

**BIG DRY CREEK METROPOLITAN DISTRICT**  
Adams County, Colorado

**FINANCIAL STATEMENTS**  
December 31, 2017

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Office of the State Auditor

July 3, 2018

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Board of Directors  
Big Dry Creek Metropolitan District  
Adams County, Colorado

### Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Big Dry Creek 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 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 Big Dry Creek Metropolitan District as of December 31, 2017, 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*

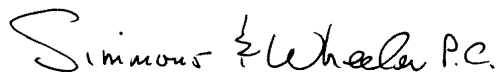
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 Big Dry Creek 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.

The other information listed on pages 26 and 27, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

 Simmons & Wheeler P.C.

Englewood, CO  
May 23, 2018

## **BASIC FINANCIAL STATEMENTS**

**BIG DRY CREEK METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
December 31, 2017

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and investments	\$ 107,463
Cash and investments - Restricted	5,549,701
Receivable from County Treasurer	742
Property taxes receivable	199,850
Prepaid expenses	3,981
Capital assets, non-dpreciable	5,819,836
Total assets	<u>11,681,573</u>
<b>LIABILITIES</b>	
Accounts payable	3,731
Bond interest payable	65,154
Noncurrent liabilities	
Due in more than one year	<u>13,266,028</u>
Total liabilities	<u>13,334,913</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax revenue	<u>199,850</u>
Total deferred inflows of resources	<u>199,850</u>
<b>NET POSITION</b>	
Restricted for:	
Emergency reserves	5,200
Operations - fees	83,618
Unrestricted	<u>(1,942,008)</u>
Total net position	<u><u>\$ (1,853,190)</u></u>

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2017**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</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	\$ 95,022	\$ -	\$ 66,813	\$ -	\$ (28,209)
Interest and related costs on long-term debt	1,094,608	-	-	-	(1,094,608)
	<u>\$ 1,189,630</u>	<u>\$ -</u>	<u>\$ 66,813</u>	<u>\$ -</u>	<u>(1,122,817)</u>
General revenues:					
Property taxes					94,586
Specific ownership taxes					8,740
Interest income					39,349
Total general revenues					<u>142,675</u>
Change in net position					(980,142)
Net position - Beginning					(873,048)
Net position - Ending					<u>\$ (1,853,190)</u>

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2017**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 107,463	\$ -	\$ -	\$ 107,463
Cash and investments - Restricted	5,200	1,611,179	3,933,322	5,549,701
Receivable from County Treasurer	742	-	-	742
Due from other funds	1,589	-	-	1,589
Prepaid expenses	3,981	-	-	3,981
Property taxes receivable	49,092	150,758	-	199,850
Total assets	\$ 168,067	\$ 1,761,937	\$ 3,933,322	\$ 5,863,326
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Accounts payable	\$ 3,731	\$ -	\$ -	\$ 3,731
Due to other funds	-	-	1,589	1,589
Total liabilities	3,731	-	1,589	5,320
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax revenue	49,092	150,758	-	199,850
Total deferred inflows of resources	49,092	150,758	-	199,850
<b>FUND BALANCES</b>				
Restricted for:				
Emergency reserves	5,200	-	-	5,200
Debt service	-	1,611,179	-	1,611,179
Capital Projects	-	-	3,931,733	3,931,733
Committed				
Operations - fees	83,615	-	-	83,615
Unassigned	26,429	-	-	26,429
Total fund balances	115,244	1,611,179	3,931,733	5,658,156
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 168,067</b>	<b>\$ 1,761,937</b>	<b>\$ 3,933,322</b>	

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

Capital assets are reported as assets on the Statement of Net Position but are recorded as expenditures in the funds		
Capital assets, non-depreciable		5,819,836
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		(12,893,000)
Bond interest payable - current and unpaid		(188,443)
Developer advances payable		(230,266)
Accrued interest on Developer advances		(19,473)
		<b>\$ (1,853,190)</b>

