

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

1015.02

NAME OF GOVERNMENT ADDRESS: BNC Metropolitan District No.2  
8390 E Crescent Parkway  
Suite 500  
Greenwood Village, CO 80111

CONTACT PERSON: Jason Carroll  
PHONE: 303-779-5710  
EMAIL: Jason.Carroll@claconnect.com  
FAX: 303-779-0348

For the Year Ended 12/31/17  
or fiscal year ended:

### PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME: Jason Carroll  
TITLE: Accountant for the District  
FIRM NAME (if applicable): CliftonLarsonAllen LLP  
ADDRESS: 8390 E Crescent Parkway, Suite 500, Greenwood Village, CO 80111  
PHONE: 303-779-5710  
DATE PREPARED (Must be prepared prior to Board approval): February 22, 2018

### PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

| GOVERNMENTAL<br>(MODIFIED ACCRUAL BASIS) | PROPRIETARY<br>(CASH OR BUDGETARY BASIS) |
|--|--|
| <input checked="" type="checkbox"/>      | <input type="checkbox"/>                 |

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Office of the State Auditor

March 30, 2018

## PART 2 - REVENUE

**REVENUE:** All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

| Line# | Description  | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|--|-------------------------|---|
| 2-1   | Taxes: Property  | \$ 28,637               |   |
| 2-2   | Specific ownership                                       | \$ 2,767                |   |
| 2-3   | Sales and use  | \$ -                    |   |
| 2-4   | Other (specify): Interest income                         | \$ 1                    |   |
| 2-5   | Licenses and permits                                     | \$ -                    |   |
| 2-6   | Intergovernmental: Grants                                | \$ -                    |   |
| 2-7   | Conservation Trust Funds (Lottery)                       | \$ -                    |   |
| 2-8   | Highway Users Tax Funds (HUTF)                           | \$ -                    |   |
| 2-9   | Other (specify):   | \$ -                    |   |
| 2-10  | Charges for services                                     | \$ -                    |   |
| 2-11  | Fines and forfeits                                       | \$ -                    |   |
| 2-12  | Special assessments                                      | \$ -                    |   |
| 2-13  | Investment income  | \$ -                    |   |
| 2-14  | Charges for utility services                             | \$ -                    |   |
| 2-15  | Debt proceeds (should agree with line 4-4, column 2)     | \$ -                    |   |
| 2-16  | Lease proceeds   | \$ -                    |   |
| 2-17  | Developer Advances received (should agree with line 4-4) | \$ 31,000               |   |
| 2-18  | Proceeds from sale of capital assets                     | \$ -                    |   |
| 2-19  | Fire and police pension                                  | \$ -                    |   |
| 2-20  | Donations  | \$ -                    |   |
| 2-21  | Other (specify):   | \$ -                    |   |
| 2-22  |  | \$ -                    |   |
| 2-23  |  | \$ -                    |   |
| 2-24  | (add lines 2-1 through 2-23) TOTAL REVENUE               | \$ 62,405               |   |

## PART 3 - EXPENDITURES

**EXPENDITURES:** All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

| Line# | Description   | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|---|-------------------------|---|
| 3-1   | Administrative  | \$ 6,619                |   |
| 3-2   | Salaries  | \$ -                    |   |
| 3-3   | Payroll taxes   | \$ -                    |   |
| 3-4   | Contract services   | \$ -                    |   |
| 3-5   | Employee benefits   | \$ -                    |   |
| 3-6   | Insurance   | \$ 2,256                |   |
| 3-7   | Accounting and legal fees   | \$ 32,717               |   |
| 3-8   | Repair and maintenance  | \$ -                    |   |
| 3-9   | Supplies  | \$ -                    |   |
| 3-10  | Utilities and telephone   | \$ -                    |   |
| 3-11  | Fire/Police   | \$ -                    |   |
| 3-12  | Streets and highways  | \$ -                    |   |
| 3-13  | Public health   | \$ -                    |   |
| 3-14  | Culture and recreation  | \$ -                    |   |
| 3-15  | Utility operations  | \$ -                    |   |
| 3-16  | Capital outlay  | \$ -                    |   |
| 3-17  | Debt service principal (should agree with Part 4)                       | \$ -                    |   |
| 3-18  | Debt service interest   | \$ 22,841               |   |
| 3-19  | Repayment of Developer Advance Principal (should agree with line 4-4)   | \$ -                    |   |
| 3-20  | Repayment of Developer Advance Interest                                 | \$ -                    |   |
| 3-21  | Contribution to pension plan (should agree to line 7-2)                 | \$ -                    |   |
| 3-22  | Contribution to Fire & Police Pension Assoc. (should agree to line 7-2) | \$ -                    |   |
| 3-23  | Other (specify):  |                         |   |
| 3-24  | County Treasurer's fees   | \$ 430                  |   |
| 3-25  | Trustee fees  | \$ 2,476                |   |
| 3-26  | (add lines 3-1 through 3-24) TOTAL EXPENDITURES                         | \$ 67,339               |   |

