital assets not being depreciated	3,634,826	3,314,850	-	6,949,676
Government type assets, net	$ 3,634,826	$ 3,314,850	$ -	$ 6,949,676

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

Note 4: Long Term Obligations

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

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Current Portion
Tax-Exempt Loan Series 2014	$ 2,959,705	$ 2,103,715	$ 5,063,420	$ -	$ -
GO Bonds Series 2016	-	8,300,000		8,300,000	-
GO Bonds Series 2016 - premium	-	421,723	2,673	419,050	-
Developer Advances:					
Operations:					
Principal	30,389	2,500	-	32,889	-
Accrued interest	4,879	2,444	-	7,323	-
Capital:					
Principal	2,654,518	3,617,850	5,633,265	639,103	-
Accrued interest	952,397	182,920	-	1,135,317	-
Total	$ 6,601,888	$ 14,631,152	$ 10,699,358	$ 10,533,682	$ -

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

$8,300,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvement Bonds, Series 2016

On November 15, 2016, the District issued General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding and Improvements Bonds, Series 2016, in the amount of $8,300,000 ("Series 2016 Bonds"). The Series 2016 Bonds were issued for the purpose of refunding the Series 2014 Loan (discussed below), paying the costs of certain public infrastructure, funding any of the funds created per the Trust Indenture, and paying the costs incurred in connection with the issuance of the Bonds and the refunding of the Series 2014 Loan. The Series 2016 Bonds were issued in denominations of $500,000, mature on December 1, 2044 with interest payable on June 1 and December 1 of each year beginning June 1, 2017. Series 2016 Bonds in the principal amount of $2,120,000 bear interest at 4.5% and mature on December 1, 2030. Series 2016 Bonds in the principal amount of $6,180,000 bear interest at 5.625% and mature on December 1, 2044.

The Series 2016 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2018 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2021, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

The Series 2016 Bonds are secured by Pledged Revenues which include the Required Mill Levy, Capital Fees, the portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, and any other legally available moneys as determined by the District.

As a result of the issuance of the Series 2016 Bonds, the Series 2014 Loan is considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by $151,903. This amount is recorded as a deferred outflow and is being amortized over the original remaining life of the refunded loan. The refunding resulted in an economic loss of $806,912 due to extending the term of the debt and converting from a variable rate to a fixed rate.

Tax-Exempt Loan Series 2014

On March 31, 2014, the District issued a Tax-Exempt Loan Series 2014 ("Series 2014 Loan"), in the maximum amount of $6,500,000, with Compass Bank for the purpose of paying the costs of the Project (as defined in the Loan Agreement), funding capitalized interest and reserves, and paying issuance and other costs in connection with the Series 2014 Loan. The Series 2014 Loan, which matures on December 1, 2018, is divided into two portions: (1) the initial funded amount in the principal amount of $1,200,000 and (2) an additional amount in the maximum principal amount of $5,300,000, the "Advancing Amount", which will be made available when and if advanced in the future. A portion of the Advancing Amount can be released on each quarter end beginning June 30, 2014 through December 31, 2016, after the Threshold Amount (as defined in the Loan Agreement) has been met. Advances may be made between March 31, 2014 and February 28, 2017. The loan bears interest at a variable rate equal to 2.10% plus 65% of the 30 Day LIBOR rate two days before the beginning of each Interest Period (as defined in the Loan Agreement) which is calculated on the basis of a 360 day year and actual days elapsed, payable semiannually on each June 1 and December 1, commencing on June 1, 2014. The Series 2014 Loan or a portion thereof can be converted to a fixed rate in the future, as determined by the applicable Fixed Rate Conversion Certificate when filed by the District. The District may, at its option, prepay the Series 2014 Loan in whole, or in part, on any Interest Payment Date, upon payment of the principal amount so prepaid, accrued interest there on at the rate then borne, plus any Prepayment Fee. The Prepayment Fee, with respect to any portion of the Series 2014 Loan bearing a variable interest rate, is equal to 3% of the principal amount so redeemed.

The Series 2014 Loan is secured by Pledged Revenue including the Required Mill Levy (as defined in the Loan Agreement), the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy, and any other legally available moneys which the District determines in its sole discretion to apply as Pledged Revenue. In addition, the District's operational mill levy will be zero for so long as the Required Mill Levy is required to be 35.000 mills (42.8266 mills as adjusted) or higher. The Series 2014 Loan is also secured by a Surplus Fund in the maximum amount of $650,000 and a Reserve Fund in the initially funded amount of $39,000, which will increase upon each Advance at an additional amount equal to 3.25% of the principal amount of the Advance, up to a maximum amount of $211,250.

