

ERIE FARM METROPOLITAN DISTRICT
Boulder County, Colorado

FINANCIAL STATEMENTS
December 31, 2017

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September 18, 2018

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**Haynie &
Company**

Certified Public Accountants (a professional corporation)

1221 West Mineral Ave, Ste. 202 Littleton, Colorado 80120-4544 (303) 734-4800 Fax (303) 795-3356

Independent Auditor's Report

Members of the Board of Directors
Erie Farm Metropolitan District

We have audited the accompanying financial statements of the governmental activities and the major funds of Erie Farm Metropolitan District as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Erie Farm Metropolitan District, as of December 31, 2017 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.



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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 an opinion on the financial statements that collectively comprise Erie Farm Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

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



Littleton, Colorado
July 17, 2018

BASIC FINANCIAL STATEMENTS

ERIE FARM METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 145,444
Cash and investments - Restricted	1,230,469
Prepaid expense	2,013
Property taxes receivable	387,294
Receivable from county treasurer	1,083
Construction in progress	4,018,593
Total assets	<u>5,784,896</u>
LIABILITIES	
Accounts payable	9,323
Accrued interest payable	33,642
Noncurrent liabilities	
Due in more than one year	15,300,265
Total liabilities	<u>15,343,230</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	387,294
Total deferred inflows of resources	<u>387,294</u>
NET POSITION	
Restricted for:	
Emergency reserves	1,500
Debt service	695,704
Unrestricted	<u>(10,642,832)</u>
Total net position	<u>\$ (9,945,628)</u>

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

**ERIE FARM METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Government activities:					
General government	\$ 67,187	\$ -	\$ -	\$ -	\$ (67,187)
Interest and related costs on long-term debt	874,505	-	-	-	(874,505)
	<u>\$ 941,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(941,692)</u>
General revenues:					
					217,971
Property taxes					12,396
Specific ownership taxes					16,190
Net investment income					<u>246,557</u>
Total general revenues					(695,135)
Change in net position					(9,250,493)
Net position - Beginning					<u>(9,250,493)</u>
Net position - Ending					<u>\$ (9,945,628)</u>

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

**ERIE FARM METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 10,938	\$ 134,506	\$ -	\$ 145,444
Cash and investments - Restricted	1,500	1,218,757	10,212	1,230,469
Receivable - County Treasurer	-	1,083	-	1,083
Prepaid insurance	2,013	-	-	2,013
Property taxes receivable	50,495	336,799	-	387,294
Total assets	<u>\$ 64,946</u>	<u>\$ 1,691,145</u>	<u>\$ 10,212</u>	<u>\$ 1,766,303</u>
LIABILITIES				
Accounts payable	<u>\$ 8,625</u>	<u>\$ -</u>	<u>\$ 698</u>	<u>\$ 9,323</u>
Total liabilities	<u>8,625</u>	<u>-</u>	<u>698</u>	<u>9,323</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	<u>50,495</u>	<u>336,799</u>	<u>-</u>	<u>387,294</u>
Total deferred inflows of resources	<u>50,495</u>	<u>336,799</u>	<u>-</u>	<u>387,294</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenses	2,013	-	-	2,013
Restricted for:				
Emergency reserves	1,500	-	-	1,500
Debt Service	-	1,354,346	-	1,354,346
Assigned for:				
Capital projects	-	-	9,514	9,514
Unassigned	<u>2,313</u>	<u>-</u>	<u>-</u>	<u>2,313</u>
Total fund balances	<u>5,826</u>	<u>1,354,346</u>	<u>9,514</u>	<u>1,369,686</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 64,946</u>	<u>\$ 1,691,145</u>	<u>\$ 10,212</u>	

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

Capital assets are recorded as assets on the statement of net position, but are recorded as expenditures in the funds.