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

**BIG DRY CREEK 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>
<b>REVENUES</b>				
Property taxes	\$ 94,586	\$ -	\$ -	\$ 94,586
Specific ownership taxes	8,740	-	-	8,740
Interest income	706	12,359	26,284	39,349
Operations fee	66,813	-	-	66,813
Total revenues	<u>170,845</u>	<u>12,359</u>	<u>26,284</u>	<u>209,488</u>
<b>EXPENDITURES</b>				
Current				
Accounting	22,738	-	1,348	24,086
County Treasurer's fees	1,419	-	-	1,419
District management	8,736	-	-	8,736
Transfer fees	7,600	-	-	7,600
Insurance and bonds	3,328	-	-	3,328
Dues & subscriptions	394	-	-	394
Grounds maintenance	672	-	-	672
Legal	43,592	-	-	43,592
Miscellaneous	36	-	-	36
Engineering	814	-	-	814
Postage & delivery	1,406	-	-	1,406
Community activities	2,939	-	-	2,939
Debt service				
Bond interest	-	322,029	-	322,029
Series 2011A Note - Interest	-	282,010	-	282,010
Series 2011A Note - Principal	-	550,800	-	550,800
Capital				
Bond issue costs	-	-	556,760	556,760
Interest on Developer Advance	-	-	1,860	1,860
Capital outlay	-	-	5,819,836	5,819,836
Total expenditures	<u>93,674</u>	<u>1,154,839</u>	<u>6,379,804</u>	<u>7,628,317</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>77,171</u>	<u>(1,142,480)</u>	<u>(6,353,520)</u>	<u>(7,418,829)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer advance	-	-	5,894,497	5,894,497
Bond proceeds	-	-	12,893,000	12,893,000
Transfer (to) from other funds	(1,348)	2,753,659	(2,752,311)	-
Repay developer advances	-	-	(5,741,933)	(5,741,933)
Total other financing sources (uses)	<u>(1,348)</u>	<u>2,753,659</u>	<u>10,293,253</u>	<u>13,045,564</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>75,823</u>	<u>1,611,179</u>	<u>3,939,733</u>	<u>5,626,735</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>39,421</u>	<u>-</u>	<u>(8,000)</u>	<u>31,421</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 115,244</u>	<u>\$ 1,611,179</u>	<u>\$ 3,931,733</u>	<u>\$ 5,658,156</u>

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

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

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

Net changes in fund balances - Total governmental funds	\$ 5,626,735
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of any cost of any depreciable asset over the estimated useful life of the asset.

Capital outlay	5,819,836
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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:

Developer advances	(5,894,497)
Repayment of developer advance	5,741,933
Bond issuance	(12,893,000)
2011 Note payment	550,800
2011 Note payment - interest	282,010

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on Developer advances - Change in liability	(7,033)
Accrued interest on Bonds - Change in liability	<u>(206,926)</u>

Change in net position of governmental activities	<u><u>\$ (980,142)</u></u>
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These financial statements should be read only in connection with  
the accompanying notes to financial statements.

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 94,587	\$ 94,587	\$ 94,586	\$ (1)
Specific ownership taxes	7,567	7,567	8,740	1,173
Interest Income	100	100	706	606
Operations Fee	95,200	95,200	66,813	(28,387)
Total revenues	<u>197,454</u>	<u>197,454</u>	<u>170,845</u>	<u>(26,609)</u>
<b>EXPENDITURES</b>				
Accounting	20,000	20,000	22,738	(2,738)
County Treasurer's fees	1,419	1,419	1,419	-
Insurance and bonds	4,500	4,500	3,328	1,172
Dues & subscriptions	-	-	394	(394)
Legal	25,000	25,000	43,592	(18,592)
Miscellaneous	4,000	4,000	36	3,964
Engineering	-	-	814	(814)
Contingency	1,081	45,081	-	45,081
Grounds maintenance	18,200	18,200	672	17,528
Grounds repair	7,950	7,950	-	7,950
District management	33,480	33,480	8,736	24,744
Transfer fees	-	-	7,600	(7,600)
Postage & delivery	1,250	1,250	1,406	(156)
Sprinkler repair	1,500	1,500	-	1,500
Snow removal	4,380	4,380	-	4,380
Water & sewer	25,871	25,871	-	25,871
Backflow testing	1,200	1,200	-	1,200
Community activities	-	-	2,939	(2,939)
Electric	400	400	-	400
Total expenditures	<u>150,231</u>	<u>194,231</u>	<u>93,674</u>	<u>100,557</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>47,223</u>	<u>3,223</u>	<u>77,171</u>	<u>73,948</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	-	(1,348)	(1,348)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,348)</u>	<u>(1,348)</u>
<b>NET CHANGE IN FUND BALANCES</b>	47,223	3,223	75,823	72,600
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>81,991</u>	<u>39,421</u>	<u>39,421</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 129,214</u>	<u>\$ 42,644</u>	<u>\$ 115,244</u>	<u>\$ 72,600</u>

