

**ORCHARD FARMS METROPOLITAN DISTRICT  
(F/K/A/ BIG DRY CREEK METROPOLITAN DISTRICT)  
CITY OF THORNTON, STATE OF COLORADO**

**ANNUAL REPORT FOR FISCAL YEAR 2019**

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Orchard Farms Metropolitan District (the “District”) formerly known as Big Dry Creek Metropolitan District provides the following report to the City of Thornton (the “City”) pursuant to the Second Amended and Restated Service Plan for Big Dry Creek Metropolitan District:

**To the best of our actual knowledge, for the year ending December 31, 2019, the District makes the following report:**

**1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year:**

There were no boundary changes made or proposed to the District’s boundary in 2019.

**2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year:**

The District did not enter into or propose any new Intergovernmental Agreements in 2019.

**3. Copies of the District’s rules and regulations, if any, as of December 31 of the prior year:**

The District adopted new rules and regulations as of December 31, 2019, which are attached hereto as **Exhibit A**.

**4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year:**

To our actual knowledge, based on review of the court records in Adams County, Colorado, there is no litigation involving the District Public Improvements as of December 31, 2019.

**5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year:**

The Public Improvements within the District are being constructed by the developer of the project. There were considerable improvements constructed in 2019. Phases 1-4 have been completed and accepted by the City, Phases 5 and 7 of the community are in process as of December 31, 2019. The District engineer has certified public improvement costs related to

streets, sanitary sewer, water, and parks, and the District has accepted certified costs in the amount of \$9,087,928.04.

**6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year:**

The Public Improvements within the District are being constructed by the developer of the project. The City accepts improvements upon completion of a given phase, and Phases 1-4 have been completed and accepted by the City. The District has not constructed any facilities or improvements.

**7. The assessed valuation of the District for the current year:**

The current assessed valuation of the District is \$8,885,760.00, attached hereto as **Exhibit B**.

**8. Current year budget including a description of the Public Improvements to be constructed in such year:**

The District's 2020 budget is attached hereto as **Exhibit C**. The Public Improvements within Phase 1-4 of the community are currently being constructed.

**9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable:**

The 2018 Audit is attached hereto as **Exhibit D**. The 2019 Audit has not yet been completed and will be filed with the 2020 Annual Report.

**10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument:**

There were no events of default for the year ending December 31, 2019.

**11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period:**

The District has been able to pay its obligations as they come due.

**EXHIBIT A**  
**Rules & Regulations**

**RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
BIG DRY CREEK METROPOLITAN DISTRICT**

**ADOPTING RULES AND REGULATIONS**

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WHEREAS, the Board of Directors (the “Board”) of Big Dry Creek Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”) has determined that it is in the best interest of the District and the residents and property owners of the District to adopt rules and regulations in order to preserve and protect public property and facilities owned and/or operated by the District, and prohibit activities that interfere with the use and enjoyment of such property and facilities; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of the State of Colorado for carrying on the business, objects, and affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(n), C.R.S., the Board is authorized to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to the District by Article 1, Title 32, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District; and

WHEREAS, pursuant to that certain First Amendment to Intergovernmental Agreement between the City of Thornton and the District Regarding the Second Amended and Restated Service Plan for the District dated August 22, 2017, the District is authorized to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City and the District and may impose fees and charges for rentals and reservations of the park pavilion and tennis courts; and

WHEREAS, pursuant to § 18-9-117(1), C.R.S., in addition to any authority granted by any other law, the District may adopt such orders, rules, or regulations as are reasonably necessary for the administration, protection, and maintenance of public property under its control, management or supervision, regarding, *inter alia*, the following matters: (i) the preservation of property, grounds and structures; (ii) restriction or limitation of the use of such public property as to time, manner, or permitted activities; (iii) prohibition of activities or conduct on public property which may be reasonably expected to substantially interfere with the use and enjoyment of such places by others or which may constitute a general nuisance; (iv) necessary sanitation, health, and safety measures; (v) camping, picnicking, assemblages, and other individual or group usages including the time, place, and manner in which such activities may be permitted; (vi) use of all vehicles as to place, time, and manner of use; and (vii) control and limitation on fires; and

WHEREAS, pursuant to § 18-9-117 (2), C.R.S., such limitations or prohibitions must be prominently posted at all public entrances to such property or such notice must be given by an officer or agency, including any agent thereof, or by any law enforcement officer having jurisdiction or authority to enforce the limitations, restrictions, or prohibitions; and

WHEREAS, the Board has determined that it is in the best interest of the District and the residents and property owners of the District to adopt rules and regulations in order to provide for the preservation of the health, safety, and welfare of residents, property owners, and the public and in order to preserve and protect public property and facilities owned and/or operated by the District, and prohibit activities that interfere with the use and enjoyment of such property and facilities.

NOW, THEREFORE, be it resolved by the Board of Directors of Big Dry Creek Metropolitan District as follows:

1. Adoption of Rules and Regulations. The rules and regulations attached hereto as **Exhibit A** and incorporated herein by this reference (the “Rules and Regulations”) are hereby adopted pursuant to § 32-1-1001(1)(m) and § 18-9-117, C.R.S.

2. Variances. The Board hereby authorizes the district manager or general counsel to grant written variances from the Rules and Regulations for good cause shown.

3. Amendment. The District expressly reserves the right to amend, revise, redact, and/or repeal the Rules and Regulations adopted hereby in whole or in part, from time to time in order to further the purpose of carrying on the business, objects, and affairs of the District. The foregoing shall specifically include, but not be limited to, the right to adopt new rules and regulations and/or policies and procedures as may be necessary, all in the Board's discretion.

4. Effective Date. The provisions of this resolution shall take effect as of the date this resolution is adopted by the Board.

5. Severability. If any term or provision of this resolution or if any rule or regulation is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the remainder of the resolution or rules and regulations, as a whole, but shall be severed, leaving the remaining terms or provisions in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

6. Penalties. Persons who violate any of the Rules and Regulations shall be subject to criminal and civil penalties.

a. Criminal Remedies. Pursuant to § 18-9-117 (3)(a) and (b), C.R.S., any violation of the Rules and Regulations is unlawful and persons found in violation shall be subject to criminal penalties enforceable by authorized law enforcement officers.

b. Civil Penalties. A violation of any of the Rules and Regulations is subject to any and all civil remedies available to the District under Title 32, C.R.S. or other applicable laws, including a civil penalty hereby imposed in the amount of \$50 for the first violation, \$100 for the second violation, and \$250 for the third and subsequent violations, and actual costs and attorneys' fees incurred by the District. The District may collect such penalties, charges, costs and fees by any means authorized by law.