Capital assets 4,018,593

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

Bonds payable (8,572,000)

Promissory Note payable (4,428,000)

Accrued interest on bonds payable (209,997)

Accrued interest on promissory note (32,027)

Developer advance payable - accrued interest (10,351)

Developer advance payable (2,081,532)

Net position of governmental activities \$ (9,945,628)

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

ERIE FARM METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ -	\$ 217,971	\$ -	\$ 217,971
Specific ownership tax	-	12,396	-	12,396
Interest Income	-	16,100	90	16,190
Total revenues	<u>-</u>	<u>246,467</u>	<u>90</u>	<u>246,557</u>
EXPENDITURES				
General				
Accounting	19,180	-	-	19,180
Auditing	4,600	-	-	4,600
Dues and membership	304	-	-	304
Election	-	-	-	-
Insurance and bonds	2,268	-	-	2,268
Legal services	40,835	-	-	40,835
Debt Service				
County Treasurer's fee	-	3,296	-	3,296
Interest expense	-	403,700	-	403,700
Paying agent fees	-	5,500	-	5,500
Capital outlay				
Engineering	-	-	14,952	14,952
Capital outlay	-	-	3,024,238	3,024,238
Total expenditures	<u>67,187</u>	<u>412,496</u>	<u>3,039,190</u>	<u>3,518,873</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(67,187)</u>	<u>(166,029)</u>	<u>(3,039,100)</u>	<u>(3,272,316)</u>
OTHER FINANCING SOURCES (USES)				
Developer advance	-	-	3,024,238	3,024,238
Promissory note proceeds	-	-	4,428,000	4,428,000
Repayment of developer advance - interest	-	-	(662,721)	(662,721)
Repayment of developer advance - principal	-	-	(3,765,279)	(3,765,279)
Transfers (to)/from other fund	50,000	-	13,693	63,693
Transfers (to)/from other fund	(13,693)	(50,000)	-	(63,693)
Total other financing sources (uses)	<u>36,307</u>	<u>(50,000)</u>	<u>3,037,931</u>	<u>3,024,238</u>
NET CHANGE IN FUND BALANCES	(30,880)	(216,029)	(1,169)	(248,078)
FUND BALANCES - BEGINNING OF YEAR	<u>36,706</u>	<u>1,570,375</u>	<u>10,683</u>	<u>1,617,764</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,826</u>	<u>\$ 1,354,346</u>	<u>\$ 9,514</u>	<u>\$ 1,369,686</u>

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

**ERIE FARM METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ACTIVITIES
Year Ended December 31, 2017**

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

Net changes in fund balances - Total governmental funds	\$ (248,078)
<p>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.</p>	
Capital outlay	3,039,190
<p>The issuance of long-term debt (e.g., bonds, Developer advances) 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. The net effect of these differences in the treatment of long-term debt and related items is as follows:</p>	
Developer advances	(3,024,238)
Developer advance payment - interest	3,765,279
Developer advance payment - principal	662,721
Promissory Note	(4,428,000)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest on promissory note	(32,027)
Accrued interest on bonds - change in liability	(184,609)
Accrued interest on Developer advances - change in liability	<u>(245,373)</u>
Change in net position of governmental activities	<u>\$ (695,135)</u>

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

**ERIE FARM METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
December 31, 2017**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Accounting	18,000	19,000	19,180	(180)
Auditing	4,500	4,600	4,600	-
Dues and membership	1,300	304	304	-
Insurance and bonds	2,100	2,268	2,268	-
Legal services	18,000	40,000	40,835	(835)
Contingency	6,100	3,828	-	3,828
Total expenditures	<u>50,000</u>	<u>70,000</u>	<u>67,187</u>	<u>2,813</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(50,000)</u>	<u>(70,000)</u>	<u>(67,187)</u>	<u>2,813</u>
OTHER FINANCING SOURCES				
Transfer to other funds	-	(13,693)	(13,693)	-
Transfer from other funds	50,000	50,000	50,000	-
Total other financing sources	<u>50,000</u>	<u>36,307</u>	<u>36,307</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	-	(33,693)	(30,880)	2,813
FUND BALANCES - BEGINNING OF YEAR	<u>29,832</u>	<u>36,706</u>	<u>36,706</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 29,832</u>	<u>\$ 3,013</u>	<u>\$ 5,826</u>	<u>\$ 2,813</u>

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

ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Boulder County on November 16, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the Town of Erie, Boulder County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets, water, storm, sanitation, safety protection, and parks and recreation facilities.