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

**BIG DRY CREEK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

Big Dry Creek Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the County of Adams, Colorado on November 28, 2007, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the City of Thornton, Colorado.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, street improvements, safety protection, park and recreation, transportation, fire protection, security, television relay and translation, and mosquito control.

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.

**BIG DRY CREEK 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. Redemption of bonds is recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 property taxes, specific ownership taxes and operations fees. 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.

**BIG DRY CREEK 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 and other financing uses 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 total 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.

**Operations Fees**

The District charges an operations fee to homeowners to cover costs related to district management and maintenance of district property and facilities. Excess fees at year end are reflected as committed fund balance.

**BIG DRY CREEK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 the 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.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s 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	\$ 107,463
Cash and investments - Restricted	<u>5,549,701</u>
Total cash and investments	<u>\$ 5,657,164</u>

Deposits with financial institutions	\$ 51,159
Investments	<u>5,606,005</u>
Total	<u>\$ 5,657,164</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.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

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

As of December 31, 2017, the District had a bank balance of \$69,306 and a carrying balance of \$51,159.

**Investments**

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

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

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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:

<b>Investment</b>	<b>Maturity</b>	<b>Amount</b>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 5,606,005</u>

**BIG DRY CREEK 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**

An analysis of the changes in property for the period ended December 31, 2017, follows:

	<b>Balance at December 31, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at December 31, 2017</b>
<b>Governmental Type Activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$5,819,836	\$ -	\$ 5,819,836
Total capital assets, not being depreciated	<u>\$ -</u>	<u>\$5,819,836</u>	<u>\$ -</u>	<u>\$ 5,819,836</u>

The District will convey certain public improvements to other governmental entities. It is also anticipated that the District will own and maintain certain landscaping improvements once the improvements have been completed and conveyed to the District.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

**NOTE 5 - LONG-TERM OBLIGATIONS**

The following is an analysis of changes in long-term obligations for the year ended December 31, 2017:

	<u>Balance at December 31, 2016</u>	<u>Additions</u>	<u>Retirement of Long-Term Obligations</u>	<u>Balance at December 31, 2017</u>	<u>Due Within One Year</u>
G.O. Bonds - Series 2011	\$ 550,800	\$ -	\$ 550,800	\$ -	
G.O. Bonds - Series 2011 Interest	263,527	18,483	282,010	-	
G.O. Bonds - Series 2017A	-	9,740,000	-	9,740,000	\$ -
G.O. Bonds - Series 2017B	-	1,288,000	-	1,288,000	
G.O. Bonds - Series 2017C	-	1,865,000	-	1,865,000	
Accrued and Unpaid interest - 2017B		61,278	-	61,278	
Accrued and Unpaid interest - 2017C		62,011	-	62,011	
Developer advances - operations	77,702	-	-	77,702	-
Developer advances - capital	-	5,894,497	5,741,933	152,564	-
Accrued interest -					
Developer advances - operations	12,440	3,885	-	16,325	-
Accrued interest -					
Developer advances - capital	-	5,008	1,860	3,148	-
	<u>\$ 904,469</u>	<u>\$ 18,938,162</u>	<u>\$ 6,576,603</u>	<u>\$ 13,266,028</u>	<u>\$ -</u>

**\$9,740,000 Series 2017A General Obligation Refunding and Improvement Bonds**

On May 4, 2017, the District issued General Obligation Limited Tax (Convertible to Unlimited Tax) Senior Bonds in the amount of \$9,740,000. Proceeds from the sale of the Senior Bonds will be used for the purposes of: (i) reimbursing a portion of the costs of acquiring, constructing, and installing certain public improvements; (ii) refunding the District's outstanding General Obligation Subordinate Promissory Note, Series 2011A; (iii) providing an initial deposit to the Surplus Fund; (iv) providing capitalized interest; and (v) paying the costs of issuing the Bonds. The Senior Bonds bear interest at a rate of 5.750% per annum, with interest payable on June 1 and December 1, and principal payable on December 1. The Bonds 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, on December 1, 2022, and on any date thereafter, upon payment of par and accrued interest. The Senior Bonds are also subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2022, and each December 1 thereafter.