*[Signature page follows]*

**RESOLVED AND ADOPTED** this 13<sup>th</sup> day of June, 2019.

**BIG DRY CREEK METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado



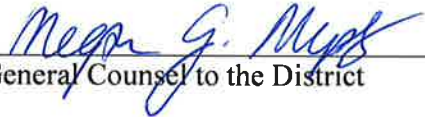
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

**WHITE BEAR ANKELE TANAKA & WALDRON**  
Attorneys at Law

  
\_\_\_\_\_  
General Counsel to the District

*[Signature page to Resolution Adopting Rules and Regulations.]*

**EXHIBIT A**  
**Rules and Regulations**

The following Rules and Regulations are hereby approved and adopted by the Board of Directors of Big Dry Creek Metropolitan District.

It is prohibited and shall be unlawful, unless otherwise approved in writing by the district manager or legal counsel, for any person to:

General Rules

1. To enter, use, or occupy any public areas during the time such areas, or any portions thereof, are closed to entry, use, or occupancy, including seasonal closures.
2. To loiter on or within or to block ingress and/or egress to or from the District or cause unreasonable noise within any District property between 11:00 p.m. and 6:00 a.m. unless authorized by a written permit.
3. To bicycle, skateboard or rollerblade on District property except on designated trails, sidewalks and/or roadways.
4. To solicit, picket, protest or distribute literature on District property without prior approval of the district manager and the securing of any required permits.
5. To engage in any activity on District property that unreasonably endangers the health, safety, and welfare of any person, animal, or property.
6. To engage in disorderly conduct within District property, including:
  - a. Addressing abusive language or threats to any person present which creates a clear and present danger of violence;
  - b. Fighting with another;
  - c. Any conduct defined as disorderly conduct pursuant to §18-9-106(1) C.R.S.
7. To place or post any type of permanent or temporary signage of any type on District property.
8. To stick or place any handbill, poster, placard, sticker, or painted or printed matter upon any District property, including, but not limited to, any fence, power or light pole, telephone pole or other District structure.
9. To camp within any District property.
10. To use any District property for any private enterprise or to sell or offer for sale any tangible or intangible goods or services on District property without prior approval and the securing of any required permits.
11. To hold any public meeting, gathering, or other scheduled event, public or private on

District property, which the sponsor reasonably anticipates will be attended by 15 or more persons without prior written approval of the district manager and the securing of any required permits.

### **Litter, Dumping**

12. To deposit or leave any refuse, trash, litter, household, or construction debris, or commercial garbage or trash, on District property except by depositing such refuse, trash, litter and debris in receptacles specifically designed for such purpose.

### **Glass Containers**

13. To possess or use any glass bottle or container on District property.

### **Damage to Property/Vandalism**

14. To remove, destroy, vandalize, deface, or damage any building, structure, facility, sign, equipment, fences, gates or locks located on or regulating access to District property.
15. To tamper with, remove, or vandalize any life safety equipment on District property (i.e. fire extinguishers, smoke detectors, fire alarms, lifeguard equipment, etc.).

### **Drugs, Alcohol, Marijuana, Etc.**

16. To sell, possess or consume any illegal drugs or controlled substances prohibited under any section of the Colorado Revised Statutes on District property.
17. To sell, serve, dispense, or consume any alcoholic beverage or possess an open container of any alcoholic beverage on District property.
18. To sell or consume any tobacco product of any kind on District property.
19. To sell, possess, use, or display marijuana in any form and/or marijuana related products on District property.

### **Firearms, Projectiles, Fireworks, Flying Crafts**

20. To knowingly possess a bow and arrow, crossbow, sling, paintball gun, air soft gun, blowgun or any other device potentially inimical to wildlife or dangerous to human safety, or any instrument that can be loaded with and fire blank cartridges, or any trapping device on District property.
21. To possess, ignite or discharge explosives or fireworks or operate or launch model rockets or other devices that use an explosive charge on District property.
22. To golf or hit golf balls onto or within any District property.

## **Fire**

23. To build, start, or light any fire at any location, of any nature, except within properly approved and designated areas (i.e. park grills, etc.), or to leave any fire unattended, or to fail to comply with any fire bans on District Property.

## **Vehicles**

24. To park any motor vehicles, trailers, or campers on District property except in designated parking areas.
25. To operate any motorized vehicle on District property, except on public roads or within public parking areas. Emergency, maintenance, and patrol vehicles are specifically excluded.

## **Dogs/Domestic Animals**

26. To allow domestic pets to roam on District property, except when restrained by a leash and under direct control of a person physically able to control the domestic pet.
27. To leave any domestic animal unattended on District property.
28. To allow domestic pets to harm, kill, chase, or otherwise harass any wild animal, bird, fish, reptile or amphibian within any District property.
29. To allow any domestic pet to enter any water feature, pond, fountain or the like on or within District property.
30. To leave on any District property, except in designated trash receptacles, the fecal matter of any animal that one owns, possesses, or keeps.

## **Unlawful Improvements**

31. To construct, place, or maintain any kind of road, trail, structure, sign, fence, marker, enclosure, communication equipment or other improvement within or upon any District property.
32. To install any structure including, but not limited to, tents, booths, stands, awnings, tree houses, rope swings, inflatable amusements and canopies on District property, with the exception that temporary awnings and/or umbrellas for shade are permitted as long as such temporary structures do not exceed 25 square feet, are not left unattended, and are removed when the visitor leaves.

## **Noise/Sound**

33. To amplify sound in accordance with Adams County noise ordinance and between the times of 10 p.m. and 7 a.m. by any means, including but not limited to the use of

loudspeakers, public address systems, radios and/or stereo systems, within any District property. Lighting activities, noise or increased traffic associated with special use shall not unreasonably disturb surrounding residents.

**Wildlife/Habitat**

34. To feed, or attempt to feed, any wildlife on District property.
35. To relocate or release animals, fish, birds or insects on District property.
36. To hunt, shoot, kill, injure, trap or maim any animal on District property.
37. To permit any livestock to graze, or remain to graze on District property.
38. To install landscaping improvements extending onto District property including, but not limited to, irrigation, landscape materials, shrub and tree planting, gardening, landscape related structures, and retaining walls.
39. To knowingly mar, mutilate, deface, disfigure, remove, or injure beyond normal use any rocks, trees, shrubbery, flowers, wildflowers or other features of the natural environment on District property.

**EXHIBIT B**  
**2019 Assessed Valuation**

## CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **353 - ORCHARD FARMS METROPOLITAN DISTRICT**

IN ADAMS COUNTY ON 11/27/2019

New Entity: No

<b>USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY</b>
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2019 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$5,264,340
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$8,885,760
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$8,885,760
5. NEW CONSTRUCTION: **	\$2,531,590
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

<b>USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY</b>
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IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2019 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$111,595,798
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$35,406,938
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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**NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2019**

Data Date: 11/27/2019

**EXHIBIT C**  
**2020 Budget**



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
CLAAconnect.com

**Accountant's Compilation Report**

Board of Directors  
Orchard Farms Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Orchard Farms Metropolitan District (formerly known as Big Dry Creek Metropolitan District) for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. We did not audit or review the budget 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 accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions, which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Orchard Farms Metropolitan District.