A Non-Use Fee is also imposed in an amount equal to .0625% of the Unfunded Advance Amount in effect during the applicable semi-annual period, computed on the basis of a 360 day year and actual days elapsed on each semi-annual period, payable semi-annually on each the first day of June and December of each year, commencing June 1, 2014 and including the date upon which the Advance Period terminates.

The Series 2014 Loan was fully defeased on November 15, 2016, with the issuance of the Series 2016 Bonds.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2016 Bonds:

	Principal	Interest	Total
2017	$ -	$ 462,715	$ 462,715
2018	55,000	443,025	498,025
2019	105,000	440,550	545,550
2020	120,000	435,825	555,825
2021	125,000	430,425	555,425
2022-2026	810,000	2,056,725	2,866,725
2027-2031	1,170,000	1,843,875	3,013,875
2032-2036	1,675,000	1,489,219	3,164,219
2037-2041	2,375,000	943,594	3,318,594
2042-2044	1,865,000	214,312	2,079,312
	$ 8,300,000	$ 8,760,265	$ 17,060,265

Project Funding and Reimbursement Agreement

The District entered into a Project Funding and Reimbursement Agreement ("Project Agreement") dated March 23, 2011, with an effective date of March 15, 2011, as amended in the First Amendment to the Project Funding and Reimbursement Agreement ("First Amendment") dated March 15, 2014, and the Second Amendment to the Project Funding and Reimbursement Agreement ("Second Amendment") dated November 14, 2016, with an effective date of March 15, 2011, by and between the District and Parker Homestead Investments, LLC, a Colorado limited liability company (the "Developer"), which provide for certain procedures for the funding of public improvements to be constructed by the Developer and the procedures for the District to acquire such public improvements upon completion.

Per the Project Agreement, the District will reimburse the Developer for advances made for district organization and construction related expenses up to $8,182,984, which includes amounts advanced under the Development Agreement (see Note 6). For advances made for organization expenses, simple interest shall accrue from the date of organization of the District until paid at the rate of 8% per annum. For construction related expenses, simple interest shall accrue on each developer advance from the date of deposit into the District's account until paid at the rate of 8% per annum. The reimbursement obligations under the Project Agreement were subordinate to the Chambers Road Costs from the IGA between the District and the Town of Parker ("Town"), which obligation was satisfied in full in 2016 (See Note 6) and the costs of the South Newlin Gulch Trail as part of the Development Agreement.

Per the First Amendment to the Project Agreement, payments by the District to the Developer under the Project Agreement will be applied first to the principal amount due and then to accrued and unpaid interest.

Per the Second Amendment to the Project Agreement, the parties agreed that, in lieu of advancing funds to the District for Construction Related Expenses, the Developer may construct or cause the construction of all or a portion of the Improvements, subject to certain conditions precedent to the District's obligation to reimburse Construction Related Expenses incurred by the Developer, including: (1) with respect to Improvements to be acquired by the District, as-built drawings and such other documentation as may be required by the District to verify that there are no outstanding amounts due to contractors, subcontractors, material providers or suppliers; (2) with respect to Improvements to be dedicated to the Town, Parker Water and Sanitation District or other appropriate jurisdiction, evidence satisfactory to the District that the Improvements have been finally accepted by such jurisdiction; and (3) with respect to all Developer constructed Improvements, certification of an independent engineer. Additionally, any such reimbursements shall be subject to the same terms and conditions as apply to reimbursement of Developer advances under the Project Agreement.

The term of the Project Agreement will expire on December 31, 2041. Any principal and accrued interest outstanding on December 31, 2041 shall be deemed forever discharged and satisfied in full.

Facilities Acquisition and Reimbursement Agreement

The District entered into a Facilities Acquisition and Reimbursement Agreement (“FARA”) dated March 19, 2014, as amended in the First Amendment to the Facilities Acquisition and Reimbursement Agreement (“First Amendment”), dated and effective October 6, 2016, by and between the District and the Developer, pursuant to which the Developer deposited land sale proceeds into an escrow account established pursuant to a purchase and sale agreement with Lennar Colorado, LLC (“Lennar”). The proceeds in the escrow account were advanced by the Developer, to pay costs incurred by Lennar Colorado, LLC (“Lennar”), up to a maximum of $600,000, for the construction of certain street, water, sanitary sewer, drainage and landscape improvements (the “Lennar Improvements”), acquire the Lennar Improvements from Lennar, and then convey the Lennar Improvements to the District. Pursuant to the First Amendment to the FARA, the parties amended the maximum amount that the District will reimburse the Developer for funds advanced for the Lennar Improvements under the FARA, from $600,000 up to $1,788,779.06, together with interest thereon. Under the FARA, simple interest accrues at the rate of 8% per annum until paid.