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.

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 sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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 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, 2017.

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.

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.

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

Capital Assets

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

ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

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 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. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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.
- *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.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 145,444
Cash and investments - Restricted	<u>1,230,469</u>
Total cash and investments	<u><u>\$ 1,375,913</u></u>

Cash and investments as of December 31, 2017, consist of the following:

Deposits with financial institutions	\$ 1,990
Investments	<u>1,373,923</u>
Total cash and investments	<u><u>\$ 1,375,913</u></u>

Deposits with Financial Institutions

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

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2017, the District's cash deposits had a bank balance and a carrying balance of \$1,990.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District policy 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.

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

As of December 31, 2017, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 1,373,923</u>

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 - CAPITAL ASSETS

The following is an analysis of the changes in capital assets for the year ended December 31, 2017:

	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017
Capital assets, not being depreciated:				
Construction in progress	<u>\$ 979,403</u>	<u>\$ 3,039,190</u>	<u>\$ -</u>	<u>\$ 4,018,593</u>
Governmental activities capital assets	<u>\$ 979,403</u>	<u>\$ 3,039,190</u>	<u>\$ -</u>	<u>\$ 4,018,593</u>

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

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, 2017.

	Balance at December 31, 2016	Additions	Retirement of Long-Term Obligations	Balance at December 31, 2017	Due Within One Year
G.O. Bonds - Series 2016A	\$ 7,340,000	\$ -	\$ -	\$ 7,340,000	\$ -
G.O. Bonds - Series 2016B	1,232,000	-	-	1,232,000	-
Accrued and unpaid interest - 2016B	-	176,355	-	176,355	-
Developer advances	2,822,573	3,024,238	3,765,279	2,081,532	-
Interest on Developer advances	427,699	245,373	662,721	10,351	-
Promissory Note	-	4,428,000	-	4,428,000	-
Accrued interest - Promissory note	-	32,027	-	32,027	-
	<u>\$ 11,822,272</u>	<u>\$ 7,905,993</u>	<u>\$ 4,428,000</u>	<u>\$ 15,300,265</u>	<u>\$ -</u>

On March 2, 2016, the District issued \$7,340,000 of General Obligation Bonds (Limited tax) Series 2016A (2016A Bonds) and \$1,232,000 of Subordinate General Obligation Bonds (Limited tax) Series 2016B (2016B Bonds) for the purpose of paying project costs, paying capitalized interest on the bonds, funding the Reserve Fund, paying bond issue costs, and repayment of Developer advances.

The 2016A Bonds bear interest at the rate of 5.5%, payable semi-annually on June 1 and December 1, beginning on June 1, 2016. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2022. The 2016A Bonds mature on December 1, 2045, and are subject to optional redemption as described in the Senior Indenture.

The 2016B Bonds bear interest at the rate of 7.75% per annum and payable annually from Subordinate Pledged Revenue on December 15, beginning on December 15, 2016. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The Subordinate Bonds are subject to optional redemption prior to maturity as described in the Subordinate Indenture.

The 2016A Bonds are secured by and payable solely from Senior Pledged Revenue, net of any costs of collection, which includes property taxes generated by the imposition of the Senior Required Mill Levy, Capital Fees, Specific Ownership Taxes attributable to the Senior Required Mill Levy, and any other legally available amounts that the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue. The District does not expect to impose any Capital Fees. Amounts on deposit in the Surplus Fund also secure payment of the 2016A Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Surplus Fund in accordance with the Senior Indenture up to the Maximum Surplus Amount of \$1,101,000.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The Surplus Fund was funded with proceeds of the 2016A Bonds in the amount of \$625,000 and from deposits of Senior Pledged Revenue. In accordance with the Senior Indenture, the Surplus Fund is to be maintained as long as any Senior Bonds remain outstanding. When no Senior Bonds are outstanding, any moneys in the Surplus Fund are required to be remitted to the District for application to any lawful 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.

