

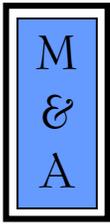
**Berry Creek Metropolitan District
Edwards, Colorado**

**Financial Statements
December 31, 2011**

**Berry Creek Metropolitan District
Financial Report
December 31, 2011**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Berry Creek Metropolitan District

We have audited the accompanying financial statements of the governmental activities and each fund of the Berry Creek Metropolitan District (the "District"), as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Berry Creek Metropolitan District as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary fund information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. The budgetary fund information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Member: American Institute of Certified Public Accountants

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**To the Board of Directors
Berry Creek Metropolitan District**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund budgetary comparison found in Section F listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The individual fund budgetary comparison found in Section F is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**McMahan and Associates, L.L.C.
July 24, 2012**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Berry Creek Metropolitan District

Management's Discussion and Analysis December 31, 2011

As management of the Berry Creek Metropolitan District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2011.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

The governmental activities of the District include general government, maintenance of parks and certain roadway maintenance. There are no business-type activities within the District.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently has two governmental funds, the General Fund and the Debt Service Fund.

The fund financial statements can be found on pages C3 and C4 of this report.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Overview of the Financial Statements (continued)

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Notes to the Financial Statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 – D16 of this report.

Government-wide Financial Analysis.

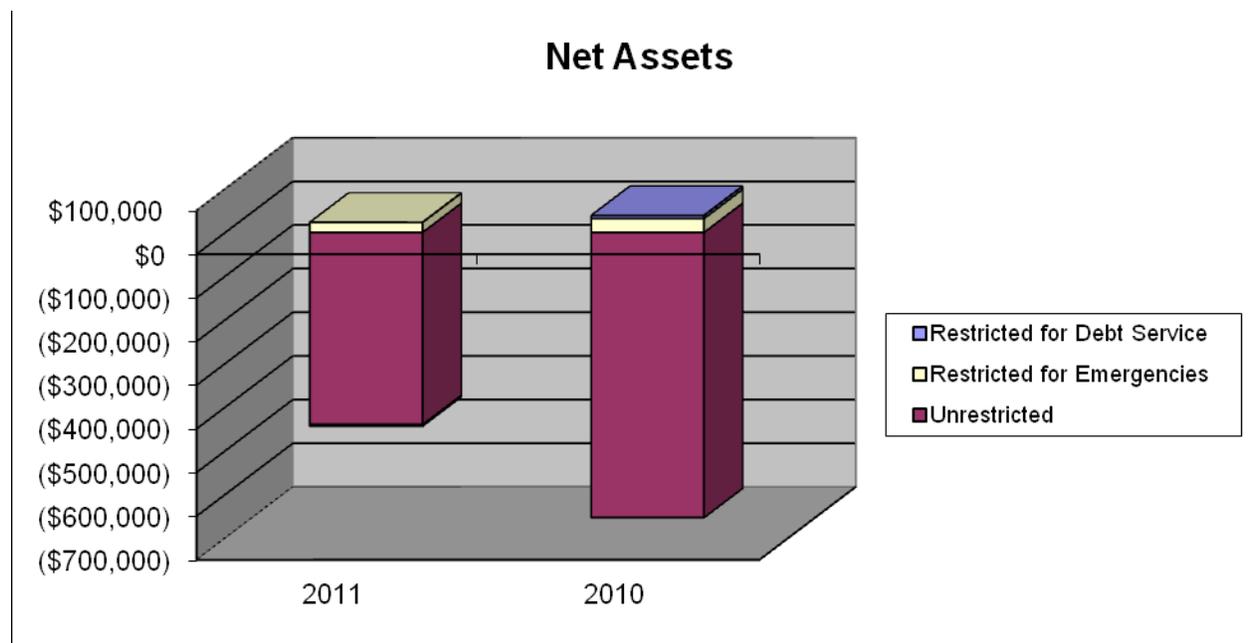
The following tables show condensed financial information derived from the government-wide financial statements comparing the current year to the prior year.

