

BBC METROPOLITAN DISTRICT

Financial Statements

December 31, 2018

BBC METROPOLITAN DISTRICT

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Dazio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
BBC Metropolitan District
Broomfield, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the BBC Metropolitan District as of and for the year ended December 31, 2018, 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.

8200 South Quebec Street, Suite A3259, Centennial, Colorado 80112
303-905-0809 • info@dazziocpa.com

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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 BBC Metropolitan District, as of December 31, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the BBC Metropolitan District's basic financial statements. The supplementary information and other information, as listed in the table of contents, are presented for purposes of additional analysis and legal compliance and are not a required part of the financial statements.

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

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

Duggio & Associates, P.C.

April 26, 2019

BASIC FINANCIAL STATEMENTS

BBC METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities
Assets	
Cash	\$ 680
Receivable from County Treasurer	467
Property Taxes Receivable	63,964
Prepaid Expense	350
Total Assets	<u>65,461</u>
Liabilities	
Accounts Payable	18,683
Accrued Interest Payable - Revenue Bonds	54,062
Matured Interest Payable - Revenue Bonds	3,979,202
Accrued Interest Payable - Developer Advance	60,116
Noncurrent Liabilities:	
Due Within One Year	370,000
Due In More Than One Year	8,554,798
Total Liabilities	<u>13,036,861</u>
Deferred Inflows of Resources	
Property Taxes	<u>63,964</u>
Net Position	
Restricted	
Emergency Reserves	2,000
Unrestricted	<u>(13,037,364)</u>
Total Net Position	<u><u>\$ (13,035,364)</u></u>

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

BBC METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Permits, Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Governmental Activities					
Administration	\$ 64,875	\$ -	\$ -	\$ -	\$ (64,875)
Interest on Long-term Debt and Related Expenses	923,767	-	-	-	(923,767)
Total Governmental Activities	<u>\$ 988,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(988,642)</u>
			General Revenues		
			Property Taxes	79,494	
			Specific Ownership Taxes	5,130	
			Investment Earnings	8	
			Total General Revenues	<u>84,632</u>	
			Changes In Net Position		(904,010)
			Net Position - Beginning		(12,131,354)
			Net Position - Ending		<u>\$ (13,035,364)</u>

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

BBC METROPOLITAN DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Assets			
Cash	\$ 680	\$ -	\$ 680
Receivable from County Treasurer	-	467	467
Property Taxes Receivable	5,815	58,149	63,964
Prepaid Expense	350	-	350
Due from Other Funds	1,086	-	1,086
Total Assets	<u>\$ 7,931</u>	<u>\$ 58,616</u>	<u>\$ 66,547</u>
Liabilities			
Accounts Payable	\$ 18,683	\$ -	\$ 18,683
Due to Other Funds	-	1,086	1,086
Total Liabilities	<u>18,683</u>	<u>1,086</u>	<u>19,769</u>
Deferred Inflows of Resources			
Property Taxes	5,815	58,149	63,964
Fund Balances (Deficits)			
Prepaid Expenses	350	-	350
Restricted			
Emergency Reserves	2,000	-	2,000
Unassigned	(18,917)	(619)	(19,536)
Total Fund Balances (Deficits)	<u>(16,567)</u>	<u>(619)</u>	<u>(17,186)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 7,931</u>	<u>\$ 58,616</u>	<u>\$ 66,547</u>

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

BBC METROPOLITAN DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

December 31, 2018

Total Fund Balances - Governmental Funds \$ (17,186)

Total net position reported for governmental activities in the statement of
of net position is different because:

Long-term liabilities applicable to the District's governmental
activities are not due and payable in the current period and
accordingly are not reported as fund liabilities. All liabilities,
both current and long-term, are reported in the statement of
net position.

