



Buckley Ranch
Metropolitan District
ADAMS COUNTY, COLORADO



ANNUAL FINANCIAL STATEMENTS

December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

September 30, 2019

To the Board of Directors
Buckley Ranch Metropolitan District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Buckley Ranch 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 and 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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and the major funds of Buckley Ranch Metropolitan District, as of December 31, 2018 and the respective changes in financial position and the budgetary comparison for the General Fund, Reserve Fund and Debt 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 an opinion on the financial statements that collectively comprise Buckley Ranch Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The Supplementary information, as listed in the table of contents, 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 it.

B F Boyer CPA PC

**Certified Public Accountants
Lakewood, CO**

BUCKLEY RANCH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities
ASSETS	
Cash and investments	\$ 167,422
Cash and investments – restricted	66,436
Accounts receivable – specific ownership taxes	2,529
Property taxes receivable	400,000
Prepaid expenses	5,458
Total Assets	\$ 641,845
LIABILITIES	
Accounts payable	\$ 4,100
Accrued interest payable	7,400
Current portion of general obligation bonds and accreted interest	120,000
General obligation bonds	2,540,000
Total Liabilities	2,671,500
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	400,000
NET POSITION	
Restricted:	
Emergency reserves	4,400
Debt service	63,604
Non-spendable	5,458
Unassigned:	(2,503,117)
Total Net Position	(\$ 2,429,655)

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

BUCKLEY RANCH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended December 31, 2018

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General government activities	\$ 71,551	\$ -	\$ -	\$ -	(\$ 71,551)
Interest and related costs on long-term debt	92,404	-	-	-	(92,404)
	<u>\$ 163,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(163,955)</u>
General Revenues					
					\$ 344,517
					30,371
					6,190
					<u>381,078</u>
					<u>217,123</u>
					<u>(2,646,778)</u>
					<u>(\$ 2,429,655)</u>

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

BUCKLEY RANCH METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2018

	General	Debt Service	Total Government Funds
ASSETS			
Cash and investments	\$ 167,422	\$ -	\$ 167,422
Cash and investments - Restricted	4,400	62,036	66,436
Accounts receivable – spec ownership taxes	961	1,568	2,529
Property taxes receivable	202,000	198,000	400,000
Prepaid expenses	5,458	-	5,458
TOTAL ASSETS	\$ 380,241	\$ 261,604	\$ 641,845
LIABILITIES			
Accounts payable	4,100	-	4,100
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	202,000	198,000	400,000
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	206,100	198,000	404,100
FUND BALANCES			
Restricted:			
Emergencies (TABOR)	4,400	-	4,400
Debt service	-	63,604	63,604
Non-spendable:			
Unassigned	5,458	-	5,458
Unassigned	164,283	-	164,283
Total Fund Balances	174,141	63,604	237,745
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 380,241	\$ 261,604	

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

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	(2,660,000)
Accrued interest payable	(7,400)
Net position of governmental activities	<u>(\$2,429,655)</u>

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

BUCKLEY RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
12-Month Period Ended December 31, 2018

	General	Debt Service	Total Government Funds
REVENUES			
Property taxes	\$ 130,917	\$ 213,600	\$ 344,517
Specific ownership taxes	11,811	18,560	30,371
Net investment income	1,116	5,074	6,190
Total revenues	143,844	237,234	381,078
EXPENDITURES			
General and administration	69,587	-	69,587
Collections – County Treasurer	1,964	3,204	5,168
Debt service			
Bond interest	-	88,800	88,800
Bond principal repayments	-	115,000	115,000
Paying agent fees	-	400	400
Total Expenditures	71,551	207,404	278,955
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	72,293	29,830	102,123
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	72,293	29,830	102,123
FIND BALANCES – BEGINNING OF YEAR	101,848	33,774	135,622
FUND BALANCES – END OF YEAR	<u>\$ 174,141</u>	<u>\$ 63,604</u>	<u>\$ 237,745</u>

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

BUCKLEY RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
 12-Month Period Ended December 31, 2018

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

Net change in fund balances – Total government funds	\$ 102,123
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The issuance of long-term debt (e.g., bonds) 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.