When the District’s 2015 Audit was prepared, the FARA capped the reimbursable amount to $600,000, and at that time that the District had no obligation nor sufficient funds to reimburse the $1,119,081 incurred for construction of the Lennar Improvements. In turn, the $1,119,081 was characterized as a “Developer contribution” to acknowledge the full amount advanced by the Developer for these improvements.

Subsequent development of property within the District increased its assessed valuation to the extent that the District did have the financial capacity to reimburse the Developer for the additional costs and the District asked its independent engineer, 2N Civil, to verify District-eligible costs of the Lennar Improvements. By letter dated October 3, 2016, 2N Civil verified costs totaling $1,719,080.97. The District thus amended the FARA in the First Amendment on October 6, 2016, to increase the amount reimbursable under the FARA to $1,788,779.06, and this amount was accepted by the Board at its October 13, 2016, meeting.

At December 31, 2016, $639,103 in principal and $1,135,317 in interest is due to the Developer for capital advances under the Project Agreement and the FARA.

Reimbursement Agreement

On November 8, 2012, the District, Developer and Standard Pacific of Colorado, Inc. ("Standard Pacific") entered into a Reimbursement Agreement (the "Reimbursement Agreement"). Per the Reimbursement Agreement, Standard Pacific will advance funds to the District to pay for operational and organizational expenses of the District, engineering services to complete plans for District improvements, and other related fees and expenses, which have been paid and which may be paid subsequent to this Reimbursement Agreement. The funds that Standard Pacific advances under the Reimbursement Agreement to the District will only include funds that will be disbursed from the Escrow Account, established pursuant to the Development Agreement (See Note 6), and approved by Standard Pacific. Standard Pacific's obligation to approve disbursements from the Escrow Account for the funds advanced for District operational expenses terminated on July 31, 2013. The funds advanced by Standard Pacific shall be reimbursed to the Escrow Account by the District and/or Developer with interest at a rate of 9% per annum, based on actual days elapsed and a 360 day year, pursuant to the Promissory Note securing the Developer's obligation under the Reimbursement Agreement. The funds advanced will be reimbursed from the proceeds received by the District from its first bond issue, to the extent not already reimbursed by the Developer, or by the Developer from the proceeds received from amounts held as security by the Town of Parker for financial guarantees and grading permits and the sale of any lots within Tracts A and B, Parker Homestead Filing No. 1. If the aforementioned events do not occur on or before December 15, 2015, the Developer shall make the reimbursement on or before the aforesaid date. At December 31, 2016, $6,978 is due to the Escrow Account under the Reimbursement Agreement, which is all accrued interest.

Operation Funding Agreements

The District and Developer have entered into Operation Funding Agreements for each of the years 2011, 2012, 2013, 2014, 2015 and 2016 ("Operation Funding Agreements"), pursuant to which the Developer agreed to advance funds to the District for operations and maintenance expenses to the extent that other District revenues are insufficient to pay such expenses. Simple interest will accrue on each Developer advance from the date of deposit into the District's account at the rate of 8% per annum until paid. The District's intent is to repay the Developer to the extent it has funds available from the imposition of its taxes, rates, toll, penalties and charges or other legally available revenue, after payment of its annual debt service obligations and annual operations and maintenance expenses. The term of the reimbursement obligation under each Operation Funding Agreement is 40 years, and any principal and accrued interest outstanding at the end of such 40-year period shall be deemed forever discharged and satisfied in full. All of the Operation Funding Agreements have been amended at the Developer's request to provide for the payment of principal before interest.

At December 31, 2016, $40,212 is due to the Developer under the 2011, 2012, 2013, 2014, 2015 and 2016 Operation Agreements, $32,889 of principal and $7,323 of accrued interest.