Balances at December 31, 2018 are:

Revenue Bonds Payable	\$ (8,650,000)	
Matured Interest on Revenue Bonds	(3,979,202)	
Accrued Interest on Revenue Bonds	(54,062)	
Developer Advance - Operations	(247,143)	
Developer Advance - Operations - Accrued Interest	(46,704)	
Developer Advance - Capital	(27,655)	
Developer Advance - Capital - Accrued Interest	(13,412)	<u>(13,018,178)</u>

Net Position - Governmental Activities \$(13,035,364)

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

BBC METROPOLITAN DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Revenues			
Property Taxes	\$ -	\$ 79,494	\$ 79,494
Specific Ownership Tax	-	5,130	5,130
Net investment income	-	8	8
Total Revenues	<u>-</u>	<u>84,632</u>	<u>84,632</u>
Expenditures			
Current			
Management	9,037	-	9,037
Accounting	8,398	-	8,398
Audit	4,960	-	4,960
Election	1,156	-	1,156
Insurance	4,898	-	4,898
Legal	20,044	-	20,044
Utilities	109	-	109
Street Maintenance	2,094	-	2,094
Landscape Maintenance	13,302	-	13,302
Miscellaneous	877	-	877
Debt Service			
Bond Interest	-	101,373	101,373
Paying Agent Fees	-	2,429	2,429
Treasurer's Fees	-	1,192	1,192
Total Expenditures	<u>64,875</u>	<u>104,994</u>	<u>169,869</u>
Excess Revenues Over (Under) Expenditures	(64,875)	(20,362)	(85,237)
Other Financing Sources			
Developer Advances	85,719	-	85,719
Net Change in Fund Balances	20,844	(20,362)	482
Fund Balances (Deficits) - Beginning	<u>(37,411)</u>	<u>19,743</u>	<u>(17,668)</u>
Fund Balances (Deficits) - Ending	<u>\$ (16,567)</u>	<u>\$ (619)</u>	<u>\$ (17,186)</u>

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

BBC METROPOLITAN DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 482

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

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Bond Matured Interest Payable	\$ (799,734)	
Developer Advances - Principal	(85,719)	
Developer Advances - Interest Payment	101,373	
Developer Advances - Interest	(120,412)	(904,492)

Change in Net Position - Governmental Activities \$ (904,010)

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

BBC METROPOLITAN DISTRICT

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) -
BUDGET AND ACTUAL**

**For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2017 Actual</u>
Expenditures					
Current					
Management	\$ 4,700	\$ 4,700	\$ 9,037	\$ (4,337)	\$ 5,641
Accounting	4,700	4,700	8,398	(3,698)	8,060
Audit	6,000	6,000	4,960	1,040	5,564
Election	500	500	1,156	(656)	54
Insurance	5,300	5,300	4,898	402	5,058
Legal	7,000	7,000	20,044	(13,044)	14,047
Utilities	-	-	109	(109)	-
Street Maintenance	-	10,000	2,094	7,906	-
Landscape Maintenance	10,000	10,000	13,302	(3,302)	
Miscellaneous	900	900	877	23	988
Contingency	-	15,000	-	15,000	-
Emergency Reserve	900	900	-	900	-
Repay Developer Advance	10,000	-	-	-	-
Total Expenditures	<u>50,000</u>	<u>65,000</u>	<u>64,875</u>	<u>125</u>	<u>39,412</u>
Excess Expenditures over Revenues	(50,000)	(65,000)	(64,875)	125	(39,412)
Other Financing Sources					
Developer Advances	<u>50,000</u>	<u>85,719</u>	<u>85,719</u>	<u>-</u>	<u>21,997</u>
Net Change in Fund Balance	-	20,719	20,844	125	(17,415)
Fund Balance (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>(37,411)</u>	<u>(37,411)</u>	<u>(19,996)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ 20,719</u>	<u>\$ (16,567)</u>	<u>\$ (37,286)</u>	<u>\$ (37,411)</u>

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

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

Note 1 – Definition of Reporting Entity

The BBC Metropolitan District (the District), was originally organized by recorded order and decree of the District Court for the City and County of Broomfield (the City) on December 10, 2002 as the BBC/Overlook Metropolitan District, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). On March 15, 2012, the District Court of the City granted an order and decree legally changing the name of the District to BBC Metropolitan District.

The District operates under a First Amended and Restated Service Plan approved by the City on April 24, 2012. The District's service boundaries are located entirely within the City. Pursuant to the First Amended and Restated Service Plan, the District has the power to provide for the design, acquisition, construction, installation and financing of certain water, sanitation, street, safety protection, park and recreation, transportation, television relay and translator, mosquito control and limited fire protection improvements and services within and without the District Boundaries.

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

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

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

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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 financial 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.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year-end. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment 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 general obligation debt of the governmental funds.