Principal repayments on bonds	115,000
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Changes in net position of governmental activities	\$ 217,123
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These financial statements should be read only in connection with
 the accompanying notes to the financial statements.

BUCKLEY RANCH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
12-Month Period Ended December 31, 2018

	Budget	Actual Amounts	Positive / (Negative) Variance with Budget
REVENUES			
1. Property taxes	\$ 130,920	\$ 130,917	(\$ 3)
2. Specific ownership taxes	14,400	11,811	(2,589)
3. Net investment income	1,200	1,116	(84)
Total revenues	<u>146,520</u>	<u>143,844</u>	<u>(2,676)</u>
EXPENDITURES			
4. General and administration	61,286	69,587	(8,301)
5. Collections – County Treasurer	1,964	1,964	-
6. Election services	1,750	-	1,750
Total expenditures	<u>65,000</u>	<u>71,551</u>	<u>(6,551)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>81,520</u>	<u>72,293</u>	<u>(9,227)</u>
OTHER FINANCING SOURCES (USES)			
7. Transfers in (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>81,520</u>	<u>72,293</u>	<u>(9,227)</u>
FUND BALANCE – BEGINNING OF YEAR	<u>82,791</u>	<u>101,848</u>	<u>19,057</u>
FUND BALANCE – END OF YEAR	<u>\$ 164,311</u>	<u>\$ 174,141</u>	<u>\$ 9,830</u>

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

BUCKLEY RANCH METROPOLITAN DISTRICT
GENERAL FUND EXPENDITURE
DETAILS– BUDGET AND ACTUAL
12-Month Period Ended December 31, 2018

	Budget	Actual Amounts	Positive / (Negative) Variance with Budget
GENERAL AND ADMINISTRATION			
1. District management fees	\$ 25,000	\$ 31,079	(\$ 6,079)
2. Administrative costs	600	490	110
3. Audit fees	4,200	7,000	(2,800)
4. Board of Directors' fees	1,200	1,400	(200)
5. Board training and conferences	-	1,012	(1,012)
6. Insurance	2,500	2,251	249
7. Legal fees – general	25,000	26,355	(1,355)
8. Contingency	2,786	-	2,786
Total General and Administration	\$ 61,286	\$ 69,587	(\$ 8,301)

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

BUCKLEY RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
12-Month Period Ended December 31, 2018

NOTE 1 – DEFINITION OF REPORTING ENTITY

Buckley Ranch Metropolitan District (District), a quasi-municipal corporation, was organized on November 21, 2003, and is governed pursuant to provisions of the Colorado Special District Act (Title 32). The District operates under a service plan approved by Commerce City (City) on September 15, 2003. The District's service area is located in Adams County, Colorado entirely within the boundaries of the City. The District was established to provide financing for the design, acquisition, construction and installation of streets, traffic and safety controls, park and recreation, transportation, television relay and translator, mosquito control, water facilities, sanitary sewer, and storm drainage.

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 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 organizations 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 has no employees and all operations and administrative functions are contracted.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are 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 property taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred inflows and the sum of liabilities and deferred outflows of the District is reported as net position.

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

These notes are an integral part of the accompanying financial statements.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 general obligation debt of the governmental funds.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unassigned 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 funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

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.

These notes are an integral part of the accompanying financial statements.

Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District invests certain funds in an external investment pool (CSAFE) that records its investments at fair value. Investments in CSAFE are categorized as Level 2 Investments.

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 property taxes collected monthly to the District.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2018 are comprised of property taxes due from Adams County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

Equity

Net Position

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

These notes are an integral part of the accompanying financial statements.

In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - this component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that is attributable to the acquisition, construction or improvement of those assets. If there are significant unspent debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component.
- Restricted - this component of net position consists of assets that are restricted for use as imposed by external parties such as creditors, grantors or contributors, or as imposed by laws or regulations of other governments, or as imposed through constitutional provisions or enabling legislation.
- Unrestricted - the component of net position that does not meet the definitions above.

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: non-spendable, 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:

- **Non-spendable fund balance** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- **Restricted fund balance** – The portion of a 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 a 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 a 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 a fund balance that does not meet any of the criteria described above.