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2022 to November 30, 2023	3.00%
December 1, 2023 to November 30, 2024	2.00%
December 1, 2024 to November 30, 2025	1.00%
December 1, 2025 and thereafter	0.00

**BIG DRY CREEK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

The Senior Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due/payable. The District must levy 50.000 mills, as adjusted, so long as the amount on deposit in the Surplus Fund is less than the Required Surplus Fund amount of \$840,000. The balance in the Surplus fund as of December 31, 2017 was \$845,642.

The Senior Bonds mature on December 1, 2047. In the event that any amount of principal and interest on the Senior Bonds remains unpaid on December 1, 2057, the Senior Bonds are to be discharged.

**\$1,288,000 Series 2017B General Obligation Subordinate Bonds**

On May 4, 2017, the District issued Subordinate Limited Tax General Obligation Bonds in the amount of \$1,288,000. The proceeds from the sale of the Subordinate Bonds were used for the purposes of reimbursing the construction costs of public infrastructure improvements benefitting the District, and paying costs of issuance of the Subordinate Bonds. Interest on the Subordinate Bonds is at a rate of 7.750% per annum is payable annually on December 15, beginning on December 15, 2017. 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 Subordinate Bonds are secured by and payable solely from Pledged Revenue defined in the Subordinate Indenture as the moneys derived by the District, net of any costs of collection, from: (i) property taxes derived from the Required Subordinate Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Subordinate Mill Levy; and (iii) revenue, if any, available for the Subordinate Bonds after all amounts required by the Senior Indenture are applied by the trustee for Senior Bonds. Pledged Revenue for the Subordinate Bonds is subordinate to the revenue pledged to the 2017 Senior Bonds. While the 2017 Senior Bonds are secured by a Senior Reserve Fund and a Senior Surplus Fund, there is no reserve fund or surplus fund which secures the Subordinate Bonds. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. The Subordinate Bonds mature on December 15, 2047. In the event that any amount of principal and interest on the Senior Bonds remains unpaid on December 15, 2057, the Senior Bonds are to be discharged.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

**\$1,865,000 Series 2017C Junior Lien General Obligation Bonds**

On August 2, 2017, the District issued Junior Lien Limited Tax General Obligation Bonds in the amount of \$1,865,000. The proceeds from the sale of the Bonds were used for the purposes of reimbursing the construction costs of public infrastructure improvements benefitting the District, and paying costs of issuance of the Junior Lien Bonds. Interest on the Junior Lien Bonds is at a rate of 9.000% per annum is payable annually on December 15, beginning on December 15, 2017. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The Junior Lien Bonds are subject to optional redemption prior to maturity as described in the Junior Lien Indenture.

The Junior Lien Bonds are secured by and payable solely from Pledged Revenue defined in the Junior Lien Indenture as the moneys derived by the District, net of any costs of collection, from: (i) property taxes derived from the Junior Lien Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Junior Lien Required Mill Levy; and (iii) revenue, if any, available for the Junior Lien after all amounts required by the Senior and Subordinate Indentures are applied by the trustee for Senior and Subordinate Bonds. Pledged Revenue for the Junior Lien Bonds is subordinate to the revenue pledged to the 2017 Senior and Subordinate Bonds. While the 2017 Senior Bonds are secured by a Senior Reserve Fund and a Senior Surplus Fund, there is no reserve fund or surplus fund which secures the Junior Lien Bonds. The Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. The Junior Lien Bonds mature on December 15, 2047. In the event that any amount of principal and interest on the Junior Lien Bonds remains unpaid on December 15, 2057, the Senior Bonds are to be discharged.