Debt Authorization

As of December 31, 2016, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

Authorzation Used and Remaining from 2010 Election				
Purpose	Principal Amount Voted	Principal Amount Used by 2014 Loan Agreement	Principal Amount Used by Series 2016 Bonds	Principal Amount Remaining
Water	$ 8,300,000	$ (1,367,123)	$ (818,651)	$ 6,114,226
Sanitation	8,300,000	(810,147)	(927,139)	6,562,714
Streets	8,300,000	(2,481,076)	(796,436)	5,022,488
Park and Recreation	8,300,000	(405,074)	(1,160,404)	6,734,522
Operations	1,000,000	-	-	1,000,000
Refunding	16,600,000	-	(4,597,370)	12,002,630
IGA Debt	8,300,000	-	-	8,300,000
TOTAL	$ 59,100,000	$ (5,063,420)	$ (8,300,000)	$ 45,736,580

The District has not budgeted to issue any new debt during 2017. Per the District's Service Plan, the District cannot issue debt in excess of $8,300,000. Per the service plan, for any portion of the District Debt which exceeds 50% of the District's assessed valuation, the maximum debt mill levy for such portion of debt shall be 35 mills (as adjusted for Gallagher on or after January 1, 2000) less the number of mills necessary to pay District administrative operating expenses and the number of mills necessary to pay unlimited mill levy debt.

Note 5: Related Party

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board. Also, the Developer has a construction contact administration agreement with the District (see Note 6).

Note 6: Other Agreements

Intergovernmental Agreement

On April 5, 2011, as amended March 3, 2014, the District and Town entered into an Intergovernmental Agreement ("IGA"). Per the IGA, the District agrees that the full amount of the Remaining Portion of the Chambers Road Amount or Chambers Reimbursement Costs, as defined in the Parker Annexation Agreement between the Town, Parker Water and Sanitation District and the Developer, to the extent not previously paid by the Developer, shall be paid by the District to the Town on or before June 1, 2016, by remitting 50% of the each advance received under the Series 2014 Loan on a quarterly basis to the Town until such time as the total amount of the advances received by the District reaches $3,288,700 or advances retained by the District equals $1,450,000, whichever first occurs, after which the District shall remit 100% of the advances received until payment in full of the Remaining Portion of Chambers Road Amount or the Chambers Reimbursement Cost, as then applicable. The total District Payment Obligation to the Town under the IGA is $1,800,000. Per the IGA, the District shall dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners association in a manner consistent with the final approved plat for the property located within the District's boundaries, other rules and regulations of the Town and applicable provisions of the Town Code. The District shall not be authorized to operate and maintain any part or all of the Public Improvements or any other improvements, unless specifically provided for in a separate agreement with the Town. Commencing with the June 2015 loan advance, the District elected to remit 100% of each advance to the Town and on April 5, 2016, the $1,800,000 District Payment Obligation has been satisfied in full.

Development Agreement

On April 4, 2011, as amended on September 27, 2011 and November 8, 2012, the District, the Developer and Standard Pacific entered into a Development Agreement. Standard Pacific purchased real property for the purpose of developing and/or constructing residential projects from the Developer. Per the Development Agreement, Standard Pacific deposited $2,241,704 into an Escrow Account to fund construction of District Improvements, as defined in the Development Agreement, to be constructed by the District. $564,844 was released from the escrow funds per the amended Development Agreement to the Town and Parker Water and Sanitation District, to guaranty completion of certain District Improvements, and the Developer agreed to reimburse the District for the amounts withdrawn from the escrow funds that are not used to complete District Improvements pursuant to the applicable completion guaranty. The Escrow Agreement shall terminate upon the later of the entire disbursement of escrow funds or expiration of the warranty periods for all District Improvements that are subject to the Development Agreement. If any escrow funds remain after termination of the Escrow Agreement, the escrow agent shall disburse 50% of such remaining funds to each of Standard Pacific and the Developer.

If there are insufficient funds under the Escrow Agreement to pay for the District Improvements, such shortfalls shall be funded by Standard Pacific. Standard Pacific acknowledges that the Developer shall be entitled to seek reimbursement from the District in an amount equal to $2,241,704 in accordance with the provisions of the Project Funding and Reimbursement Agreement. Per the Development Agreement, the District shall provide contract administration with respect to the design, engineering and construction of the District Improvements, acceptance of the District Improvements by the Town or other applicable jurisdictions, and processing and payment of all invoice and payment requests under the project contracts for the District Improvements. All project contracts shall require that all work be performed under such project contracts be substantially completed on or before November 30, 2011.