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

These notes are an integral part of the accompanying financial statements.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments – unrestricted	\$ 167,422
Cash and investments – restricted	<u>66,436</u>
Total cash and investments	<u>\$ 233,858</u>

Cash and investments as of December 31, 2018 consist of the following:

Deposits with financial institutions	\$ 11,220
Investments	<u>222,638</u>
Total cash and investments	<u>\$ 233,858</u>

Deposits with Financial Institutions

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

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

At December 31, 2018, the District's cash deposits had a bank balance of \$11,220 and a carrying balance of \$11,220.

Investments

The District has adopted a formal investment policy in accordance with state statutes regarding investments.

The District generally limits its concentration of investments to those listed 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 disclosure requirements or subject to investment custodial 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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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

These notes are an integral part of the accompanying financial statements.

- Obligations of the United States, certain U.S. government agency securities, and 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 purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2018, the District's investments were comprised of the following:

Investment	Maturity	Fair Value
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 222,638

CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), 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 CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$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. CSAFE measures its investments at amortized cost.

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. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

NOTE 4 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt:

Balance at December 31, 2017	\$ 2,775,000
Principal repayments on Series 2016 Bonds	<u>(115,000)</u>
Balance at December 31, 2018	<u>\$ 2,660,000</u>

Details regarding the District's long-term obligations are as follows:

Series 2017 General Obligation Refunding Bond

On June 30, 2017, the District issued a \$2,870,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bond for the purpose of refinancing its 2006 General Obligation Bonds. The Bond is due December 1,

These notes are an integral part of the accompanying financial statements.

2035, with a fixed stated annual interest rate of 3.20%, paid semiannually on June 1 and December 1. The Series 2017 Bond is subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on December 1, 2022, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The Bond is secured by the Pledged Revenues and all moneys and earnings thereon. Pledged Revenues consists of revenues derived from the imposition of the Required Mill Levy remitted to the District.

The District's Service Plan establishes a Maximum Mill levy the District is permitted to impose on taxable property within the District for the payment of debt. As long as the District's total outstanding debt exceeds 50% of the assessed valuation of all taxable property within the District, the Maximum Debt Mill Levy is 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since January 1, 2003. As of January 1, 2003, the ratio was 7.96%. The ratio for 2018 was 7.20%, which caused the District's Maximum Mill Levy for debt service for 2018 to be 55.278.

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2017 General Obligation Refunding Bond:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 120,000	\$ 85,120	\$ 205,120
2020	125,000	81,280	206,280
2021	130,000	77,280	207,280
2022	130,000	73,120	203,120
2023	135,000	68,960	203,960
2024 to 2028	750,000	276,800	1,026,800
2029 to 2033	875,000	148,800	1,023,800
2034 to 2035	395,000	19,040	414,040
	<u>\$ 2,660,000</u>	<u>\$ 830,400</u>	<u>\$ 3,490,400</u>

Debt Authorization

On November 04, 2003, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$12,952,200 at an interest rate not to exceed 18% and \$12,852,200 for refunding the District's debt or other obligations. The District's Service Plan places no additional limits on the District's ability to issue debt.

These notes are an integral part of the accompanying financial statements.

The District's authorized but unissued indebtedness in the following amounts allocated for the following purposes is as follows:

	Debt Authorization Remaining at Dec. 31, 2017	Authorization Expired	Debt Authorization Remaining at Dec. 31, 2018
Street improvements	\$ 2,905,000	\$ -	\$ 2,905,000
Traffic and safety controls	90,000	-	90,000
Water supply	1,640,200	-	1,640,200
Sanitary supply	3,185,000	-	3,185,000
Park and recreational facilities	1,202,000	-	1,202,000
Public transportation system	350,000	-	350,000
Television relay and translation system	530,000	-	530,000
Mosquito control	100,000	-	100,000
Operations and maintenance	100,000	-	100,000
Subtotal	10,102,200	-	10,102,200
Refunding of debt	12,722,200	-	12,722,200
Total	\$ 22,824,400	\$ -	\$ 22,824,400

The remaining, unused debt issuance authorization (excluding authorization for refunding of debt) as of December 31, 2018 totaling \$10,102,200 is attributed to debt issuances authorized by the electors on November 04, 2003, which if unused will expire in November 2023 in accordance with 32-1-1101(2), C.R.S.