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

	<b>Governmental Activities</b>		
	<b>Series 2017A Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ -	\$ 560,050	\$ 560,050
2019	-	560,050	560,050
2020	-	560,050	560,050
2021	-	560,050	560,050
2022	30,000	560,050	590,050
2023-2027	725,000	2,716,299	3,441,299
2028-2032	1,165,000	2,460,711	3,625,711
2033-2037	1,740,000	2,063,962	3,803,962
2038-2042	2,525,000	1,477,751	4,002,751
2042-2046	3,555,000	640,839	4,195,839
	<u>\$ 9,740,000</u>	<u>\$ 12,159,812</u>	<u>\$ 21,899,812</u>

Schedules for the Series 2017B and Series 2017C bonds are not presented as the repayments of those bonds are subordinate to the Series 2017A bonds.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Authorization**

On November 6, 2007 and November 4, 2014, the District's voters authorized total indebtedness of \$133,000,000 and \$140,000,000, respectively. Pursuant to the Service plan, the total Debt that the District shall be permitted to issue shall not exceed \$20,000,000. Additionally, the maximum debt mill levy is 50.000 mills, as adjusted for changes in the assessment ratio, which has been adjusted to 55.277 mills, which shall not be imposed for longer than 40 years from the first year the debt service mill levy is imposed. The final year to impose a debt service mill levy is 2057.

The District shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed which exceeds forty (40) years after the year of the initial imposition of such mill levy unless a majority of the Board are residents of the District and have voted in favor of a refunding of part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 110-56-101, C.R.S., et seq.

At December 31, 2017, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	<b>Authorized November 6, 2007 Election</b>	<b>Authorized November 4, 2014 Election</b>	<b>Authorization Used Series 2011</b>	<b>Authorization Used Series 2017</b>	<b>Remaining at December 31, 2017</b>
Street improvements	\$ 9,500,000	\$ 10,000,000	\$ 550,800	\$ 3,062,000	\$ 15,887,200
Parks and Recreation	9,500,000	10,000,000	-	-	19,500,000
Water	9,500,000	10,000,000	-	3,116,200	16,383,800
Sanitation/Storm Sewer	9,500,000	10,000,000	-	6,016,000	13,484,000
Transportation	9,500,000	10,000,000	-	-	19,500,000
Mosquito Control	9,500,000	10,000,000	-	-	19,500,000
Traffic & Safety Protection	9,500,000	10,000,000	-	148,000	19,352,000
Fire Protection	9,500,000	10,000,000	-	-	19,500,000
TV Relay & Translation	9,500,000	10,000,000	-	-	19,500,000
Security	9,500,000	10,000,000	-	-	19,500,000
Operations & Maintenance	9,500,000	10,000,000	-	-	19,500,000
Refunding of Debt	9,500,000	10,000,000	-	550,800	18,949,200
Governmental IGA's	9,500,000	10,000,000	-	-	19,500,000
Private IGA's	9,500,000	10,000,000	-	-	19,500,000
	<u>\$ 133,000,000</u>	<u>\$ 140,000,000</u>	<u>\$ 550,800</u>	<u>\$ 12,893,000</u>	<u>\$ 259,556,200</u>

**BIG DRY CREEK METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 6 - NET POSITION**

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

The restricted component of net position consists of assets that are restricted for use either externally 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 a restricted net position of \$5,200 for emergencies as of December 31, 2017.

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 7- AGREEMENTS**

**BDCD Agreement**

The District entered into an Advance and Reimbursement Agreement for the purpose of funding certain public improvements with Big Dry Creek Developers, Inc. ("BDCD"), dated January 12, 2011. The District recognized \$550,800 of costs under this Agreement (BDCD Agreement) which were paid through the issuance of the 2011A Note.

**2011A Note**

Pursuant to the BDCD Agreement, BDCD agreed to advance certain funds to the District for capital improvements in the aggregate principal amount of \$550,800. To evidence its obligation to reimburse BDCD, the District issued its General Obligation Subordinate Promissory Note, Series 2011A (the "2011A Note"), which 2011A Note, along with the BDCD Agreement, has been assigned to FirsTier Bank, a Nebraska corporation ("FirsTier Bank") pursuant to an Assignment of Note and Advance and Reimbursement Agreement, dated as of February 17, 2014.