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District 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, 2018.

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. Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

Restricted Cash and Investments

Certain assets and their related liabilities whose use is restricted under grant requirements, construction, debt service and other purposes by contractual agreement and/or debt indentures are segregated on the government-wide statement of net position and the fund balance sheets.

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 property tax revenues are recorded as revenue in the year they are available or collected.

Interfund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets defined by the District as assets include improvements to buildings and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and the fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one item that qualifies for reporting in this category. Accordingly, the item, property tax revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the issue using the percentage of current principal payments to total debt issue. Debt issuance costs, except any portion related to prepaid insurance costs, are expensed when incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as restricted and unrestricted.

Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation

Unrestricted Net Position represents assets that do not have any third-party limitations on their use.

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 Balances

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.

BBC METROPOLITAN DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

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.

Deficit Fund Balance

The General Fund and the Debt Service Fund reported deficit fund balances of \$16,567 and \$619, respectively. The deficit will be eliminated with the receipt of developer advances and property taxes in 2019.

Note 3 – Cash and Investments

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, 2018, the District’s cash deposits had a bank balance of \$2,193 and a carrying balance of \$680.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

Investments

The District has adopted an investment policy by which it follows state statutes regarding investments.

The District generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, 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 disclosure requirements or subject to investment custodial credit risk 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 US 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

At December 31, 2018, the District did not have any investments.

BBC METROPOLITAN DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

Note 4 – Long-Term Obligations

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Revenue Bonds, Series 2012					
Principal	\$ 8,650,000	\$ -	\$ -	\$ 8,650,000	\$ 370,000
Matured Interest	3,179,468	901,107	101,373	3,979,202	-
Developer Advances					
Capital					
Principal	27,655	-	-	27,655	-
Interest	11,198	2,214	-	13,412	-
Operating					
2012 OFA - Principal	38,348	-	-	38,348	-
2012 OFA - Interest	9,062	3,068	-	12,130	-
2013 OFA - Principal	9,733	-	-	9,733	-
2013 OFA - Interest	3,642	779	-	4,421	-
2014 OFA - Principal	20,429	-	-	20,429	-
2014 OFA - Interest	5,548	1,635	-	7,183	-
2015 OFA - Principal	33,863	-	-	33,863	-
2015 OFA - Interest	6,188	2,709	-	8,897	-
2016 OFA - Principal	37,054	-	-	37,054	-
2016 OFA - Interest	4,377	2,964	-	7,341	-
2017-2021 OFA - Principal	21,997	85,719	-	107,716	-
2017-2021 OFA - Interest	1,062	5,670	-	6,732	-
	<u>\$12,059,624</u>	<u>\$ 1,005,865</u>	<u>\$ 101,373</u>	<u>\$12,964,116</u>	<u>\$ 370,000</u>

Revenue Bonds, Series 2012

On August 29, 2012, the District issued \$8,650,000 of Revenue Bonds, Series 2012 (“Bonds”). The Bonds mature on December 1, 2032, and bear interest at the rate of 7.50% per annum, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable to the extent Pledged Revenue is available semiannually on each June 1 and December 1, commencing December 1, 2012.

The Bonds were issued for the purpose of: (i) paying a portion of the costs of the acquisition, construction and installation of public facilities for the benefit of the District; and (ii) paying the costs incidental to the issuance and delivery of the Bonds.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

The Bonds are subject to optional redemption prior to maturity, at the option of the District, as a whole or in part, and if in part by lot, on any date upon payment of par and accrued interest without penalty or redemption premium.

The Bonds are secured by Pledged Revenue consisting of property taxes generated from the Required Mill Levy, specific ownership taxes, amounts payable to the District in accordance with the City Reimbursement Agreement (see Note 6), and any other legally available moneys. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District. The maximum Required Mill Levy is 40.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District but in no event shall the Required Mill Levy, as adjusted, ever exceed 50.000 mills. For collection year 2018, the District levied 50.000 mills.

At December 31, 2018, the entire \$8,650,000 of principal is still outstanding. At December 31, 2018, there is also \$3,191,390 of unpaid interest and an additional \$787,812 of accrued and compounded interest on the unpaid interest. Unpaid interest compounds and accrues semi-annually at the rate on the bonds. Failure to pay interest and principal is not an Event of Default so long as the District levies the maximum required mill levy described above.