Greenwood Village, Colorado  
\_\_\_\_\_, 2019

**ORCHARD FARMS METROPOLITAN DISTRICT  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/1/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 5,658,156	\$ 1,948,473	\$ 1,870,086	\$ 1,870,086	\$ 1,248,583
REVENUE					
Property Tax	199,851	385,755	385,548	385,755	654,561
Specific Ownership Tax	16,929	23,145	15,922	31,800	52,365
Interest Income	80,157	16,400	25,336	47,900	18,370
2018 Operations Fees	-	-	28,750	34,750	10,750
2019 Operations Fees	64,122	135,360	64,761	119,239	155,335
Transfer Fees	-	-	19,500	24,000	31,000
Legal Collection Fees	-	-	-	-	2,500
Violations & Late Fees	8,368	-	5,486	6,000	-
Developer Advance	3,269,681	1,000,000	-	1,000,000	-
Total revenue	<u>3,639,108</u>	<u>1,560,660</u>	<u>545,303</u>	<u>1,649,444</u>	<u>924,881</u>
Total funds available	<u>9,297,264</u>	<u>3,509,133</u>	<u>2,415,389</u>	<u>3,519,530</u>	<u>2,173,464</u>
EXPENDITURES					
General Fund	91,998	91,000	67,151	92,500	139,000
Operations Fee Fund	55,783	202,700	26,787	53,000	209,500
Debt Service Fund	569,814	575,000	289,889	569,915	575,000
Capital Projects Fund	6,709,583	1,550,668	-	1,555,532	-
Total expenditures	<u>7,427,178</u>	<u>2,419,368</u>	<u>383,827</u>	<u>2,270,947</u>	<u>923,500</u>
Total expenditures and transfers out requiring appropriation	<u>7,427,178</u>	<u>2,419,368</u>	<u>383,827</u>	<u>2,270,947</u>	<u>923,500</u>
ENDING FUND BALANCES	<u>\$ 1,870,086</u>	<u>\$ 1,089,765</u>	<u>\$ 2,031,562</u>	<u>\$ 1,248,583</u>	<u>\$ 1,249,964</u>
Emergency Reserve	\$ 3,900	\$ 3,100	\$ 3,000	\$ 3,100	\$ 5,200
Available For Operations	(9,392)	7,633	23,039	1,566	33,476
Debt Service Surplus Fund	840,000	1,018,719	1,018,719	1,009,036	983,022
Operations Fee Fund Reserve	100,092	96,869	193,742	234,881	228,266
TOTAL RESERVE	<u>\$ 934,600</u>	<u>\$ 1,126,321</u>	<u>\$ 1,238,500</u>	<u>\$ 1,248,583</u>	<u>\$ 1,249,964</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/1/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>					
Residential	\$ 1,854,680	\$ 3,610,610	\$ 3,610,610	\$ 3,610,610	\$ 7,718,180
Agricultural	5,700	4,490	4,490	4,490	4,400
State Assessed	-	100	100	100	3,220
Vacant Land	801,880	1,564,600	1,564,600	1,564,600	1,040,230
Personal Property	36,090	57,420	57,420	57,420	96,840
Oil & Gas	28,970	27,120	27,120	27,120	22,890
Certified Assessed Value	<u>\$ 2,727,320</u>	<u>\$ 5,264,340</u>	<u>\$ 5,264,340</u>	<u>\$ 5,264,340</u>	<u>\$ 8,885,760</u>
<b>MILL LEVY</b>					
General	18.000	18.000	18.000	18.000	18.000
Debt Service	55.277	55.277	55.277	55.277	55.664
Total mill levy	<u>73.277</u>	<u>73.277</u>	<u>73.277</u>	<u>73.277</u>	<u>73.664</u>
<b>PROPERTY TAXES</b>					
General	\$ 49,092	\$ 94,758	\$ 94,758	\$ 94,758	\$ 159,944
Debt Service	150,758	290,997	290,997	290,997	494,617
Levied property taxes	199,850	385,755	385,755	385,755	654,561
Adjustments to actual/rounding	1	-	(207)	-	-
Budgeted property taxes	<u>\$ 199,851</u>	<u>\$ 385,755</u>	<u>\$ 385,548</u>	<u>\$ 385,755</u>	<u>\$ 654,561</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 49,092	\$ 94,758	\$ 94,707	\$ 94,758	\$ 159,944
Debt Service	150,759	290,997	290,841	290,997	494,617
	<u>\$ 199,851</u>	<u>\$ 385,755</u>	<u>\$ 385,548</u>	<u>\$ 385,755</u>	<u>\$ 654,561</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/1/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 32,883	\$ 890	\$ (5,492)	\$ (5,492)	\$ 4,666
REVENUE					
Property Tax	49,092	94,758	94,707	94,758	159,944
Specific Ownership Tax	4,158	5,685	3,910	7,800	12,796
Interest Income	373	400	65	100	270
Total revenue	<u>53,623</u>	<u>100,843</u>	<u>98,682</u>	<u>102,658</u>	<u>173,010</u>
Total funds available	<u>86,506</u>	<u>101,733</u>	<u>93,190</u>	<u>97,166</u>	<u>177,676</u>
EXPENDITURES					
General and administrative					
Accounting	32,142	25,000	18,244	31,200	26,250
Audit	3,750	3,750	3,750	3,750	3,750
Contingency	-	259	-	430	4,501
County Treasurer's Fee	737	1,421	1,421	1,421	2,399
Director & Meeting Expenses	-	-	-	-	1,000
Dues	371	390	525	525	600
Elections	12,097	-	-	-	10,000
Insurance	3,981	4,180	4,174	4,174	4,500
Legal	37,732	35,000	18,512	30,000	45,000
Miscellaneous	1,188	1,000	525	1,000	1,000
Repay Developer Advance	-	20,000	20,000	20,000	40,000
Total expenditures	<u>91,998</u>	<u>91,000</u>	<u>67,151</u>	<u>92,500</u>	<u>139,000</u>
Total expenditures and transfers out requiring appropriation	<u>91,998</u>	<u>91,000</u>	<u>67,151</u>	<u>92,500</u>	<u>139,000</u>
ENDING FUND BALANCE	<u>\$ (5,492)</u>	<u>\$ 10,733</u>	<u>\$ 26,039</u>	<u>\$ 4,666</u>	<u>\$ 38,676</u>
Emergency Reserve	\$ 3,900	\$ 3,100	\$ 3,000	\$ 3,100	\$ 5,200
Available For Operations	(9,392)	7,633	23,039	1,566	33,476
Total Reserve	<u>(5,492)</u>	<u>10,733</u>	<u>26,039</u>	<u>4,666</u>	<u>38,676</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT  
OPERATIONS FEE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/1/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 82,361	\$ 163,209	\$ 100,092	\$ 100,092	\$ 234,881
REVENUE					
2018 Operations Fees	-	-	28,750	34,750	10,750
2019 Operations Fees	64,122	135,360	64,761	119,239	155,335
Interest Income	1,024	1,000	1,940	3,800	3,300
Legal Collection Fees	-	-	-	-	2,500
Transfer Fees	-	-	19,500	24,000	31,000
Violations & Late Fees	8,368	-	5,486	6,000	-
Total revenue	<u>73,514</u>	<u>136,360</u>	<u>120,437</u>	<u>187,789</u>	<u>202,885</u>
Total funds available	<u>155,875</u>	<u>299,569</u>	<u>220,529</u>	<u>287,881</u>	<u>437,766</u>
EXPENDITURES					
General and Administrative					
Accounting	995	-	-	-	-
Billing	-	10,000	5,841	10,000	10,000
Community Activities	6,454	8,000	2,430	8,000	8,000
Covenant Enforcement	1,833	4,000	1,517	4,000	4,000
Design Review	4,093	2,500	4,321	6,000	6,000
Director Expense	1,599	1,000	-	-	1,000
District Management	28,090	20,000	10,109	20,000	22,000
Legal Collections	8,741	10,000	807	1,000	10,500
Miscellaneous	-	500	-	1,000	1,000
Postage and Delivery	788	1,000	1,637	2,000	2,000
Transfer Fees Expense	1,400	10,000	-	-	-
Website	1,300	1,200	125	1,000	1,000
Landscape Maintenance					
Irrigation Repairs & Improvements	-	3,000	-	-	4,000
Landscape Maintenance - Contract	81	51,000	-	-	51,000
Landscape Replacements & Improvements	-	5,000	-	-	5,000
Grounds and Park Maintenance					
Lighting	409	8,000	-	-	8,000
Park Maintenance	-	6,000	-	-	6,000
Restroom Maintenance	-	2,000	-	-	2,000
Snow Removal	-	4,000	-	-	5,000
Underdrain Maintenance	-	15,000	-	-	21,000
Utilities					
Electricity	-	500	-	-	2,000
Water and Sewer	-	40,000	-	-	40,000
Total expenditures	<u>55,783</u>	<u>202,700</u>	<u>26,787</u>	<u>53,000</u>	<u>209,500</u>
Total expenditures and transfers out requiring appropriation	<u>55,783</u>	<u>202,700</u>	<u>26,787</u>	<u>53,000</u>	<u>209,500</u>
ENDING FUND BALANCE	<u>\$ 100,092</u>	<u>\$ 96,869</u>	<u>\$ 193,742</u>	<u>\$ 234,881</u>	<u>\$ 228,266</u>
Operations Fee Fund Reserve	\$ 100,092	\$ 96,869	\$ 193,742	\$ 234,881	\$ 228,266
TOTAL RESERVE	<u>\$ 100,092</u>	<u>\$ 96,869</u>	<u>\$ 193,742</u>	<u>\$ 234,881</u>	<u>\$ 228,266</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/1/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 1,611,179	\$ 1,233,706	\$ 1,231,954	\$ 1,231,954	\$ 1,009,036
REVENUE					
Property Tax	150,759	290,997	290,841	290,997	494,617
Specific Ownership Tax	12,771	17,460	12,012	24,000	39,569
Interest Income	27,059	15,000	16,238	32,000	14,800
Total revenue	<u>190,589</u>	<u>323,457</u>	<u>319,091</u>	<u>346,997</u>	<u>548,986</u>
Total funds available	<u>1,801,768</u>	<u>1,557,163</u>	<u>1,551,045</u>	<u>1,578,951</u>	<u>1,558,022</u>
EXPENDITURES					
County Treasurer's Fee	2,264	4,365	4,364	4,365	7,419
Contingency	-	3,085	-	-	2,031
Interest Expense - Series 2017A	560,050	560,050	280,025	560,050	560,050
Paying Agent Fees	7,500	7,500	5,500	5,500	5,500
Total expenditures	<u>569,814</u>	<u>575,000</u>	<u>289,889</u>	<u>569,915</u>	<u>575,000</u>
Total expenditures and transfers out requiring appropriation	<u>569,814</u>	<u>575,000</u>	<u>289,889</u>	<u>569,915</u>	<u>575,000</u>
ENDING FUND BALANCE	<u>\$ 1,231,954</u>	<u>\$ 982,163</u>	<u>\$ 1,261,156</u>	<u>\$ 1,009,036</u>	<u>\$ 983,022</u>
Debt Service Surplus Fund	<u>\$ 840,000</u>	<u>\$ 1,018,719</u>	<u>\$ 1,018,719</u>	<u>\$ 1,009,036</u>	<u>\$ 983,022</u>
TOTAL RESERVE	<u>\$ 840,000</u>	<u>\$ 1,018,719</u>	<u>\$ 1,018,719</u>	<u>\$ 1,009,036</u>	<u>\$ 983,022</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