Construction Contract Administration Agreement
On November 30, 2012, the District and BCX Development, LLC ("BCX") entered in a Construction Contract Administration Agreement (the "Construction Agreement"). Under the Construction Agreement, BCX shall facilitate, design and construct the District Improvements on behalf of the District in accordance with the requirements of the Development Agreement. The District shall pay to BCX (i) $16,700 after commencement of construction of the District Improvements, (b) $16,700 when the curb and gutter is constructed for Parker Homestead Parkway, (c) $16,700 when both the Town of Parker and the Parker Water and Sanitation District have given Probationary Acceptance for the initial lots with Filing No. 2 and (d) accrued construction administration compensation in the amount of 4.75% of the total costs of the District Improvements, as defined in the Construction Agreement, less the amounts previously paid. The accrued Construction Administration Agreement costs will accrue interest at a rate of 1% per annum until such time as the District issues its first series of bonds. This agreement will terminate on satisfactory completion of the construction contract administration. During 2016 the District reimbursed BCX $60,000 for construction contract administration fees.

Note 7: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

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

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.

On November 2, 2010, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 9: Interfund and Operating Transfers

The transfer of $530 from the General Fund to the Capital Projects was transferred for the purpose of funding the payment of capital improvements.

The transfer of $1,951,196 from the Debt Service Fund to the Capital Projects Fund was transferred for the purpose of funding the payments to the Town and repayment of developer advances.

The transfer of $4,772,285 from the Capital Projects Fund to the Debt Service Fund was transferred for the purpose of refunding the 2014 Loan and funding the Surplus account for the 2016 Bonds.

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

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

1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and,

2) long-term liabilities such as loans, developer advances payable and accrued developer advance interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities;

2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;

3) governmental funds report developer advances and loan proceeds as revenue; and,

4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

PARKER HOMESTEAD METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	$ 330,816	$ 330,816	$ 317,767	$ (13,049)
Specific ownership taxes	15,500	15,500	30,436	14,936
Interest income	50	50	(144)	(194)
Total Revenues	346,366	346,366	348,059	1,693
EXPENDITURES				
Miscellaneous expenses	144	144	195	(51)
Treasurer's fees	5,000	5,000	4,770	230
Loan principal	25,000	25,000	5,063,420	(5,038,420)
Loan interest expense	132,000	132,000	252,814	(120,814)
Non-Use Fee	19,100	19,100	14,612	4,488
Total Expenditures	181,244	181,244	5,335,811	(5,154,567)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	165,122	165,122	(4,987,752)	(5,152,874)
OTHER FINANCING SOURCES (USES)				
Loan proceeds	1,400,000	10,900,000	2,103,715	(8,796,285)
Payment to refunded bond escrow agent	-	(9,620,256)	-	9,620,256
Transfers in/out	(1,298,500)	(1,298,500)	2,821,089	4,119,589
Total Other Financing Sources (Uses)	101,500	(18,756)	4,924,804	4,943,560
NET CHANGE IN FUND BALANCE	266,622	146,366	(62,948)	(209,314)
FUND BALANCE:				
BEGINNING OF YEAR	345,794	345,794	336,207	(9,587)
END OF YEAR	$ 612,416	$ 492,160	$ 273,259	$ (218,901)

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

PARKER HOMESTEAD METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Miscellaneous income	$ -	$ -	$ 500	$ 500
Total Revenues	-	-	500	500
EXPENDITURES				
Engineering	1,500	1,500	1,290	210
Bond issuance costs	-	500,000	325,977	174,023
Capital improvements	-	200,000	149,495	50,505
Acceptance of assets	-	3,000,000	2,498,751	501,249
Town of Parker	452,801	452,801	666,604	(213,803)
Repay developer advances	845,699	5,905,529	5,633,265	272,264
Total Expenditures	1,300,000	10,059,830	9,275,382	784,448
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,300,000)	(10,059,830)	(9,274,882)	784,948
OTHER FINANCING SOURCES (USES)				
Refunding bonds	-	8,500,000	8,300,000	(200,000)
Bond premium	-	-	421,723	421,723
Developer advances	130	5,000,130	3,617,850	(1,382,280)
Developer contributions - Reversal	-	(1,119,081)	(1,119,081)	-
Transfer to Debt Service Fund	1,298,500	(2,821,089)	(2,821,089)	-
Transfer from General Fund	1,500	1,500	530	(970)
Total Other Financing Sources (Uses)	1,300,130	9,561,460	8,399,933	(1,161,527)
NET CHANGE IN FUND BALANCE	130	(498,370)	(874,949)	(376,579)
FUND BALANCE:				
BEGINNING OF YEAR	888,195	888,195	888,191	(4)
END OF YEAR	$ 888,325	$ 389,825	$ 13,242	$ (376,583)

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