Due to economic conditions beyond the District's control, development within the District has occurred slower than anticipated and the pledged revenues have not been sufficient for the District to make the required debt service payments on the bonds. Therefore, until there is a significant increase in development within the District or the structure of the Bonds is modified, the ability of the District to make the scheduled payments of principal and interest along with the unpaid interest described above with the anticipated revenues for 2019 is in doubt.

Due to the bond principal and interest payments on the Series 2007 Bonds being dependent upon the receipt of pledged revenues, a schedule of debt service requirements to maturity is not available.

Authorized Debt

On November 5, 2002, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$36,000,000 at an interest rate not to exceed 18% per annum with a maturity date not to exceed 40 years from the date of issuance. On November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$312,000,000 at an interest rate not to exceed 18% per annum.

BBC METROPOLITAN DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 5, 2002	Amount Authorized on November 4, 2014	Series 2012 Revenue Bonds	Authorized but Unissued at December 31, 2018
Streets	\$ 13,000,000	\$ 24,000,000	\$ 3,109,528	\$ 33,890,472
Parks and Recreation	500,000	24,000,000	-	24,500,000
Water	5,000,000	24,000,000	1,417,910	27,582,090
Sanitation	7,500,000	24,000,000	4,122,562	27,377,438
Transportation	8,500,000	24,000,000	-	32,500,000
Mosquito Control	-	24,000,000	-	24,000,000
Traffic and Safety Controls	1,000,000	24,000,000	-	25,000,000
Fire Protection and EMR	-	24,000,000	-	24,000,000
Television Relay	500,000	24,000,000	-	24,500,000
Security	-	24,000,000	-	24,000,000
Operations and Maintenance	-	24,000,000	-	24,000,000
Debt Refundings	-	24,000,000	-	24,000,000
Intergovernmental Agreements	-	24,000,000	-	24,000,000
	<u>\$ 36,000,000</u>	<u>\$ 312,000,000</u>	<u>\$ 8,650,000</u>	<u>\$ 339,350,000</u>

Developer Advances

The District entered into Operation Funding Agreements and a Facilities Funding and Acquisition Agreement as follows:

Operation Funding Agreements

2012 Operation Funding Agreement ("2012 OFA")

On March 13, 2012, the District entered into a 2012 OFA with Broomfield Business Center, LLC (the "Developer"). The advances accrue simple interest at a rate of 8.0% per annum from the date of deposit in the District's account. The repayment obligations do not constitute a multiple fiscal year financial obligation and are subject to annual appropriation. The obligation of the Developer to advance funds under the 2012 OFA expired on February 1, 2013. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to the 2012 OFA on or before December 31, 2052, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

2013 Operation Funding Agreement ("2013 OFA")

On December 11, 2012, the District entered into a 2013 OFA with the Developer. The repayment obligations do not constitute a multiple fiscal year financial obligation and are subject to annual appropriation. The obligation of the Developer to advance funds under the 2013 OFA expired on February 1, 2014. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to the 2013 OFA on or before December 31, 2053, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

2014 Operation Funding Agreement ("2014 OFA")

On December 12, 2013, the District entered into a 2014 OFA with the Developer containing the same advance and reimbursement terms as the 2012 and 2013 OFAs and anticipating a shortfall in operations revenues of \$31,000 for the fiscal year 2014. The obligation of the Developer to advance funds under the 2014 OFA expires on February 1, 2015. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to the 2014 OFA on or before December 31, 2054, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

2015 Operation Funding Agreement ("2015 OFA")

On December 9, 2014, the District entered into a 2015 OFA with the Developer containing the same advance and reimbursement terms as the previous OFAs and anticipating a shortfall in operations revenues of \$31,000 for the fiscal year 2015. The obligation of the Developer to advance funds under the 2015 OFA expires on February 1, 2016. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to the 2015 OFA on or before December 31, 2055, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

2016 Operation Funding Agreement ("2016 OFA")

On May 17, 2016, with an effective date of January 1, 2016, the District entered into a 2016 OFA with Broomfield Commercial LLC (the "New Developer" – see Note 9) containing the same advance and reimbursement terms as the previous OFAs and anticipating a shortfall in operations revenues of \$45,000 for the fiscal year 2016. The obligation of the New Developer to advance funds under the 2016 OFA expires on March 15, 2017. In the event the District has not reimbursed the New Developer for any New Developer Advance(s) made pursuant to the 2016 OFA on or before December 31, 2056, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