In accordance with 32-1-1101(2), C.R.S., the current unused authorization obtained from the District's electors for the issuance of debt for the purpose of refunding existing debt will expire when the District's current general obligation debt is paid down to a balance of \$400,000 or less.

NOTE 5 – NET POSITION

The District has a net position consisting of three components – restricted, non-spendable and unassigned.

Restricted Net Position

The District's restricted net position as of December 31, 2018 in the general fund and debt service fund totaled \$4,400 and \$63,604, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 8 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2017 General Obligation Refunding Bond per the debt mill levy and related Bond agreement.

Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2018 in the general fund and debt service fund totaled \$5,458 and \$0, respectively. These balances were created due to the District prepaying certain 2019 expenses in 2018.

These notes are an integral part of the accompanying financial statements.

Unassigned Net Position

The District's unassigned net position as of December 31, 2018 totaled \$(2,503,117). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements retained by the District and conveyed to Commerce City and South Adams County Water and Sanitation District.

NOTE 6 – AGREEMENTS WITH ASSOCIATIONS

The District has determined that it is in the best interests of the District's residents and property owners for the District to provide various services previously provided by the following homeowner associations (collectively "Associations"):

- Buckley Ranch East Homeowners Association, Inc (BREHOA)
- Buckley Ranch West Homeowners Association, Inc (BRWHOA)
- Buckley Ranch Homeowners Association, Inc (BRHOA)

The services areas of these Associations are located within the boundaries of the District.

Covenant Enforcement and Architectural Review Services

On November 5, 2018, the District entered into one-year agreements with BREHOA, BRWHOA and BRHOA to provide covenant enforcement and architectural review services for a 12-month period beginning January 01, 2019. The cost of providing such services on behalf of these Associations will be funded from revenues generated by the District. These agreements automatically renew on January 1st of each calendar year unless cancelled by the District or respective Association no less than 30 days prior to the renewal date.

Use and Maintenance Agreement

On November 7, 2016, the District entered into a one-year agreement with BREHOA and BRWHOA to use, operate, maintain and improve BREHOA's and BRWHOA's common areas and public right-of-way landscaping (as depicted on the Buckley Ranch plat map filed with the Adams County Clerk and Recorder's Office), entry monumentation, perimeter fencing and the storm water drainage system ("Service Areas"). Such services will be provided by the District at its own expense. These agreements automatically renew on January 1st of each calendar year unless cancelled by the District or respective Association no less than 30 days prior to the renewal date.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss including (a) torts, thefts of, damage to, or destruction of assets, (b) errors or omissions and (c) 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 insure its member districts against various risks of loss. Settled claims have not exceeded this coverage in any of the past three years.

The District pays annual premiums to the Pool for liability 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 its members. Any excess funds which

These notes are an integral part of the accompanying financial statements.

the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to the Pool's distribution formula.

NOTE 8 – 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.

On November 07, 2006, District voters authorized the District to assess property taxes at no more than \$750,000 annually, without limitation to rate, to pay the District's operations, maintenance and other expenses. Additionally, the District voters approved a revenue change to allow the District to retain and spend all revenue, other than ad valorem taxes, in excess of TABOR spending, revenue raising or other limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

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

These notes are an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

BUCKLEY RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
12-Month Period Ended December 31, 2018

	Budget	Actual Amounts	Positive / (Negative) Variance with Budget
REVENUES			
Property taxes	\$ 213,607	\$ 213,600	(\$ 7)
Specific ownership taxes	23,500	18,560	(4,940)
Net investment income	1,200	5,074	3,874
Total revenues	<u>238,307</u>	<u>237,234</u>	<u>(1,073)</u>
EXPENDITURES			
Collection fees – County Treasurer	3,204	3,204	-
Bond paying agent fees	2,200	400	1,800
Contingency	82	-	82
Debt service			
Bond interest	88,800	88,800	-
Bond principal repayments	115,000	115,000	-
Total expenditures	<u>209,286</u>	<u>207,404</u>	<u>1,882</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>29,021</u>	<u>29,830</u>	<u>809</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>29,021</u>	<u>29,830</u>	<u>809</u>
FUND BALANCE – BEGINNING OF YEAR	<u>\$ 31,229</u>	<u>33,774</u>	<u>2,545</u>
FUND BALANCE – END OF YEAR	<u>\$ 60,250</u>	<u>\$ 63,604</u>	<u>\$ 3,354</u>