10/1/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 7/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 3,931,733	\$ 550,668	\$ 543,532	\$ 543,532	\$ -
REVENUE					
Interest Income	51,701	-	7,093	12,000	-
Developer Advance	3,269,681	1,000,000	-	1,000,000	-
Total revenue	<u>3,321,382</u>	<u>1,000,000</u>	<u>7,093</u>	<u>1,012,000</u>	<u>-</u>
Total funds available	<u>7,253,115</u>	<u>1,550,668</u>	<u>550,625</u>	<u>1,555,532</u>	<u>-</u>
EXPENDITURES					
General and Administrative					
Capital Outlay	3,269,681	1,000,000	-	1,000,000	-
Engineering	8,838	-	-	-	-
Repay Developer Advance	3,422,245	550,668	-	555,532	-
Repay Developer Advance Interest	8,819	-	-	-	-
Total expenditures	<u>6,709,583</u>	<u>1,550,668</u>	<u>-</u>	<u>1,555,532</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>6,709,583</u>	<u>1,550,668</u>	<u>-</u>	<u>1,555,532</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 543,532</u>	<u>\$ -</u>	<u>\$ 550,625</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Orchard Farms Metropolitan District, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was established to provide public streets, traffic and safety, water, sewer, park and recreation, television relay and translation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

On November 6, 2007, the District's voters authorized total general obligation indebtedness of \$48,000,000 for the above listed facilities and, with a maximum debt mill levy of 50.000 mills as adjusted for changes in the assessment ratio. The adjusted mill levy for the change in the assessment ratio from 7.96% to 7.15% is 55.664 mills.

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

The District prepares its budget on the modified accrual basis of accounting and in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8.0% of all the property taxes collected.

**ORCHARD FARMS METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Developer Advances**

The District is in the development stage. As such, capital infrastructure costs have been funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**Operations Fees**

The District imposes a monthly fee of \$47.00 from the homeowners and collects a \$500 fee at closing from each new homeowner to pay for the costs of landscaping, maintenance and management.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, covenant control, insurance and meeting expense.

**Maintenance Expenditures**

Anticipated expenditures for maintenance are outlined in the Operations Fees Fund of the Budget.