The 2011A Note bears interest at the rate of 8.00% per annum, which is not to compound. The 2011A Note matures on January 11, 2051. Principal and interest on the 2011A Note is payable annually on December 20 of each year, commencing on the first December 20 after the assessed valuation of all of the property within the District is equal to or exceeds \$650,000 in aggregate. While such threshold was met on December 20, 2016, the District has not made any payments of principal or interest on the 2011A Note. The Note was paid in full with the issuance of the 2017 Senior Bonds.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

**NOTE 7- AGREEMENTS (CONTINUED)**

**Operations Funding Agreement**

On October 30, 2013, the Operations Funding agreement was entered into between the District and TCIRATO, LLC ("the Developer"). The agreement provides that TCIRATO will advance to the District funds required to be paid by the District for the District's permitted purposes. TCIRATO agrees to loan to the District an amount that does not exceed the aggregate of \$100,000 per annum for five years, up to \$500,000. The interest rate shall be 5% per annum, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount. The term for repayment of this obligation shall not extend beyond forty (40) years from the date of this agreement.

As of December 31, 2017, \$77,702 was outstanding with accrued interest of \$16,325.

**Lennar Facilities Acquisition Agreement**

On October 21, 2013, the Lennar Facilities Acquisition Agreement (the "Lennar Agreement") was entered into between the District and Lennar Colorado, LLC ("Lennar"), as amended by a First Amendment dated October 30, 2014, and as amended by a Second Amendment dated May 2, 2017. Lennar has incurred certain costs related to the Public Infrastructure for the benefit of the District, and expects to incur additional costs on the condition that the District agrees to reimburse the Developer for such costs, constituting Repayment Obligations. Repayment Obligation shall bear simple interest at a rate of 5% per annum from the date any such Repayment Obligation is incurred to the earlier of the date a Reimbursement Obligation is issued, or the date of payment of such amount in full. The District is not required to make any payments to Lennar unless and until the District issues bonds in an amount sufficient to acquire all or a portion of the completed Public Improvements. The District's obligations under the Lennar Agreement are subordinate to the 2017 Bonds.

During 2017 the District, the District accepted \$5,894,497 of cost and reimbursed \$5,741,933, leaving a balance of \$152,564 of accrued interest of \$3,148.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017**

**NOTE 7- AGREEMENTS (CONTINUED)**

**Subordinate Developer Reimbursement Agreement**

The District and the Developer (see Note 8) entered into a Subordinate Facilities Acquisition Agreement on October 2013, as amended by a First Amendment thereto dated as of May 2, 2017. Pursuant to the Subordinate Developer Reimbursement Agreement, the Developer agreed to design, construct, and complete and/or cause the design, construction, and completion of certain Public Improvements to serve the development within the District. In exchange, the District agreed to acquire such Public Improvements and to reimburse the Developer for the costs of such Public Improvements at the rate of 5% per annum. The District's obligations under the Subordinate Developer Reimbursement Agreement are subordinate to the 2011A Note, the Lennar Agreement, and any other bonds issued by the District. No payments are to be made to the Developer until all obligations to reimburse Lennar under the Lennar Agreement have been satisfied in full. In the event that the District has not paid the Developer for any Verified Reimbursement Amount by December 31, 2043, any amount of principal and accrued interest outstanding on such date is to be deemed forever discharged and satisfied in full. No amounts are outstanding under this Agreement as of December 31, 2017.

**NOTE 8 - RELATED PARTIES**

The Developer of the property which constitutes the District is TCIRATO, LLC. Two of five members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

The Homebuilder of the project is Lennar Colorado, LLC and two of the Board members are employees, owners, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**NOTE 9 - RISK MANAGEMENT**

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

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

The District pays annual premiums to the Pool for liability, property, workers compensation, 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.

**BIG DRY CREEK 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.

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

On November 6, 2007 and November 4, 2014, the District's voters approved for an annual increase in taxes of \$500,000 and \$5,000,000, respectively, for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