2017 – 2021 Operation Funding Agreement (“2017 – 2021 OFA”)

On November 16, 2016, with an effective date of January 1, 2017, the District entered into a 2017 – 2021 OFA with the New Developer containing the same advance and reimbursement terms as the previous OFAs and anticipating a shortfall in operations revenues of \$250,000 for the fiscal years 2017 through 2021. The obligation of the New Developer to advance funds under the 2017 – 2021 OFA expires on March 15, 2022. In the event the District has not reimbursed the New Developer for any New Developer Advance(s) made pursuant to the 2017 – 2021 OFA on or before December 31, 2021, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

Priority of Payments

Payments to reimburse the Developer and the New Developer shall be applied as follows: (a) first to the 2012 OFA accrued and unpaid interest and then to the 2012 OFA principal amount due; then (b) first to the accrued and unpaid interest and then to the principal amount due pursuant to the 2013 OFA; then (c) first to the accrued and unpaid interest and then to the principal amount due pursuant to the 2014 OFA then (d) first to the accrued and unpaid interest and then to the principal amount due pursuant to the 2015 OFA then (e) first to the accrued and unpaid interest and then to the principal amount due pursuant to the 2016 OFA, and then (f) first to the accrued and unpaid interest and then to the principal amount due pursuant to the 2017 – 2021 OFA.

Facilities Funding and Acquisition Agreement

On May 1, 2012, the District entered into a Facilities Funding and Acquisition Agreement with the Developer (“FFAA”). The FFAA acknowledges that the Developer has expended funds for the organization of the District and, upon independent verification and approval of those expenses, provides for the reimbursement of those costs. The FFAA also provides for further advances during the fiscal years 2012 through 2014 of up to \$2,500,000 to fund construction related expenses. The advances will accrue simple interest at a rate of 8.0% per annum. Advances for organizational expenses shall accrue interest from the organization date. Advances for construction related expenses shall accrue interest either from the organization date, the date of deposit in the District’s account or the date the verified costs were incurred by the Developer. Repayments by the District to the Developer shall be first applied to accrued interest and then to principal. No payment is required until the District issues bonds.

At December 31, 2018, the outstanding principal and interest owed on the FFAA is \$27,655 and \$13,412, respectively.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

On January 7, 2016, the FFAA was terminated. The District anticipates entering into a Facilities Funding and Acquisition Agreement with the New Developer, which agreement will acknowledge that any amounts payable by the District to the Developer under the Agreement will instead become payable to the New Developer.

Note 5 – Intergovernmental Agreements

Amended and Restated Intergovernmental Agreement with the City

On April 24, 2012, the District entered into an Amended and Restated Intergovernmental Agreement (“Agreement”) with the City whereby the District agreed to various restrictions and notification requirements related to areas such as district dissolution, tax or fee impositions, bond issuances, boundary expansions and service expansions. This Agreement supersedes the Intergovernmental Agreement entered into on May 13, 2008 with the City.

Reimbursement Agreement with the City

On April 24, 2012, the District entered into a Reimbursement Agreement with the City (“Reimbursement Agreement”). The Reimbursement Agreement sets forth the rights and responsibilities of the District and the City regarding the financing and provision of public improvements, and the reimbursement for the costs of such improvements. The Reimbursement Agreement supersedes the Reimbursement Agreement entered into on May 13, 2008 with the City. Pursuant to the terms of the Reimbursement Agreement, the City will pay the District 50% of the sales tax revenue produced by the 3.5% sales tax rate imposed upon taxable sales, rentals and services which occur within the District. All funds collected pursuant to the Reimbursement Agreement will be deposited with a trustee and used to pay debt service on the 2012 Revenue Bonds, replenishment of reserves and surplus funds, reimbursement of credit enhancers and payment of trustee fees.

The obligation of the City to make payments under the Reimbursement Agreement shall terminate on the first to occur of (a) the last day of 25 years from the date of the Reimbursement Agreement, (b) 20 years from the date the District notifies the City that 15,000 square feet of retail space is "open for business" within the District or (c) payment of the Bonds.

No payments were required to be made by the City to the District during the year ended December 31, 2018.