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

Yes                      No

|     |  |                                     |                                     |
|-----|--|-------------------------------------|-------------------------------------|
| 4-1 | Does the entity have outstanding debt?<br>If Yes, please attach a copy of the entity's Debt Repayment Schedule.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 4-2 | Is the debt repayment schedule attached? If no, MUST explain:<br><div style="border: 1px solid black; padding: 2px; min-height: 20px;">See page 8</div>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 4-3 | Is the entity current in its debt service payments? If no, MUST explain:<br><div style="border: 1px solid black; padding: 2px; min-height: 20px;">See page 8</div> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 4-4 | Please complete the following debt schedule, if applicable:<br>(please only include principal amounts)(enter all amount as positive numbers)                       |                                     |                                     |
|     | <b>General obligation bonds</b>  | \$ 5,000,000                        | \$ -                                |
|     | <b>Revenue bonds</b>   | \$ -                                | \$ -                                |
|     | <b>Notes/Loans</b>   | \$ -                                | \$ -                                |
|     | <b>Leases</b>  | \$ -                                | \$ -                                |
|     | <b>Developer Advances</b>  | \$ 328,848                          | \$ 31,000                           |
|     | <b>Other (specify): Accrued interest in bonds and advances</b>   | \$ 1,122,845                        | \$ 395,348                          |
|     | <b>TOTAL</b>   | <b>\$ 6,451,693</b>                 | <b>\$ 426,348</b>                   |
|     |  | \$ -                                | \$ 22,841                           |
|     |  | \$ 5,000,000                        | \$ 6,855,200                        |

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

Yes                      No

|         |  |                                     |                                     |
|---------|--|-------------------------------------|-------------------------------------|
| 4-5     | Does the entity have any authorized, but unissued, debt?   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| If yes: | How much?<br><div style="border: 1px solid black; padding: 2px; text-align: right;">\$ 175,000,000.00</div>              |                                     |                                     |
|         | Date the debt was authorized:<br><div style="border: 1px solid black; padding: 2px; text-align: center;">11/4/2003</div> |                                     |                                     |
| 4-6     | Does the entity intend to issue debt within the next calendar year?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| If yes: | How much?<br><div style="border: 1px solid black; padding: 2px; text-align: right;">\$ -</div>                           |                                     |                                     |
| 4-7     | Does the entity have debt that has been refinanced that it is still responsible for?                                     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| If yes: | What is the amount outstanding?<br><div style="border: 1px solid black; padding: 2px; text-align: right;">\$ -</div>     |                                     |                                     |
| 4-8     | Does the entity have any lease agreements?   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| If yes: | What is being leased?<br><div style="border: 1px solid black; padding: 2px; min-height: 15px;"></div>                    |                                     |                                     |
|         | What is the original date of the lease?<br><div style="border: 1px solid black; padding: 2px; min-height: 15px;"></div>  |                                     |                                     |
|         | Number of years of lease?<br><div style="border: 1px solid black; padding: 2px; min-height: 15px;"></div>                |                                     |                                     |
|         | Is the lease subject to annual appropriation?  | <input type="checkbox"/>            | <input type="checkbox"/>            |
|         | What are the annual lease payments?<br><div style="border: 1px solid black; padding: 2px; text-align: right;">\$ -</div> |                                     |                                     |
| 4-9     | Does the entity have a certified Mill Levy?  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| If yes: | Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):                       |                                     |                                     |
|         | Bond Redemption  |                                     | 50.000                              |
|         | General/Other  |                                     | 13.000                              |
|         | <b>TOTAL</b>   |                                     | <b>63.000</b>                       |