**Debt and Leases**

The District issued Senior Bonds and Subordinate Bonds on May 4, 2017, in the amounts of \$9,740,000 and \$1,288,000, respectively. Proceeds from the sale of the Senior Bonds were used for the purposes of: (i) reimbursing a portion of the costs of acquiring, constructing, and installing certain public improvements; (ii) refunding the District's outstanding General Obligation Subordinate Promissory Note, Series 2011A; (iii) providing an initial deposit to the Surplus Fund; (iv) providing capitalized interest; and (v) paying the costs of issuing the Bonds. Proceeds from the sale of the Subordinate Bonds will be used to reimburse a portion of the costs of acquiring, constructing, and installing certain public improvements.

The Senior Bonds bear interest at the rate of 5.75% per annum payable semi-annually on June 1 and December 1, beginning on June 1, 2017. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, beginning on December 1, 2022. The Senior Bonds mature on December 1, 2047. In the event that any amount of principal or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue on December 1, 2057, the Senior Bonds are to be deemed discharged.

**ORCHARD FARMS METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

The Subordinate Bonds bear interest at the rate of 7.75% per annum payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue on December 15, 2057, the Subordinate Bonds are to be deemed discharged.

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, consisting of:

- (a) all Senior Property Tax Revenues derived from the Senior Required Mill Levy;
- (b) all Specific Ownership Tax attributable to the Senior Required Mill Levy;
- (c) all Capital Fees, if any; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Prior to the time when the Debt to Assessed Ratio is 50% or less, the Senior Bonds are also secured by amounts accumulated in the Surplus Fund, if any.

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection, consisting of:

- (a) all Subordinate Property Taxes derived from the Subordinate Required Mill Levy;
- (b) all Specific Ownership Tax attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fees, if any;
- (d) any amounts in the Surplus Fund upon the termination of such fund pursuant to the Senior Indenture; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**ORCHARD FARMS METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Prior to the date that the Debt to Assessed Ratio is equal to 50% or less, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$1,948,000. Except for the initial deposit of \$840,000 to the Surplus Fund from bond proceeds, the Surplus Fund is to be funded solely from deposits of Senior Pledged Revenue. The District anticipates that the Surplus Fund will be drawn upon in 2019 and 2020 to meet debt service requirements of the Senior Bonds. When the Debt to Assessed Ratio is equal to or less than 50%, the Surplus Fund will be terminated and any moneys therein applied to any legal purpose of the District. The Subordinate Indenture provides that any amounts in the Surplus Fund upon the termination of such fund pursuant to the Senior Indenture are pledged to the payment of the Subordinate Bonds. The District has acknowledged that State Law places certain restrictions on the use of money derived from the Senior Required Mill Levy.

Cumulative surplus cash in the Debt Service Fund will be use for the repayment of 2017C Bonds which were issued on August 2, 2017 with a par amount of \$1,865,000. The Junior Lien Bonds bear interest at the rate of 9.0% per annum payable annually on December 15, but only to the extent of available Junior Lien Pledged Revenue. The Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Junior Lien Bonds compounds annually on each December 15. In no event is any principal or interest to be paid on the Junior Lien Bonds until the Subordinate Bonds, and to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations, have been paid in full or defeased. In the event any amount of principal or interest on the Junior Lien Bonds remains unpaid after the application of all Junior Lien Pledged Revenue on December 15, 2057, the Junior Lien Bonds are to be deemed discharged.

**Reserves**

**Emergency Reserve**

The district has provided for an emergency reserve equal to at least 3% of the fiscal year spending, as defined under TABOR

**This information is an integral part of the accompanying budget.**

**ORCHARD FARMS METROPOLITAN DISTRICT (FKA BIG DRY CREEK)  
DEBT SERVICE REQUIREMENTS TO MATURITY**

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

**Issue date May 4, 2017**

**Principal Due Annually December 1**

**Interest at 5.750%**

**Due June 1 and December 1**

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ -	\$ 560,050	\$ 560,050
2021	-	560,050	560,050
2022	30,000	560,050	590,050
2023	115,000	558,325	673,325
2024	135,000	551,712	686,712
2025	140,000	543,950	683,950
2026	165,000	535,900	700,900
2027	170,000	526,412	696,412
2028	195,000	516,637	711,637
2029	210,000	505,425	715,425
2030	235,000	493,350	728,350
2031	250,000	479,837	729,837
2032	275,000	465,462	740,462
2033	290,000	449,650	739,650
2034	325,000	432,975	757,975
2035	345,000	414,287	759,287
2036	380,000	394,450	774,450
2037	400,000	372,600	772,600
2038	440,000	349,600	789,600
2039	465,000	324,300	789,300
2040	505,000	297,563	802,563
2041	535,000	268,525	803,525
2042	580,000	237,763	817,763
2043	615,000	204,413	819,413
2044	665,000	169,050	834,050
2045	705,000	130,813	835,813
2046	765,000	90,275	855,275
2047	805,000	46,288	851,288
	<u>\$ 9,740,000</u>	<u>\$ 11,039,712</u>	<u>\$ 20,779,712</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**EXHIBIT D**  
**2018 Audit**

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

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2018**

**BIG DRY CREEK METROPOLITAN DISTRICT  
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Board of Directors  
Big Dry Creek Metropolitan District  
Adams County, Colorado

### Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Big Dry Creek Metropolitan District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Big Dry Creek Metropolitan District as of December 31, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other-Matters***

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Big Dry Creek Metropolitan District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

*Simmons & Wheeler P.C.*

Englewood, CO  
May 29, 2019

## **BASIC FINANCIAL STATEMENTS**

**BIG DRY CREEK METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 133,333
Cash and Investments - Restricted	1,788,706
Accounts Receivable	4,091
Receivable from County Treasurer	1,467
Prepaid Expenses	350
Property Taxes Receivable	385,755
Capital Assets, Not Being Depreciated	9,089,517
Total Assets	11,403,219
<b>LIABILITIES</b>	
Accounts Payable	28,791
Bond Interest Payable	46,671
Noncurrent Liabilities:	
Due in More Than One Year	13,405,454
Total Liabilities	13,480,916
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	385,755
Prepaid Assessments	29,070
Total Deferred Inflows of Resources	414,825
<b>NET POSITION</b>	
Restricted For:	
Emergency Reserves	3,900
Operations	100,092
Capital Projects	8,742
Unrestricted	(2,605,256)
Total Net Position	\$ (2,492,522)

See accompanying Notes to Basic Financial Statements.

**BIG DRY CREEK METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Governmental Activities:					
General Government	\$ 158,883	\$ 72,490	\$ -	\$ -	\$ (86,393)
Interest and Related Costs on Long-Term Debt	849,876	-	-	-	(849,876)
Total Governmental Activities	\$ 1,008,759	\$ 72,490	\$ -	\$ -	(936,269)
<b>GENERAL REVENUES</b>					
Property Taxes					199,851
Specific Ownership Taxes					16,929
Interest Income					80,157
Total General Revenues					296,937
<b>CHANGE IN NET POSITION</b>					(639,332)
Net Position - Beginning of Year					(1,853,190)
<b>NET POSITION - END OF YEAR</b>					\$ (2,492,522)

See accompanying Notes to Basic Financial Statements.