BBC METROPOLITAN DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

Note 6 – Net Position

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

Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

The District reports the following restricted net position balances:

- ***Restricted for TABOR Emergencies*** – Emergency reserves in the amount of \$660 have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

Unrestricted net position represents assets that do not have any third-party limitations on their use.

The District has a deficit in unrestricted net position. This deficit amount is 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 – Related Party

All of the members of the Board of Directors are employees, officers, owners or are otherwise associated with the Developer of the District and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

The District publicly bid the construction of public improvements with the proceeds of the Bonds and awarded the contract to the lowest responsible bidder. The construction company that was awarded the contract has an officer who is related to the individual who served as Project Manager for the District, under the Service Agreement until its termination on January 7, 2016.

On January 7, 2016, the property comprising the District was conveyed from the Developer to Broomfield Commercial, LLC ("New Developer"). In May 2016, all of the members of the Board of Directors who were affiliated with the Developer resigned and were replaced by three new individuals. Of the three current members of the Board of Directors, one provides consulting services to the New Developer, and may have conflicts of interest in dealing with the District.

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

As part of the conveyance, the New Developer became the owner of the District's \$8,650,000 Revenue Bonds, Series 2012 (see Note 4).

Note 8 – Economic Dependency

The District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon actions by the Developer to advance funds for operations of the District.

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 natural disasters.

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

Note 10 – Tax, Spending and Debt Limitations

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

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

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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 and qualification as an Enterprise will require judicial interpretation.

On November 5, 2002, the District's electors approved the following ballot issues:

Shall BBC/Overlook Metropolitan District taxes be increased \$250,000 annually in the first full fiscal year and every fiscal year thereafter by the imposition of a mill levy on all taxable property within the boundaries of the District, which mill levy shall generate not more than \$250,000 in ad valorem property tax revenues for the District in the first full fiscal year for purposes of the operation and maintenance of the District 's services and facilities; and shall the revenues generated by such taxes for 2002 and for each year thereafter be approved as an increased levy without regard to the tax increase limitation contained in section 29-1-301, Colorado Revised Statutes, or any other tax increase limitation under any other law; and shall the revenue change caused by the collection and spending of such tax revenues in every year be approved, permitting such tax revenues and any investment earnings thereon to be collected and spent by the District without limitation or condition, and without limiting the collection or spending of any other revenues or funds by the District under Article X, section 20 of the Colorado Constitution or any other law?

Shall BBC/Overlook Metropolitan District be authorized to retain all revenues from its rates, fees, tolls, and charges (both operating and capital in nature) for water facilities and services in 2002 and in all subsequent years; and shall the District be authorized to spend such revenues as a voter-approved revenue change and an exception to any spending limitations which might otherwise apply, without limiting the collection and spending of other revenues of the District in any year?

Shall BBC/Overlook Metropolitan District be authorized to retain all revenues from its rates, fees, tolls, and charges (both operating and capital in nature) for sanitary sewer facilities and services in 2002 and in all subsequent years; and shall the District be authorized to spend such revenues as a voter-approved revenue change and an exception to any spending limitations which might otherwise apply, without limiting the collection and spending of other revenues of the District in any year?

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

Shall BBC/Overlook Metropolitan District be authorized to retain all revenues generated by or from rates, fees, tolls, charges, specific ownership taxes, agreements with other local governments, grants from the state or from any local government, lottery distributions, and any other revenues generated or received by the District, including reductions in debt service, in 2002 and in all subsequent years (which amount does not include revenues generated from ad valorem property taxes); and shall the District be authorized to spend such revenues as a voter-approved revenue change and an exception to any revenue or spending limitations which might otherwise apply?

On November 4, 2014, the District's electors approved the following ballot issues:

Shall BBC Metropolitan District taxes be increased \$1,000,000 annually or such lesser amount as necessary to pay the District's administration, operations, maintenance, and capital expenses, by the imposition of ad valorem property taxes levied in any year, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such taxes and any investment income thereon be collected, retained and spent by the District in fiscal year 2014 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Shall BBC Metropolitan District taxes be increased \$1,000,000 annually or such lesser amount as necessary to pay the District's administration, operations, maintenance, and capital expenses, by the imposition of a fee or fees imposed, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such fees and any investment income thereon be collected, retained and spent by the District in fiscal year 2014 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Shall BBC Metropolitan District be authorized to collect, receive, retain, and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, public improvement fees, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, or charge authorized by law, covenants or contract to be imposed,

BBC METROPOLITAN DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

collected or received by the District during 2014 and each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the District without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any subsequent year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected, received, retained and spent by the District?