BUCKLEY RANCH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
 December 31, 2018

The District's repayment schedule for its Series 2017 General Obligation Refunding Bond is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2019	\$ 120,000	\$ 85,120	3.200%	\$ 205,120
2020	125,000	81,280	3.200%	206,280
2021	130,000	77,280	3.200%	207,280
2022	130,000	73,120	3.200%	203,120
2023	135,000	68,960	3.200%	203,960
2024	140,000	64,640	3.200%	204,640
2025	145,000	60,160	3.200%	205,160
2026	150,000	55,520	3.200%	205,520
2027	155,000	50,720	3.200%	205,720
2028	160,000	45,760	3.200%	205,760
2029	165,000	40,640	3.200%	205,640
2030	170,000	35,360	3.200%	205,360
2031	175,000	29,920	3.200%	204,920
2032	180,000	24,320	3.200%	204,320
2033	185,000	18,560	3.200%	203,560
2034	195,000	12,640	3.200%	207,640
2035	200,000	6,400	3.200%	206,400
	\$2,660,000	\$ 830,400		\$ 3,490,400

Interest is payable each year on June 1st and December 1st, and principal payments are due each year on December 1st. The Bond can be paid in advance without redemption penalty beginning on December 01, 2022.

BUCKLEY RANCH METROPOLITAN DISTRICT
**SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED**
December 31, 2018

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		Operations	Debt	Levied	Collected (Note A)	
2014	\$ 2,015,290	19.000	50.000	\$ 139,056	\$ 139,056	100.00%
2015	2,856,640	19.000	50.000	197,108	197,108	100.00%
2016	4,681,530	19.000	50.000	323,026	296,891	91.91%
2017	4,741,320	19.000	50.000	327,151	315,043	96.30%
2018	6,890,540	19.000	31.000	344,527	344,517	100.00%
2019	7,013,560	28.801	28.231	400,000	[TBD]	[TBD]

NOTE A: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

OTHER SUPPLEMENTARY INFORMATION

BUCKLEY RANCH METROPOLITAN DISTRICT
CHANGE IN TOTAL OVERLAPPING MILL LEVY

December 31, 2018

	2019 Mill Levy *	2018 Mill Levy **	Change
Buckley Ranch Metropolitan District	57.032	50.000	7.032
Brighton School District No. 27J	49.092	49.164	(0.072)
Commerce City North Infrastructure General Improvement District	27.000	27.000	-
Adams County	26.864	26.929	(0.065)
South Adams Fire District No. 4	14.750	9.900	4.850
Rangeview Library District	3.666	3.669	(0.003)
City of Commerce City	3.280	3.160	0.120
South Adams County Water and Sanitation District	2.714	2.701	0.013
Central Colorado Water Conservation District	1.540	1.800	(0.260)
Central Colorado Water Conservation SubDistrict	2.739	1.353	1.386
Urban Drainage and Flood Control	0.726	0.500	0.226
Urban Drainage and Flood Control – South Platte	0.094	0.057	0.037
Total Mill Levy (Tax Area 598)	189.497	176.233	13.264

* -- For property tax collections in 2019

** -- For property tax collections in 2018

BUCKLEY RANCH METROPOLITAN DISTRICT
HISTORICAL DEBT RATIOS
December 31, 2018

	2014	2015	2016	2017	2018
Debt outstanding	\$ 2,850,000	\$ 2,800,000	\$ 2,740,000	\$ 2,775,000	\$ 2,660,000
Combined assessed property values within the District	\$ 2,856,640	\$ 4,681,530	\$ 4,741,320	\$ 6,890,540	\$ 7,013,560
Ratio of debt to assessed property values	99.77%	59.81%	57.79%	40.27%	37.93%