**BIG DRY CREEK METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 133,333	\$ -	\$ -	\$ 133,333
Cash and Investments - Restricted	3,900	1,230,847	553,959	1,788,706
Accounts Receivable	4,091	-	-	4,091
Receivable from County Treasurer	360	1,107	-	1,467
Due from Other Funds	1,589	-	-	1,589
Prepaid Expenses	350	-	-	350
Property Taxes Receivable	94,758	290,997	-	385,755
	<u>\$ 238,381</u>	<u>\$ 1,522,951</u>	<u>\$ 553,959</u>	<u>\$ 2,315,291</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 19,953	\$ -	\$ 8,838	\$ 28,791
Due to Other Funds	-	-	1,589	1,589
Total Liabilities	<u>19,953</u>	<u>-</u>	<u>10,427</u>	<u>30,380</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	94,758	290,997	-	385,755
Prepaid Assessments	29,070	-	-	29,070
Total Deferred Inflows of Resources	<u>123,828</u>	<u>290,997</u>	<u>-</u>	<u>414,825</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expenses	350	-	-	350
Restricted For:				
Emergency Reserves	3,900	-	-	3,900
Debt Service	-	1,231,954	-	1,231,954
Capital Projects	-	-	543,532	543,532
Committed:				
Operations	100,092	-	-	100,092
Unassigned	(9,742)	-	-	(9,742)
Total Fund Balances	<u>94,600</u>	<u>1,231,954</u>	<u>543,532</u>	<u>1,870,086</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 238,381</u>	<u>\$ 1,522,951</u>	<u>\$ 553,959</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Capital Assets, Not Being Depreciated 9,089,517

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

Bonds Payable (12,893,000)  
Bond Interest Payable - Current and Accrued (461,213)  
Developer Advances Payable (77,702)  
Accrued interest on Developer Advances (20,210)

Net Position of Governmental Activities

\$ (2,492,522)

See accompanying Notes to Basic Financial Statements.

**BIG DRY CREEK METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 49,092	\$ 150,759	\$ -	\$ 199,851
Specific Ownership Taxes	4,158	12,771	-	16,929
Interest Income	1,397	27,059	51,701	80,157
Operations Fees	64,122	-	-	64,122
Penalties and Adjustments	8,368	-	-	8,368
Total Revenues	<u>127,137</u>	<u>190,589</u>	<u>51,701</u>	<u>369,427</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	33,137	-	-	33,137
Audit	3,750	-	-	3,750
Community Activities	6,454	-	-	6,454
County Treasurer's Fees	737	2,264	-	3,001
Covenant Enforcement	1,833	-	-	1,833
Design Review	4,093	-	-	4,093
Director Expenses	1,599	-	-	1,599
District Management	28,090	-	-	28,090
Dues and Subscriptions	371	-	-	371
Election	12,097	-	-	12,097
Insurance	3,981	-	-	3,981
Landscape Contract	81	-	-	81
Legal	46,473	-	-	46,473
Lighting	409	-	-	409
Miscellaneous	1,188	-	-	1,188
Postage and Delivery	788	-	-	788
Transfer Fees	1,400	-	-	1,400
Website	1,300	-	-	1,300
Debt Service:				
Interest - Series 2017A Bonds	-	560,050	-	560,050
Paying Agent Fees	-	7,500	-	7,500
Capital:				
Capital Outlay	-	-	3,269,681	3,269,681
Engineering	-	-	8,838	8,838
Total Expenditures	<u>147,781</u>	<u>569,814</u>	<u>3,278,519</u>	<u>3,996,114</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(20,644)	(379,225)	(3,226,818)	(3,626,687)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	-	-	3,269,681	3,269,681
Repay Developer Advances	-	-	(3,422,245)	(3,422,245)
Repay Developer Advance Interest	-	-	(8,819)	(8,819)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(161,383)</u>	<u>(161,383)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(20,644)	(379,225)	(3,388,201)	(3,788,070)
Fund Balances - Beginning of Year	<u>115,244</u>	<u>1,611,179</u>	<u>3,931,733</u>	<u>5,658,156</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 94,600</u>	<u>\$ 1,231,954</u>	<u>\$ 543,532</u>	<u>\$ 1,870,086</u>

See accompanying Notes to Basic Financial Statements.

**BIG DRY CREEK METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balances - Governmental Funds \$ (3,788,070)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of any cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay 3,269,681

Long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Developer Advances	(3,269,681)
Repayment of Developer Advance	3,422,245
Repayment of Developer Advance Interest	8,819

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

Accrued Interest on Developer Advance - Change in Liability	(9,556)
Accrued Interest on Bonds - Change in Liability	(272,770)

Change in Net Position of Governmental Activities \$ (639,332)

**BIG DRY CREEK METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 49,092	\$ 49,092	\$ 49,092	\$ -
Specific Ownership Taxes	5,400	5,400	4,158	(1,242)
Interest Income	400	400	1,397	997
Operations Fees	123,000	123,000	64,122	(58,878)
Penalties and Adjustments	-	-	8,368	8,368
Total Revenues	<u>177,892</u>	<u>177,892</u>	<u>127,137</u>	<u>(50,755)</u>
<b>EXPENDITURES</b>				
Accounting	20,000	25,000	33,137	(8,137)
Audit	4,700	3,750	3,750	-
Community Activities	8,000	8,000	6,454	1,546
Contingency	364	114	-	114
County Treasurer's Fees	736	736	737	(1)
Covenant Enforcement	-	-	1,833	(1,833)
Design Review	-	-	4,093	(4,093)
Director Expenses	2,000	-	1,599	(1,599)
District Management	14,800	14,800	28,090	(13,290)
Dues and Subscriptions	400	371	371	-
Election	2,000	12,097	12,097	-
Gas and Electric	300	300	-	300
Grounds Repair and Maintenance	3,000	3,000	-	3,000
Insurance	4,500	3,981	3,981	-
Landscape Contract	51,000	51,000	81	50,919
Legal	25,000	40,000	46,473	(6,473)
Lighting	50	50	409	(359)
Miscellaneous	1,500	1,451	1,188	263
Postage and Delivery	925	925	788	137
Snow Removal	4,000	4,000	-	4,000
Sprinkler Repair	1,000	1,000	-	1,000
Tract Conveyance	1,200	1,200	-	1,200
Transfer Fees	21,000	21,000	1,400	19,600
Underdrain Maintenance	15,000	15,000	-	15,000
Water & Sewer	10,000	10,000	-	10,000
Website	-	-	1,300	(1,300)
Total Expenditures	<u>191,475</u>	<u>217,775</u>	<u>147,781</u>	<u>69,994</u>
<b>NET CHANGE IN FUND BALANCES</b>	(13,583)	(39,883)	(20,644)	19,239
Fund Balances - Beginning of Year	<u>104,048</u>	<u>113,132</u>	<u>115,244</u>	<u>2,112</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 90,465</u>	<u>\$ 73,249</u>	<u>\$ 94,600</u>	<u>\$ 21,351</u>

See accompanying Notes to Basic Financial Statements.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

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

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

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

The District 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 more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Government-Wide and Fund Financial Statements (Continued)**

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 as general revenues.