SUPPLEMENTARY INFORMATION

BBC METROPOLITAN DISTRICT

DEBT SERVICE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) -
BUDGET AND ACTUAL**

**For the Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2017 Actual</u>
Revenues					
Property Taxes	\$ 79,496	\$ 79,494	\$ 79,494	\$ -	\$ 66,071
Specific Ownership Tax	4,800	5,130	5,130	-	4,334
Net investment income	-	10	8	(2)	-
Total Revenues	<u>84,296</u>	<u>84,634</u>	<u>84,632</u>	<u>(2)</u>	<u>70,405</u>
Expenditures					
Bond Interest	81,763	106,379	101,373	5,006	-
Paying Agent Fees	1,500	2,429	2,429	-	458
Treasurer's Fees	1,192	1,192	1,192	-	991
Total Expenditures	<u>84,455</u>	<u>110,000</u>	<u>104,994</u>	<u>5,006</u>	<u>1,449</u>
Net Change in Fund Balance	(159)	(25,366)	(20,362)	5,004	68,956
Fund Balance (Deficit) - Beginning	<u>159</u>	<u>25,366</u>	<u>19,743</u>	<u>(5,623)</u>	<u>(49,213)</u>
Fund Balance (Deficit) - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (619)</u>	<u>\$ (619)</u>	<u>\$ 19,743</u>

See the Accompanying Independent Auditor's Report

OTHER INFORMATION

BBC METROPOLITAN DISTRICT

**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2018**

\$8,650,000 Revenue Bonds, Series 2012

Dated August 29, 2012

Interest Rate: 7.500%

Payable June 1, December 1

Principal Due December 1

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Accrued Interest (2)</u>	<u>Total</u>
2014	\$ -	\$ 596,390 (1)	\$ 81,184	\$ 677,574
2015	-	648,750 (1)	133,406	782,156
2016	-	648,750 (1)	129,927	778,677
2017	-	648,750 (1)	190,938	839,688
2018	-	648,750 (1)	252,357	901,107
2019	370,000	648,750	-	1,018,750
2020	400,000	621,000	-	1,021,000
2021	430,000	591,000	-	1,021,000
2022	460,000	558,750	-	1,018,750
2023	495,000	524,250	-	1,019,250
2024	530,000	487,125	-	1,017,125
2025	570,000	447,375	-	1,017,375
2026	615,000	404,625	-	1,019,625
2027	660,000	358,500	-	1,018,500
2028	710,000	309,000	-	1,019,000
2029	765,000	255,750	-	1,020,750
2030	820,000	198,375	-	1,018,375
2031	880,000	136,875	-	1,016,875
2032	945,000	70,875	-	1,015,875
	<u>\$ 8,650,000</u>	<u>\$ 8,803,640</u>	<u>\$ 787,812</u>	<u>\$ 18,241,452</u>

(1) Unpaid balances

(2) Represent accrued interest on the unpaid interest

BBC METROPOLITAN DISTRICT

**SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED**

Levy Year	Collection Year	Assessed Valuation	Mill Levy			Total Levy	Current Collection	Collection Rate
			General	Debt	Total			
2012	2013	\$ 166,995	0.000	40.000	40.000	\$ 6,680	\$ 6,680	100.00%
2013	2014	191,330	0.000	40.000	40.000	7,653	7,647	99.92%
2014	2015	259,170	0.000	40.000	40.000	10,367	10,280	99.16%
2015	2016 (1)	3,150,020	0.000	40.027	40.027	126,086	53,426	42.37%
2016	2017	1,321,430	0.000	50.000	50.000	66,071	66,071	100.00%
2017	2018	1,589,910	0.000	50.000	50.000	79,495	79,494	100.00%
Estimated for year ending December 31, 2019		\$ 1,162,975	5.000	50.000	55.000	\$ 63,964		

Notes:

(1) Tax abatements amounted to \$72,641 for the year ending December 31, 2016.

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

Source: Broomfield County Assessor and Treasurer.