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

Amount                      Total

|     |   |           |                  |
|-----|---|-----------|------------------|
| 5-1 | YEAR-END Total of ALL Checking and Savings Accounts                               | \$ 12,110 |                  |
| 5-2 | Certificates of deposit   | \$ -      |                  |
|     | <b>Total Cash Deposits</b>  |           | \$ 12,110        |
|     | Investments (if investment is a mutual fund, please list underlying investments): |           |                  |
| 5-3 |   | \$ -      |                  |
|     |   | \$ -      |                  |
|     |   | \$ -      |                  |
|     |   | \$ -      |                  |
|     | <b>Total Investments</b>  |           | \$ -             |
|     | <b>Total Cash and Investments</b>   |           | <b>\$ 12,110</b> |

Please answer the following questions by marking in the appropriate boxes

Yes                      No                      N/A

|     |   |                                     |                          |                                     |
|-----|---|-------------------------------------|--------------------------|-------------------------------------|
| 5-4 | Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5-5 | Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |

If no, MUST use this space to provide any explanations:

## PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes

No

6-1 Does the entity have capital assets?  Yes  No

6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain:  Yes  No

6-3 Complete the following capital assets table:

|  | Balance - beginning of the year* | Additions (Must be included in Part 3) | Deletions   | Year-End Balance  |
|--|----------------------------------|--|-------------|-------------------|
| Land   | \$ -                             | \$ -                                   | \$ -        | \$ -              |
| Buildings  | \$ -                             | \$ -                                   | \$ -        | \$ -              |
| Machinery and equipment  | \$ -                             | \$ -                                   | \$ -        | \$ -              |
| Furniture and fixtures   | \$ -                             | \$ -                                   | \$ -        | \$ -              |
| Construction In Progress (CIP)   | \$ -                             | \$ -                                   | \$ -        | \$ -              |
| Other (explain): Infrastructure  | \$ 365,100                       | \$ -                                   | \$ -        | \$ 365,100        |
| Accumulated Depreciation (Please enter a negative, or credit, balance) | \$ (153,342)                     | \$ (14,604)                            | \$ -        | \$ (167,946)      |
| <b>TOTAL</b>   | <b>\$ 211,758</b>                | <b>\$ (14,604)</b>                     | <b>\$ -</b> | <b>\$ 197,154</b> |

\*must tie to prior year ending balance

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

7-1 Does the entity have an "old hire" firemen's pension plan?  Yes  No

7-2 Does the entity have a volunteer firemen's pension plan?  Yes  No

If yes: Who administers the plan?

Indicate the contributions from:

|   |             |
|---|-------------|
| Tax (property, SO, sales, etc.):  | \$ -        |
| State contribution amount:  | \$ -        |
| Other (gifts, donations, etc.):   | \$ -        |
| <b>TOTAL</b>  | <b>\$ -</b> |
| What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? | \$ -        |

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?  Yes  No  N/A

If no, MUST explain:

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:  Yes  No  N/A

If yes: Please indicate the amount appropriated for each fund for the year reported:

|                                |    |           |
|--------------------------------|----|-----------|
| General Fund                   | \$ | 42,000    |
| Debt Service Fund - as amended | \$ | 26,000    |
| Capital Project Fund           | \$ | 2,000,000 |
|                                |    |           |
|                                |    |           |

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

- 9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?**



Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, **MUST** explain:

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

- 10-1 Is this application for a newly formed governmental entity?**  
 If yes: **Date of formation:**
- 10-2 Has the entity changed its name in the past or current year?**  
 If yes: **Please list the NEW name & PRIOR name:**
- 10-3 Is the entity a metropolitan district?**  
**Please indicate what services the entity provides:**  
 The District was established to provide financing for the acquisition, construction, and installation of water, sanitation street improvements, park and recreational facilities, television relay and translation, and mosquito control.
- 10-4 Does the entity have an agreement with another government to provide services?**  
 If yes: **List the name of the other governmental entity and the services provided:**  
 The District has a Cost Sharing and Recovery of Construction Cost Agreement with BNC Metropolitan District No.1 and BNC Metropolitan District No.3, where the Districts would cooperatively finance and construct capital improvements.
- 10-5 Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]**  
 If yes: **Date Filed:**











Please use this space to provide any explanations or comments:

## PART 11 - GOVERNING BODY APPROVAL

| Please answer the following question by marking in the appropriate box |  | YES                      | NO                                  |
|--|--|--------------------------|-------------------------------------|
| 12-1   | Have you read the new Electronic Signature Policy and do you plan on submitting signatures in accordance with this policy? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

#### Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL current governing board members below.