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2018.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

**Interfund Balances**

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds (current portion of interfund loans) or advances to/from other funds (long-term portion of interfund loans). The interfund balances have been eliminated in the government-wide statements except for the residual balances between the governmental activities and business-type activities, which are reported as internal balances.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Operations Fees**

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

**Capital Assets**

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

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

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The item *deferred property tax revenue* is deferred, and recognized as an inflow of resources in the period that the amount becomes available. The item *prepaid assessments* represents operations fees paid to the District in advance of billing and is recognized as an inflow of resources in the respective billing period.

**Equity**

**Net Position**

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Equity (Continued)**

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

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

**NOTE 3 CASH AND INVESTMENTS**

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

Statement of Net Position:	
Cash and Investments	\$ 133,333
Cash and Investments - Restricted	1,788,706
Total Cash and Investments	<u>\$ 1,922,039</u>

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

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

Deposits with Financial Institutions	\$ 41,639
Investments	<u>1,880,400</u>
Total Cash and Investments	<u><u>\$ 1,922,039</u></u>

**Deposits with Financial Institutions**

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

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

At December 31, 2018, the District's cash deposits had a bank balance of \$47,940 and a carrying balance of \$41,639.

**Investments**

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

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

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

**Investments (Continued)**

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

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund (CSAFE)	Weighted Average Under 60 Days	\$ 1,880,400

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2018 follows:

	Balance - December 31, 2017	Increases	Decreases	Balance - December 31, 2018
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 5,819,836	\$ 3,269,681	\$ -	\$ 9,089,517
Capital Assets, Net	<u>\$ 5,819,836</u>	<u>\$ 3,269,681</u>	<u>\$ -</u>	<u>\$ 9,089,517</u>

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

**NOTE 5 LONG-TERM OBLIGATIONS**

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

	Balance - December 31, 2017	Additions	Retirements	Balance - December 31, 2018	Due Within One Year
G.O. Bonds - Series 2017A	\$ 9,740,000	\$ -	\$ -	\$ 9,740,000	\$ -
G.O. Bonds - Series 2017B	1,288,000	-	-	1,288,000	-
G.O. Bonds - Series 2017C	1,865,000	-	-	1,865,000	-
Accrued and Unpaid Interest - 2017B	61,278	109,529	-	170,807	-
Accrued and Unpaid Interest - 2017C	62,011	181,724	-	243,735	-
Developer Advances - Operations	77,702	-	-	77,702	-
Developer Advances - Capital	152,564	3,269,681	3,422,245	-	-
Accrued Interest:					
Developer Advances - Operations	16,325	3,885	-	20,210	-
Developer Advances - Capital	3,148	5,671	8,819	-	-
Total	<u>\$ 13,266,028</u>	<u>\$ 3,570,490</u>	<u>\$ 3,431,064</u>	<u>\$ 13,405,454</u>	<u>\$ -</u>

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

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

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

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

The Senior Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due/payable. The District must levy 50.000 mills, as adjusted, so long as the amount on deposit in the Surplus Fund is less than the Required Surplus Fund amount of \$840,000. The balance in the Surplus fund as of December 31, 2018 was \$1,006,081.

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

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

On May 4, 2017, the District issued Subordinate Limited Tax General Obligation Bonds in the amount of \$1,288,000. The proceeds from the sale of the Subordinate Bonds were used for the purposes of reimbursing the construction costs of public infrastructure improvements benefitting the District, and paying costs of issuance of the Subordinate Bonds. Interest on the Subordinate Bonds is at a rate of 7.750% per annum is payable annually on December 15, beginning on December 15, 2017. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The Subordinate Bonds are subject to optional redemption prior to maturity as described in the Subordinate Indenture.

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

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

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

The Junior Lien Bonds are secured by and payable solely from Pledged Revenue defined in the Junior Lien Indenture as the moneys derived by the District, net of any costs of collection, from: (i) property taxes derived from the Junior Lien Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Junior Lien Required Mill Levy; and (iii) revenue, if any, available for the Junior Lien after all amounts required by the Senior and Subordinate Indentures are applied by the trustee for

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

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

Senior and Subordinate Bonds. Pledged Revenue for the Junior Lien Bonds is subordinate to the revenue pledged to the 2017 Senior and Subordinate Bonds. While the 2017 Senior Bonds are secured by a Senior Reserve Fund and a Senior Surplus Fund, there is no reserve fund or surplus fund which secures the Junior Lien Bonds. The Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. The Junior Lien Bonds mature on December 15, 2047. In the event that any amount of principal and interest on the Junior Lien Bonds remains unpaid on December 15, 2057, the Junior Lien Bonds are to be discharged.

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

<u>Year Ending December 31,</u>	<u>Series 2017A Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 560,050	\$ 560,050
2020	-	560,050	560,050
2021	-	560,050	560,050
2022	30,000	560,050	590,050
2023	115,000	558,325	673,325
2024-2028	805,000	2,674,611	3,479,611
2029-2033	1,260,000	2,393,724	3,653,724
2034-2038	1,890,000	1,963,912	3,853,912
2039-2043	2,700,000	1,332,564	4,032,564
2044-2047	2,940,000	436,426	3,376,426
Total	<u>\$ 9,740,000</u>	<u>\$ 11,599,762</u>	<u>\$ 21,339,762</u>

Schedules for the Series 2017B and Series 2017C bonds are not presented as the repayments of those bonds are subject to cash availability.

**Debt Authorization**

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

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

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

	Authorized November 6, 2007 Election	Authorized November 4, 2014 Election	Authorization Used Series 2011	Authorization Used Series 2017	Remaining at December 31, 2018
Street Improvements	\$ 9,500,000	\$ 10,000,000	\$ 550,800	\$ 3,062,000	\$ 15,887,200
Parks and Recreation	9,500,000	10,000,000	-	-	19,500,000
Water	9,500,000	10,000,000	-	3,116,200	16,383,800
Sanitation/Storm Sewer	9,500,000	10,000,000	-	6,016,000	13,484,000
Transportation	9,500,000	10,000,000	-	-	19,500,000
Mosquito Control	9,500,000	10,000,000	-	-	19,500,000
Traffic and Safety Protection	9,500,000	10,000,000	-	148,000	19,352,000
Fire Protection	9,500,000	10,000,000	-	-	19,500,000
TV Relay and Translation	9,500,000	10,000,000	-	-	19,500,000
Security	9,500,000	10,000,000	-	-	19,500,000
Operations and Maintenance	9,500,000	10,000,000	-	-	19,500,000
Refunding of Debt	9,500,000	10,000,000	-	550,800	18,949,200
Governmental IGA's	9,500,000	10,000,000	-	-	19,500,000
Private IGA's	9,500,000	10,000,000	-	-	19,500,000
Total	<u>\$ 133,000,000</u>	<u>\$ 140,000,000</u>	<u>\$ 550,800</u>	<u>\$ 12,893,000</u>	<u>\$ 259,556,200</u>

**NOTE 6 NET POSITION**

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

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$112,734 as of December 31, 2018 which consists of \$3,900 for emergencies, \$100,092 for operations, and \$8,742 for capital projects.