	Governmental	
	Activities	
	2011	2010
Assets:		
Current and other assets	\$ 3,033,018	\$ 3,104,144
Capital assets	2,724,352	2,789,797
Total Assets	5,757,370	5,893,941
Liabilities:		
Long-term liabilities outstanding:		
Due within one year	360,000	340,000
Due in more than one year	4,615,000	4,975,000
Other liabilities	1,203,379	1,193,689
Total Liabilities	6,178,379	6,508,689
Net Assets:		
Restricted for emergencies	22,691	31,566
Restricted for debt service	(3,768)	6,937
Unrestricted	(439,932)	(653,251)
Total Net Assets	\$ (421,009)	\$ (614,748)

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	Governmental Activities	
	2011	2010
Revenues:		
Program revenues:		
Charges for services	\$ 23,890	\$ 19,220
Operating grants and contributions	77,313	50,068
Capital grants and contributions	-	62,757
General revenues:		
Property taxes	1,116,518	1,145,905
Other taxes	36,290	38,068
Loss On Disposal of assets	-	-
Interest and other revenue	8,478	30,544
Total Revenues	1,262,489	1,346,562
Expenses:		
General government	247,381	259,961
Public works	158,689	6,565
Culture and recreation	452,505	431,437
Interest on long-term debt	210,175	220,194
Total Expenses	1,068,750	918,157
Change in Net Assets Before Transfers	193,739	428,405
Transfers	-	-
Change in Net Assets	193,739	428,405
Net Assets - Beginning	(614,748)	(1,043,153)
Net Assets - Ending	\$ (421,008)	\$ (614,748)

The District's overall financial position, as measured by net assets, increased from \$(614,748) at the end of 2010 to \$(421,009) at the end of 2011. The District started the year with the negative net assets as primarily the result of the completion of the Winslow Road Underpass project undertaken by the District in 2009 which was conveyed to the Colorado Department of Transportation. The following graph shows the District's total net assets by category (net assets restricted for debt service and emergencies and unrestricted net assets) for 2011 compared to 2010.