A MAJORITY of the governing board members must complete and sign in the column below.

|                |   |  |
|----------------|---|--|
| Board Member 1 | Print Board Member's Name<br>Janis. L Emanuel | I <u>Janis. L Emanuel</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed <u><i>Janis L Emanuel</i></u><br>Date: <u>2/29/2018</u><br>My term Expires: <u>May 2018</u> |
| Board Member 2 | Print Board Member's Name                     | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |
| Board Member 3 | Print Board Member's Name                     | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |
| Board Member 4 | Print Board Member's Name                     | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |
| Board Member 5 | Print Board Member's Name                     | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |
| Board Member 6 | Print Board Member's Name                     | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |
| Board Member 7 | Print Board Member's Name                     | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |

**Original Signatures  
Verified by**

Justin L. Smith



ppointed board  
ation for

BNC Metropolitan District No. 2  
 Application for Exemption from Audit - Short Form  
 December 31, 2017

4-2: The District's debt is comprised of General Obligation bonds and developer advances, which are not G.O. debt. A debt service schedule has been provided for the G. O. bonds but not for the developer advances. Developer advances are to be repaid from appropriated funds if, and when eligible funds become available.

4-3: Currently, pledged revenue is not sufficient to pay when due the debt service requirements with respect to the Bonds. For so long as the District levies the Maximum Required Mill Levy, the inability of the District to pay the debt service requirements with the respect to the Bonds when they come due does not constitute an event of default. The District has levied the Maximum Required Mill Levy of 50.000 mills.

4-4: See below for the details of this line item:

|   | Outstanding<br>at end of<br>prior year | Issued<br>during<br>fiscal year | Retired<br>during<br>fiscal year | Outstanding<br>at end of<br>fiscal year |
|---|--|---------------------------------|----------------------------------|---|
| Accrued and unpaid interest on bonds              | \$ 962,253                             | \$ 322,119                      | \$ 22,841                        | \$ 1,307,213                            |
| Accrued and unpaid interest on developer advances | 160,592                                | 27,547                          | -                                | 188,139                                 |
|   | \$ 1,122,845                           | \$ 349,666                      | \$ 22,841                        | \$ 1,495,352                            |