The District has a deficit in unrestricted net position. The deficit at December 31, 2018 was primarily due to interest paid and related costs on long-term debts.

**NOTE 7 AGREEMENTS**

**BDCD Agreement**

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 7 AGREEMENTS (CONTINUED)**

**2011A Note**

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

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

**Operations Funding Agreement**

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

As of December 31, 2018, \$77,702 was outstanding with accrued interest of \$20,210.

**Lennar Facilities Acquisition Agreement**

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

During 2018, the District accepted costs of Public Infrastructure totaling \$3,269,681 and reimbursed the balance of Lennar advances and accrued interest totaling \$3,431,064.

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 7 AGREEMENTS (CONTINUED)**

**Subordinate Developer Reimbursement Agreement**

The District and the Developer (see Note 8) entered into a Subordinate Facilities Acquisition Agreement on October 2013, as amended by a First Amendment thereto dated as of May 2, 2017. Pursuant to the Subordinate Developer Reimbursement Agreement, the Developer agreed to design, construct, and complete and/or cause the design, construction, and completion of certain Public Improvements to serve the development within the District. In exchange, the District agreed to acquire such Public Improvements and to reimburse the Developer for the costs of such Public Improvements at the rate of 5% per annum. The District's obligations under the Subordinate Developer Reimbursement Agreement are subordinate to the 2011A Note, the Lennar Agreement, and any other bonds issued by the District. No payments are to be made to the Developer until all obligations to reimburse Lennar under the Lennar Agreement have been satisfied in full. In the event that the District has not paid the Developer for any Verified Reimbursement Amount by December 31, 2043, any amount of principal and accrued interest outstanding on such date is to be deemed forever discharged and satisfied in full. No amounts are outstanding under this Agreement as of December 31, 2018.

**NOTE 8 RELATED PARTIES**

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

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

**NOTE 9 RISK MANAGEMENT**

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

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

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

**BIG DRY CREEK METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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

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

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

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

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

**SUPPLEMENTARY INFORMATION**

**BIG DRY CREEK METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 150,758	\$ 150,758	\$ 150,759	\$ 1
Specific Ownership Taxes	16,580	16,580	12,771	(3,809)
Interest Income	8,000	25,000	27,059	2,059
Total Revenues	<u>175,338</u>	<u>192,338</u>	<u>190,589</u>	<u>(1,749)</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	2,261	2,261	2,264	(3)
Interest - Series 2017A Bonds	560,050	560,050	560,050	-
Paying Agent Fees	6,000	7,500	7,500	-
Contingency	-	5,189	-	5,189
Total Expenditures	<u>568,311</u>	<u>575,000</u>	<u>569,814</u>	<u>5,186</u>
<b>NET CHANGE IN FUND BALANCES</b>	(392,973)	(382,662)	(379,225)	3,437
Fund Balances - Beginning of Year	<u>1,607,588</u>	<u>1,611,179</u>	<u>1,611,179</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 1,214,615</u></u>	<u><u>\$ 1,228,517</u></u>	<u><u>\$ 1,231,954</u></u>	<u><u>\$ 3,437</u></u>

**BIG DRY CREEK METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ 20,000	\$ 51,701	\$ 31,701
Total Revenues	20,000	51,701	31,701
<b>EXPENDITURES</b>			
Capital Outlay	5,000,000	3,269,681	1,730,319
Engineering	-	8,838	(8,838)
Total Expenditures	5,000,000	3,278,519	1,721,481
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	(4,980,000)	(3,226,818)	1,753,182
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	5,000,000	3,269,681	(1,730,319)
Repay Developer Advance	(4,020,000)	(3,422,245)	597,755
Repay Developer Advance Interest	-	(8,819)	(8,819)
Total Other Financing Sources (Uses)	980,000	(161,383)	(1,141,383)
<b>NET CHANGE IN FUND BALANCES</b>			
	(4,000,000)	(3,388,201)	611,799
Fund Balances - Beginning of Year	4,000,000	3,931,733	(68,267)
<b>FUND BALANCES - END OF YEAR</b>			
	\$ -	\$ 543,532	\$ 543,532

**BIG DRY CREEK METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2018**

\$9,740,000 Limited Tax (Convertible to Unlimited Tax)  
General Obligation Refunding and Improvement Bonds  
Series 2017A  
Issue date May 4, 2017  
Principal Due Annually December 1  
Interest at 5.750%  
Due June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 560,050	\$ 560,050
2020	-	560,050	560,050
2021	-	560,050	560,050
2022	30,000	560,050	590,050
2023	115,000	558,325	673,325
2024	135,000	551,712	686,712
2025	140,000	543,950	683,950
2026	165,000	535,900	700,900
2027	170,000	526,412	696,412
2028	195,000	516,637	711,637
2029	210,000	505,425	715,425
2030	235,000	493,350	728,350
2031	250,000	479,837	729,837
2032	275,000	465,462	740,462
2033	290,000	449,650	739,650
2034	325,000	432,975	757,975
2035	345,000	414,287	759,287
2036	380,000	394,450	774,450
2037	400,000	372,600	772,600
2038	440,000	349,600	789,600
2039	465,000	324,300	789,300
2040	505,000	297,563	802,563
2041	535,000	268,525	803,525
2042	580,000	237,763	817,763
2043	615,000	204,413	819,413
2044	665,000	169,050	834,050
2045	705,000	130,813	835,813
2046	765,000	90,275	855,275
2047	805,000	46,288	851,288
Total	<u>\$ 9,740,000</u>	<u>\$ 11,599,762</u>	<u>\$ 21,339,762</u>

**BIG DRY CREEK METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2018**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2014	\$ 113,340	60.000	0.000	\$ 6,800	\$ 6,801	100.01 %
2015	119,290	60.000	0.000	7,157	7,134	99.68
2016	673,420	60.000	0.000	40,406	40,429	100.06
2017	1,576,450	60.000	0.000	94,587	94,587	100.00
2018	2,727,320	18.000	55.277	199,850	199,851	100.00
Estimated for the Year Ending December 31, 2019	\$ 5,264,340	18.000	55.277	\$ 385,755		

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