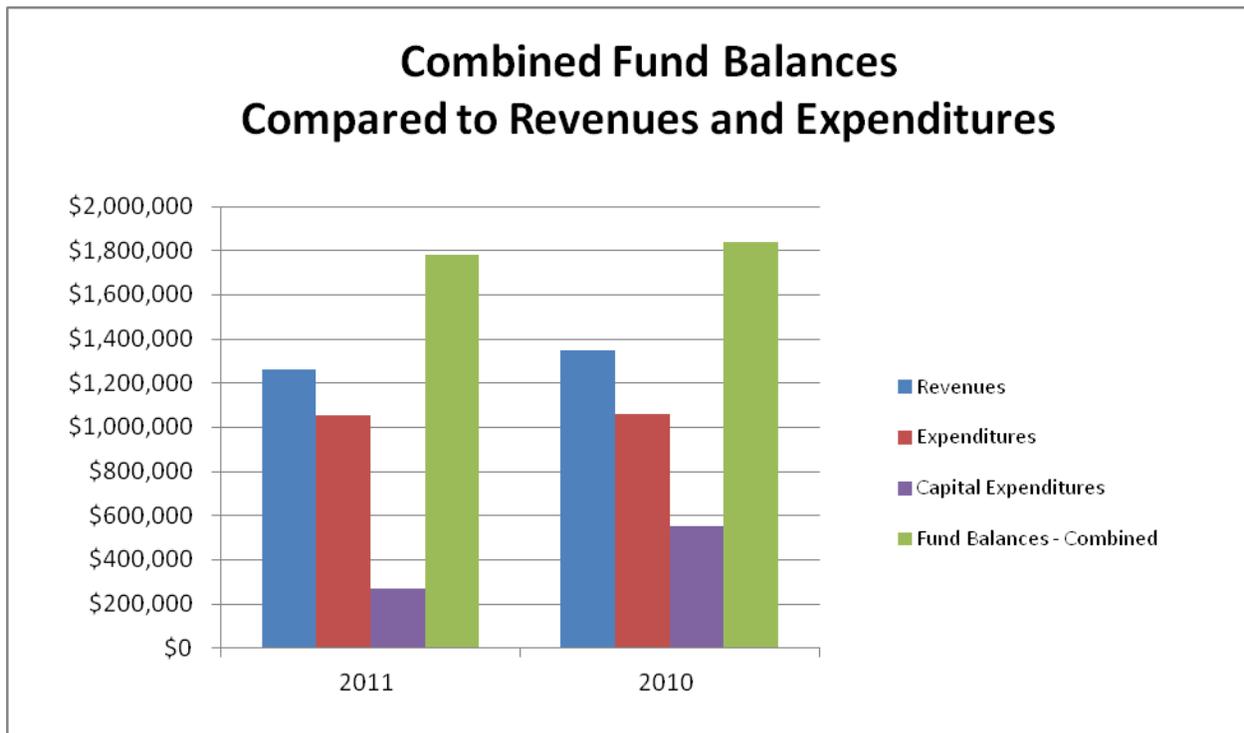


Financial Analysis of the District's Funds

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's funds follows.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

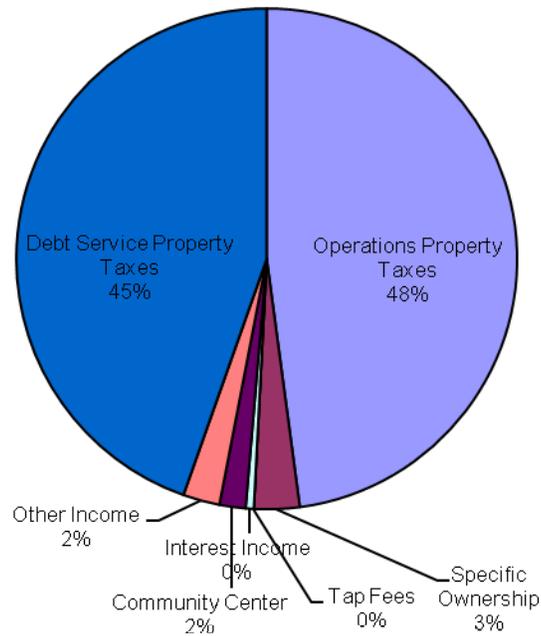
As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,778,558, a decrease of \$61,819 from the prior year. This decrease is the result of completing capital projects. Of the District's governmental-type fund balances, \$12,867 is non-spendable since it represents funds already expended for next years operations, \$22,691 is restricted, meaning it is not available for new spending because it has already been committed for emergencies under the Taxpayers' Bill Of Rights (TABOR). The District has committed \$505,280 for future operations, \$50,000 for replacements, and \$1,187,720 for future capital projects. The District's combined fund balances at the end of 2011 was \$1,778,558 compared to \$1,840,377 at the end of 2010. The following graph shows the combined fund balances for 2011 and 2010 relative to revenues and expenditures.