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**

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

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ 12,359	\$ 12,359
Total revenues	<u>-</u>	<u>-</u>	<u>12,359</u>	<u>12,359</u>
<b>EXPENDITURES</b>				
Interest expense - Series 2017A Bonds	89,700	325,000	322,029	2,971
Series 2011A Note - Interest	-	290,000	282,010	7,990
Series 2011A Note - Principal	-	550,800	550,800	-
Contingency	-	34,200	-	34,200
Total expenditures	<u>89,700</u>	<u>1,200,000</u>	<u>1,154,839</u>	<u>45,161</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(89,700)</u>	<u>(1,200,000)</u>	<u>(1,142,480)</u>	<u>57,520</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund	108,388	2,800,000	2,753,659	(46,341)
Total other financing sources (uses)	<u>108,388</u>	<u>2,800,000</u>	<u>2,753,659</u>	<u>(46,341)</u>
<b>NET CHANGE IN FUND BALANCES</b>	18,688	1,600,000	1,611,179	11,179
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 18,688</u>	<u>\$ 1,600,000</u>	<u>\$ 1,611,179</u>	<u>\$ 11,179</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Net investment income	\$ -	\$ -	\$ 26,284	\$ 26,284
Total revenues	<u>-</u>	<u>-</u>	<u>26,284</u>	<u>26,284</u>
<b>EXPENDITURES</b>				
Accounting	-	-	1,348	(1,348)
Bond issue costs	315,013	315,013	556,760	(241,747)
Capital outlay	8,000,000	8,000,000	5,819,836	2,180,164
Contingency	-	1,879,987	-	1,879,987
Interest on Developer advance	-	5,000	1,860	3,140
Total expenditures	<u>8,315,013</u>	<u>10,200,000</u>	<u>6,379,804</u>	<u>3,820,196</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(8,315,013)</u>	<u>(10,200,000)</u>	<u>(6,353,520)</u>	<u>3,846,480</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond issuance	1,495,000	13,000,000	12,893,000	(107,000)
Developer advance	8,000,000	8,000,000	5,894,497	(2,105,503)
Repay Developer advance	(1,071,599)	(8,000,000)	(5,741,933)	2,258,067
Transfers to other fund	(108,388)	(2,800,000)	(2,752,311)	47,689
Total other financing sources (uses)	<u>8,315,013</u>	<u>10,200,000</u>	<u>10,293,253</u>	<u>93,253</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	3,939,733	3,939,733
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>(8,000)</u>	<u>(8,000)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>-</u>	<u>3,931,733</u>	<u>3,931,733</u>

## **OTHER INFORMATION**

**BIG DRY CREEK METROPOLITAN DISTRICT  
DEBT SERVICE REQUIREMENTS TO MATURITY**

December 31, 2017

**\$9,740,000 Limited Tax (Convertible to Unlimited Tax)  
General Obligation Refunding and Improvement Bonds**

**Series 2017A**

**Issue date May 4, 2017**

**Principal Due Annually December 1**

**Interest at 5.750%**

**Due June 1 and December 1**

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	-	560,050	560,050
2019	-	560,050	560,050
2020	-	560,050	560,050
2021	-	560,050	560,050
2022	30,000	560,050	590,050
2023	115,000	558,325	673,325
2024	135,000	551,712	686,712
2025	140,000	543,950	683,950
2026	165,000	535,900	700,900
2027	170,000	526,412	696,412
2028	195,000	516,637	711,637
2029	210,000	505,425	715,425
2030	235,000	493,350	728,350
2031	250,000	479,837	729,837
2032	275,000	465,462	740,462
2033	290,000	449,650	739,650
2034	325,000	432,975	757,975
2035	345,000	414,287	759,287
2036	380,000	394,450	774,450
2037	400,000	372,600	772,600
2038	440,000	349,600	789,600
2039	465,000	324,300	789,300
2040	505,000	297,563	802,563
2041	535,000	268,525	803,525
2042	580,000	237,763	817,763
2043	615,000	204,413	819,413
2044	665,000	169,050	834,050
2045	705,000	130,813	835,813
2046	765,000	90,275	855,275
2047	805,000	46,288	851,288
	<u>\$ 9,740,000</u>	<u>\$ 12,159,812</u>	<u>\$ 21,899,812</u>

**BIG DRY CREEK METROPOLITAN DISTRICT  
SCHEDULE 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>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2014	\$ 113,340	60.000	0.000	\$ 6,800	\$ 6,801	100.01%
2015	\$ 119,290	60.000	0.000	\$ 7,157	\$ 7,134	99.67%
2016	\$ 673,420	60.000	0.000	\$ 40,406	\$ 40,405	100.00%
2017	\$ 1,576,450	60.000	0.000	\$ 94,588	\$ 94,586	99.99%
Estimated for the year ending December 31, 2018	\$ 2,727,320	18.000	55.277	\$ 199,850		

**NOTE:**

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