The 2016B Bonds are secured by and payable from Subordinate Pledged Revenue, net of any costs of collection, which includes property taxes derived from the Subordinate Required Mill Levy, Subordinate Capital Fee Revenue (meaning any Capital Fee Revenue remaining after deduction of any amounts applied to the payment of the Senior Bonds), Specific Ownership Taxes attributable to the Subordinate Required Mill Levy, and any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue. The District does not expect to impose any Capital Fees. All of the 2016B Bonds and interest will be deemed to be paid, satisfied and discharged on December 16, 2056, regardless of the amount of principal and interest paid prior to the termination date.

The District will impose a mill levy cap of 50.000 mills for debt, but the first \$50,000 will be carved out to fund operating expenses. The District will fill a supplemental reserve to the maximum of \$1,101,000 before it makes any payments on the debt service of the Series 2016B Bonds. As of December 31, 2017 the balance in the 2016A Surplus Fund is \$704,949.

The District's long term obligations will mature as follows:

2016A Bond:	Governmental Activities		
	Principal	Interest	Total
2018	\$ -	\$ 403,700	\$ 403,700
2019	-	403,700	403,700
2020	-	403,700	403,700
2021	-	403,700	403,700
2022	30,000	403,700	433,700
2023-2027	700,000	1,943,425	2,643,425
2028-2032	1,100,000	1,705,825	2,805,825
2033-2037	1,575,000	1,354,375	2,929,375
2038-2042	2,220,000	853,875	3,073,875
2042-2045	1,715,000	192,500	1,907,500
	<u>\$7,340,000</u>	<u>\$ 8,068,500</u>	<u>\$ 15,408,500</u>

No annual debt service schedule has been provided for the Series 2016B Bonds because amounts are payable from subordinate pledged revenues, which may or may not be sufficient to make debt service payments when due.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advance

The District has entered into an Advance and Reimbursement Agreement as amended and restated on May 14, 2014 with the Developer as follows:

Amended and Restated Advance and Reimbursement Agreement - Repayment to Developer for Capital Costs

Pursuant to the Amended and Restated Advance and Reimbursement Agreement, the District may repay the Developer for Capital Costs by issuing private placement bonds, general obligation bonds and/or promissory notes. On March 2, 2016, the District issued General Obligation Limited Tax Bonds, Series 2016A in the amount of \$7,340,000 and Subordinate General Obligation Limited Tax Bonds, Series 2016B in the amount of \$1,232,000. Proceeds in the amount of \$5,128,554 from the Series 2016A bonds and proceeds in the amount of \$1,195,040 from the Series 2016B bonds were used to repay the Developer for Capital Costs.

Promissory Note

On November 28, 2017, the District issued Promissory Note (the "Note") in the original principal amount of \$4,428,000. The Note bear interest at the rate of 8.00% per annum and matures on December 1, 2055.

This Note shall constitute a general obligation of the District for the payment of which the District pledges its full faith and credit as a junior subordinate debt obligation to the District's General Obligation Limited Tax Bonds, Series 2016A, in the principal amount of \$7,340,000, and the District's Subordinate General Obligation Bonds, Series 2016B, in the principal amount of \$1,232,000.

This Note is subject to redemption prior to maturity, at the option of the District, in whole or in part, at any time at a redemption price equal to the principal amount of this Note or portion deemed, plus accrued interest thereon to the date of redemption.

If, assuming that the required Mill Levy defined in the Series 2016A Senior Indenture and Series 2016B Subordinate indenture has been imposed and proceeds thereof have been applied in accordance with the provision hereof, on December 1, 2055, any amount of principal and accrued interest remaining unpaid shall be deemed to be forever discharged and satisfied in full, pursuant to the terms of District's Service Plan.