**BNC METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE of BOND DEBT SERVICE REQUIREMENTS**

AS OF FEBRUARY 24, 2005 AND THROUGH THE CALENDAR YEARS ENDING THROUGH 2035

| Series 2005 Bond Issue |                        |                   |                               |                                   |                       |                      |                  |                 |                            |                               |                            |                        |           |
|------------------------|------------------------|-------------------|-------------------------------|-----------------------------------|-----------------------|----------------------|------------------|-----------------|----------------------------|-------------------------------|----------------------------|------------------------|-----------|
| Dated:                 |                        | February 24, 2005 | \$5,000,000                   |                                   |                       |                      |                  |                 |                            |                               |                            |                        |           |
| Issued:                |                        | February 25, 2005 |                               |                                   |                       |                      |                  |                 |                            |                               |                            |                        |           |
| Interest Rates:        |                        | 8.00%             |                               |                                   |                       |                      |                  |                 |                            |                               |                            |                        |           |
| Year                   | Scheduled Debt Service |                   | Total 2005 Bonds Debt Service | Actual Interest Due on 2005 Bonds | Actual Principal Paid | Actual Interest Paid | Unpaid Principal | Unpaid Interest | Interest on Unpaid Amounts | Total Unpaid Interest Amounts | Bond Principal Outstanding | Total Debt Outstanding | Year      |
|                        | Principal              | Interest          |                               |                                   |                       |                      |                  |                 |                            |                               |                            |                        |           |
| 6/1/2005               |                        | 107,777.78        | 107,777.78                    | 107,777.78                        |                       | (107,777.78)         |                  |                 |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2005  |
| 12/1/2005              |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (200,000.00)         |                  |                 |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2005 |
| 6/1/2006               |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (200,000.00)         |                  |                 |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2006  |
| 12/1/2006              |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (200,000.00)         |                  |                 |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2006 |
| 6/1/2007               |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (200,000.00)         |                  |                 |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2007  |
| 12/1/2007              |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (200,000.00)         |                  |                 |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2007 |
| 6/1/2008               |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (200,000.00)         |                  |                 |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2008  |
| 12/1/2008              |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (85,544.52)          |                  |                 |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2008 |
| 6/1/2009               |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (16,064.20)          |                  | 114,455.48      |                            | 114,455.48                    | 5,000,000.00               | 5,114,455.48           | 6/1/2009  |
| 12/1/2009              |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (34,250.00)          |                  | 183,935.80      | 4,578.22                   | 302,969.50                    | 5,000,000.00               | 5,302,969.50           | 12/1/2009 |
| 6/1/2010               |                        | 200,000.00        | 200,000.00                    | 200,000.00                        |                       | (874.00)             |                  | 165,750.00      | 12,118.78                  | 480,838.28                    | 5,000,000.00               | 5,480,838.28           | 6/1/2010  |
| 12/1/2010              | 40,000.00              | 200,000.00        | 240,000.00                    | 200,000.00                        |                       | (21,863.57)          | 40,000.00        | 199,126.00      | 19,233.53                  | 699,197.81                    | 5,000,000.00               | 5,699,197.81           | 12/1/2010 |
| 6/1/2011               |                        | 198,400.00        | 198,400.00                    | 200,000.00                        |                       | (14,903.84)          |                  | 178,136.43      | 27,967.91                  | 905,302.15                    | 5,000,000.00               | 5,865,302.15           | 6/1/2011  |
| 12/1/2011              | 45,000.00              | 198,400.00        | 243,400.00                    | 200,000.00                        |                       | (1,132.16)           | 45,000.00        | 185,096.16      | 45,064.42                  | 1,126,610.40                  | 5,000,000.00               | 6,086,610.40           | 12/1/2011 |
| 6/1/2012               |                        | 196,600.00        | 196,600.00                    | 200,000.00                        |                       | (14,999.62)          |                  | 198,867.84      | 1,126,610.40               | 5,000,000.00                  | 5,000,000.00               | 6,285,542.65           | 6/1/2012  |
| 12/1/2012              | 45,000.00              | 196,600.00        | 241,600.00                    | 200,000.00                        |                       | (11,169.93)          | 45,000.00        | 185,000.38      | 54,821.71                  | 1,610,364.74                  | 5,000,000.00               | 6,525,364.74           | 12/1/2012 |
| 6/1/2013               |                        | 194,800.00        | 194,800.00                    | 200,000.00                        |                       | (15,870.28)          |                  | 188,830.07      | 64,414.59                  | 1,863,609.40                  | 5,000,000.00               | 6,733,609.40           | 6/1/2013  |
| 12/1/2013              |                        | 194,800.00        | 194,800.00                    | 200,000.00                        |                       | (15,870.28)          |                  | 184,129.72      | 45,757.39                  | 1,909,366.79                  | 5,000,000.00               | 6,909,366.79           | 12/1/2013 |
| 6/1/2014               |                        | 194,800.00        | 194,800.00                    | 200,000.00                        |                       | (15,870.28)          |                  | 184,129.72      | 74,544.38                  | 2,122,283.50                  | 5,000,000.00               | 6,992,283.50           | 6/1/2014  |
| 12/1/2014              | 45,000.00              | 194,800.00        | 239,800.00                    | 200,000.00                        |                       | (2,216,494.13)       | 45,000.00        | 184,129.72      | 94,210.63                  | 2,216,494.13                  | 5,000,000.00               | 6,992,283.50           | 12/1/2014 |