The Board of Directors of the District shall be required to fix and certify a rate of levy for ad valorem taxes for repayment of this Note up to 50 mills, less certification of mills necessary to pay the District's operation and maintenance costs up to \$50,000 per year, adjusted for inflation of 2% per annum, subject to adjustment only to the extent necessary to compensate for changes in the ratio of valuation for assessment of residential real property pursuant to Article X, Section 3(l)(b) of the Colorado Constitution, and legislation implementing such constitutional provision. In these events, the foregoing mill levy limit shall be adjusted (as to all taxable property in the District) so that the actual tax revenues generated by the mill levy, as adjusted, neither increases nor decreases as a result of any such changes. In no event, however, shall the total mills certified by the District exceed 50 mills as adjusted.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 3, 2015, a majority of the qualified electors of the District who voted in the election authorized the issuance of District indebtedness in an amount not to exceed \$117,000,000. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized November 3, 2015	Authorization Used for Series 2016A Bonds	Authorization Used for Series 2016B Bonds	Authorization Used for Promissory Note	Authorized But Unissued
Water	\$ 13,000,000	\$ 1,443,044	\$ 242,211	\$ -	\$ 11,314,745
Sanitation	13,000,000	4,312,250	723,800	-	7,963,950
Streets	13,000,000	1,517,178	254,654	-	11,228,168
Safety protection	13,000,000	52,848	8,870	-	12,938,282
Parks and recreation	13,000,000	14,680	2,465	-	12,982,855
Transportation	13,000,000	-	-	-	13,000,000
Mosquito control	13,000,000	-	-	-	13,000,000
Operations	13,000,000	-	-	-	13,000,000
Refunding	13,000,000	-	-	4,428,000	8,572,000
	<u>\$ 117,000,000</u>	<u>\$ 7,340,000</u>	<u>\$ 1,232,000</u>	<u>\$ 4,428,000</u>	<u>\$ 104,000,000</u>

NOTE 6 - NET POSITION

The District's net position consists of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2017, as follows:

	Governmental Activities
Restricted net position:	
Emergency reserves	\$ 1,500
Debt service	695,704
Total restricted net position	<u>\$ 697,204</u>

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

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 7 - RELATED PARTY

The Developer of the property which constitutes the District was CC Erie Farms, LLC, KC Erie Farms, LLC, SC Erie Farms, LLC, and CR Erie Farms, LLC (collectively, “the Developer”). The majority of the members of the Board of Directors were employees, owners or otherwise associated with the Developer, and may have had conflicts of interest in dealing with the District.

In July, 2017 the Developer sold additional property within the District (Filing 2) to CalAtlantic Group, Inc. and the District’s Board of Directors transitioned to individuals associated with CalAtlantic. In late 2017, CalAtlantic acquired the remaining platted property (Filing 3) within the District. In February, 2018 CalAtlantic was acquired by Lennar, Corp. At the District’s May 8, 2018 regular election, five individuals, employees or otherwise associated with Lennar, Corp., were elected to the Board of Directors and may have had conflicts of interest in dealing with the District.

Amended and Restated Advance and Reimbursement Agreement

The District and the Developer entered into an Amended and Restated Advance and Reimbursement Agreement on May 14, 2014 (the “Advance and Reimbursement Agreement”). On July 21, 2017, the Advance and Reimbursement Agreement was assigned by the Developer to CalAtlantic. Pursuant to the Advance and Reimbursement Agreement, the Developer agrees to loan funds to the District for the purpose of funding (i) Public Improvement Costs (Capital Costs), and (ii) general operating, administrative and maintenance costs, such as accounting, legal, engineering, insurance, audit and other expenses (O&M Advances). The Advance and Reimbursement Agreement terminates on May 14, 2029, or earlier by mutual agreement of the parties. Pursuant to the Advance and Reimbursement Agreement, any costs remaining unpaid as of the termination date are considered discharged and satisfied in full.

The District agrees to pay Developer for the Capital Costs and O&M Advances together with interest at the annual prime rate (as published in the *Wall Street Journal*) plus two percent (2%). The District anticipates that the source of District revenues to be used for reimbursing Developer for O&M Advances will be from legally available District revenue; to the extent such revenues are not needed or pledged for other District obligations. The District anticipates issuing private placement bonds, general obligation bonds and/or promissory notes to repay Capital Costs and to finance the purchase of Public Improvements. The District may also use any legally available revenue of the District for payment for Capital Costs. As of December 31, 2016, the O&M Advance balance (including principal and interest) was \$275,936, and the Capital Costs balance (including principal and interest) was \$2,974,336. A portion of the Capital Costs balance was paid from bonds issued by the District on March 2, 2016 and from the Promissory Note issued on November 28, 2017.

Infrastructure Acquisition Agreement

The District and Developer entered into an Infrastructure Acquisition Agreement on May 14, 2014 (the “Acquisition Agreement”). Pursuant to the terms of the Acquisition Agreement the Developer agrees to construct the Public Improvements and the District agrees to acquire the Public Improvements from the Developer. On July 21, 2017, the Acquisition Agreement was assigned by the Developer to CalAtlantic.

**ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 7 - RELATED PARTY (CONTINUED)

In July 2015, the District acquired \$3,663,125 of Public Improvements from the Developer, and in October 2015, the District acquired an additional \$4,047,221 of Public Improvements from the Developer pursuant to the Acquisition Agreement and dedicated such Public Improvements to the Town of Erie. As of January 28, 2016, additional Public Improvements in the amount of \$979,403 for work performed in 2015 was certified as eligible for District acquisition from the Developer pursuant to the Acquisition Agreement, for a total of \$8,689,749 of Public Improvements acquired and to be acquired from the Developer. A portion of the purchase of the acquired Public Improvements by the District was funded with the proceeds from the bonds issued by the District on March 2, 2016. In 2017, the District acquired an additional \$3,039,190 of Public Improvements from the Developer pursuant to the Acquisition Agreement.

NOTE 8 - INTERFUND AND OPERATING TRANSFERS

The transfer of \$50,000 from the Debt Service Fund to the General Fund during 2017 was related to the Series 2016 bond issuance. The money was used to fund Operations and Maintenance expenses.

The transfer from the General Fund to Capital Projects Fund was to increase the availability of funds to meet capital obligations.

NOTE 9 - RISK MANAGEMENT

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

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

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

ERIE FARM METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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.

At the election on November 7, 2006, the voters approved the following question. Shall Erie Farm Metropolitan District Taxes be increased \$500,000 annually, or by such lesser annual amount as may be necessary to pay the District's operations, maintenance and other expenses: Such taxes to consist of an Ad Valorem Mill Levy imposed without limitation of rate or with such limitations as may be determined by the District board, and in amounts sufficient to produce the annual increase set forth above or such lesser amount as may be necessary, to be used for the purpose of paying the District's operations, maintenance and other expenses; and shall the processed of such taxes and investment income thereon be collected and spent by the District as a voter-approved revenue change in 2007 and in each year thereafter, without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, or Section 29-1-301, Colorado Revised Statues, and without limiting in any year the amount of other revenues that may be collected and spent by the District.

At the Election, voters of the District approved an election question allowing the District to collect and expend each year all revenues without regard to the revenue and spending limitations of 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

**ERIE FARM METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 217,970	\$ 217,970	\$ 217,971	\$ 1
Specific ownership tax	10,900	10,900	12,396	1,496
Interest income	4,500	15,915	16,100	185
Total revenues	<u>233,370</u>	<u>244,785</u>	<u>246,467</u>	<u>1,682</u>
EXPENDITURES				
County trasurer's fees	3,270	3,296	3,296	-
Bond interest	403,700	403,700	403,700	-
Paying agent fees	700	4,583	5,500	(917)
Contingency		1,421	-	1,421
Total expenditures	<u>407,670</u>	<u>413,000</u>	<u>412,496</u>	<u>504</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(174,300)	(168,215)	(166,029)	2,186
OTHER FINANCING SOURCES (USES)				
Transfers to other fund	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(224,300)	(218,215)	(216,029)	(2,186)
FUND BALANCES - BEGINNING OF YEAR	<u>1,568,000</u>	<u>1,570,375</u>	<u>1,570,375</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,343,700</u>	<u>\$ 1,352,160</u>	<u>\$ 1,354,346</u>	<u>\$ (2,186)</u>