| 6/1/2015               |                        | 193,000.00        | 193,000.00                    | 200,000.00                        |                       | (178,888.89)         |                  | 21,111.11       | -                          | 21,111.11                     | 5,000,000.00               | 5,000,000.00           | 6/1/2015  |
| 12/1/2015              |                        | 193,000.00        | 193,000.00                    | 200,000.00                        |                       | (178,888.89)         |                  | 21,111.11       | 33,474.07                  | 54,585.18                     | 5,000,000.00               | 4,846,111.11           | 12/1/2015 |
| 6/1/2016               |                        | 193,000.00        | 193,000.00                    | 200,000.00                        |                       | (130,511.37)         |                  | 69,488.63       | 844.44                     | 91,444.18                     | 5,000,000.00               | 5,054,585.18           | 6/1/2016  |
| 12/1/2016              | 60,000.00              | 193,000.00        | 253,000.00                    | 200,000.00                        |                       | (6,229.73)           | 60,000.00        | 193,770.27      | 2,183.41                   | 250,538.86                    | 5,000,000.00               | 5,091,444.18           | 12/1/2016 |
| 6/1/2017               |                        | 190,600.00        | 190,600.00                    | 200,000.00                        |                       | (8,165.23)           |                  | 191,834.77      | 35,003.59                  | 285,542.45                    | 5,000,000.00               | 5,285,542.45           | 6/1/2017  |
| 12/1/2017              |                        | 190,600.00        | 190,600.00                    | 200,000.00                        |                       | (8,165.23)           |                  | 191,834.77      | 452,395.18                 | 5,452,395.18                  | 5,000,000.00               | 5,452,395.18           | 12/1/2017 |
| 6/1/2018               |                        | 188,000.00        | 188,000.00                    | 200,000.00                        |                       | (13,468.34)          |                  | 193,770.27      | 10,021.55                  | 464,459.05                    | 5,000,000.00               | 5,464,459.05           | 6/1/2018  |
| 12/1/2018              |                        | 188,000.00        | 188,000.00                    | 200,000.00                        |                       | (13,468.34)          |                  | 193,770.27      | 12,063.87                  | 657,587.15                    | 5,000,000.00               | 5,657,587.15           | 12/1/2018 |
| 6/1/2019               |                        | 188,000.00        | 188,000.00                    | 200,000.00                        |                       | (35,721.72)          |                  | 164,278.28      | 695,304.39                 | 5,848,168.92                  | 5,000,000.00               | 5,695,304.39           | 6/1/2019  |
| 12/1/2019              | 75,000.00              | 188,000.00        | 263,000.00                    | 200,000.00                        |                       | (349.15)             | 75,000.00        | 199,650.85      | 37,717.24                  | 695,304.39                    | 5,000,000.00               | 5,922,767.42           | 12/1/2019 |
| 6/1/2020               |                        | 185,000.00        | 185,000.00                    | 185,000.00                        |                       | (22,541.92)          |                  | 162,458.08      | 26,303.49                  | 848,168.92                    | 5,000,000.00               | 5,922,767.42           | 6/1/2020  |
| 12/1/2020              | 80,000.00              | 185,000.00        | 265,000.00                    | 185,000.00                        |                       | (299.06)             | (80,000.00)      | 162,458.08      | 27,812.18                  | 922,767.42                    | 5,000,000.00               | 5,965,252.53           | 12/1/2020 |
| 6/1/2021               |                        | 181,800.00        | 181,800.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      | 39,485.11                  | 962,252.53                    | 5,000,000.00               | 6,122,136.20           | 6/1/2021  |
| 12/1/2021              |                        | 181,800.00        | 181,800.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      | 38,490.10                  | 1,265,443.57                  | 5,000,000.00               | 6,265,443.57           | 12/1/2021 |
| 6/1/2022               |                        | 181,800.00        | 181,800.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      | 41,769.62                  | 1,307,213.19                  | 5,000,000.00               | 6,307,213.19           | 6/1/2022  |
| 12/1/2022              |                        | 177,800.00        | 177,800.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2022 |
| 6/1/2023               |                        | 177,800.00        | 177,800.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2023  |
| 12/1/2023              |                        | 177,800.00        | 177,800.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2023 |
| 6/1/2024               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2024  |
| 12/1/2024              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2024 |
| 6/1/2025               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2025  |
| 12/1/2025              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2025 |
| 6/1/2026               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2026  |
| 12/1/2026              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2026 |
| 6/1/2027               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2027  |
| 12/1/2027              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2027 |
| 6/1/2028               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2028  |
| 12/1/2028              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2028 |
| 6/1/2029               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2029  |
| 12/1/2029              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2029 |
| 6/1/2030               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2030  |
| 12/1/2030              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2030 |
| 6/1/2031               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2031  |
| 12/1/2031              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2031 |
| 6/1/2032               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2032  |
| 12/1/2032              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2032 |
| 6/1/2033               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2033  |
| 12/1/2033              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2033 |
| 6/1/2034               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2034  |
| 12/1/2034              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2034 |
| 6/1/2035               |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 6/1/2035  |
| 12/1/2035              |                        | 173,600.00        | 173,600.00                    | 185,000.00                        |                       | (299.06)             |                  | 264,700.94      |                            |                               | 5,000,000.00               | 5,000,000.00           | 12/1/2035 |
|                        | 5,000,000.00           | 9,328,577.78      | 14,231,377.78                 |                                   |                       | (4,137,119.44)       | 295,000.00       | 3,244,391.08    |                            | 832,424.72                    |                            |                        |           |



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## Accountant's Compilation Report

Board of Directors  
BNC Metropolitan District No. 2  
Adams County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of BNC Metropolitan District No. 2 as of and for the year ended December 31, 2017, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to BNC Metropolitan District No. 2.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
February 22, 2018