**ERIE FARM METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest income	\$ -	\$ 74	\$ 90	\$ 16
Total revenues	<u>-</u>	<u>74</u>	<u>90</u>	<u>16</u>
EXPENDITURES				
Engineering	-	14,255	14,952	(697)
Capital outlay	<u>-</u>	<u>3,024,238</u>	<u>3,024,238</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>3,038,493</u>	<u>3,039,190</u>	<u>(697)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>-</u>	<u>(3,038,419)</u>	<u>(3,039,100)</u>	<u>(681)</u>
OTHER FINANCING SOURCES (USES)				
Developer advance	-	3,024,238	3,024,238	-
Promissory Note	-	4,428,000	4,428,000	-
Repay developer advance - interest	-	(662,721)	(662,721)	-
Repay developer advance - principal	-	(3,765,279)	(3,765,279)	-
Transfers from other fund	<u>-</u>	<u>13,693</u>	<u>13,693</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>3,037,931</u>	<u>3,037,931</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)				
	<u>-</u>	<u>(488)</u>	<u>(1,169)</u>	<u>681</u>
FUND BALANCES - BEGINNING OF YEAR				
	<u>-</u>	<u>10,683</u>	<u>10,683</u>	<u>-</u>
FUND BALANCES - END OF YEAR				
	<u>\$ -</u>	<u>\$ 10,195</u>	<u>\$ 9,514</u>	<u>\$ 681</u>

ERIE FARM METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2017

\$7,340,000			
General Obligation			
Limited Tax Bonds			
Series 2016A			
Dated March 2, 2016			
Interest Rate of 5.5%			
Due June 1 and December 1			Total
Principal Due December 1			General
<u>Principal</u>	<u>Interest</u>		<u>Obligation</u>
			<u>Debt</u>
2018	\$ -	\$ 403,700	\$ 403,700
2019	-	403,700	403,700
2020	-	403,700	403,700
2021	-	403,700	403,700
2022	30,000	403,700	433,700
2023	90,000	402,050	492,050
2024	135,000	397,100	532,100
2025	145,000	389,675	534,675
2026	160,000	381,700	541,700
2027	170,000	372,900	542,900
2028	190,000	363,550	553,550
2029	200,000	353,100	553,100
2030	220,000	342,100	562,100
2031	235,000	330,000	565,000
2032	255,000	317,075	572,075
2033	270,000	303,050	573,050
2034	295,000	288,200	583,200
2035	310,000	271,975	581,975
2036	340,000	254,925	594,925
2037	360,000	236,225	596,225
2038	390,000	216,425	606,425
2039	410,000	194,975	604,975
2040	445,000	172,425	617,425
2041	470,000	147,950	617,950
2042	505,000	122,100	627,100
2043	535,000	94,325	629,325
2044	575,000	64,900	639,900
2045	605,000	33,275	638,275
	<u>\$ 7,340,000</u>	<u>\$ 8,068,500</u>	<u>\$ 15,408,500</u>

No annual debt service schedule has been provided for the Series 2016B Bonds because amounts are payable from subordinate pledged revenues, which may or may not be sufficient to make debt service payments when due.

**ERIE FARM METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2017**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Total Mills Levied</u>		<u>Refunds & Abatements</u>	<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>General Operations</u>	<u>Debt Service</u>		<u>Levied</u>	<u>Collected</u>	
2015	\$ 36,648	50.000	0.000	0.000	\$ 1,832	\$ 1,832	100.00%
2016	\$ 1,586,506	0.000	50.000	0.000	\$ 79,325	\$ 79,325	100.00%
2017	\$ 4,359,408	0.000	50.000	0.000	\$217,970	\$217,971	100.00%
Estimated for year ending December 31, 2018	\$ 7,006,431	7.207	48.070	0.000	\$387,294		

NOTES:

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.