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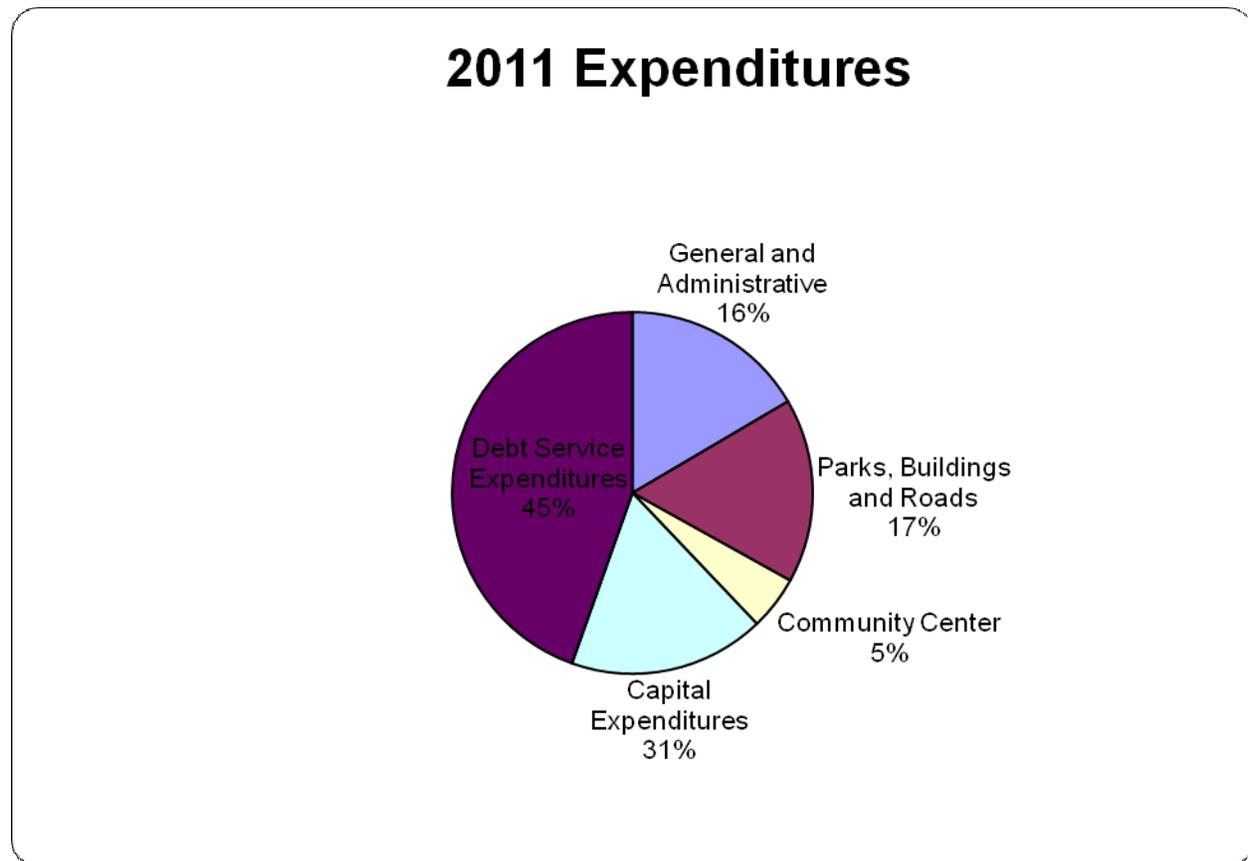
Approximately 93% of the District's revenues are generated from property taxes. The following graph shows the relative size of the District's revenue sources. For more information, please refer to the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds, which is located on page C4 of the report.

2011 Revenues



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The following graph illustrates the relative sizes of the District's expenditures for 2011. Debt service expenditures are the largest category and accounted for 45% of total 2011 expenditures. For more information, please refer to the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds, which is located on page C4 of the report.



Budget Variances. A budget comparison for the General Fund is presented on page E1 and a budget comparison for the Debt Service Fund is presented on page F1.

Capital Assets. The District invested \$104,521 in capital asset additions during 2011. The primary capital expenditures were for the roundabout project at I-70 and the entrance to Singletree. Depreciation expense of \$169,966 was recognized in 2011. Additional information can be found in the Notes to the Financial Statements on page D10 through D10 of this report.

Long-term Debt. The District reduced the outstanding long-term debt by paying \$340,000 in principal, leaving the outstanding debt balance at \$4,975,000. Additional information can be found in the Notes to the Financial Statements on pages D10 through D11 of this report.

Economic Conditions and Outlook

The County Assessor reassessed the value of the property in the District effective January 1, 2012 and the revaluation has been used to set 2011 property taxes payable in 2012. The reassessment reflects a reduction in the District's assessed value of 21%. For the 2012 budget, the District eliminated the temporary mill levy credit that had been established for the operating mill levy and increased the debt service mill levy rate by an amount sufficient to cover the District's debt service obligations.

Contacting the District's Financial Management

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Berry Creek Metropolitan District, c/o Robertson & Marchetti, PC, 28 Second Street, Suite 213, Edwards, CO 81632 or you may call (970) 926-6060.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Berry Creek Metropolitan District
Statement of Net Assets
December 31, 2011**

	Governmental Activities
Assets:	
Cash and equivalents	669,780
Investments	1,092,032
Property tax receivable	1,174,270
Accounts receivable	16,157
Due from County Treasurer	3,121
Prepaid expenses	9,860
Bond issuance costs, net	67,798
Capital assets, net	2,724,352
Total Assets	5,757,370
 Liabilities:	
Accounts payable	12,092
Accrued interest payable	16,717
Deposits held	300
Deferred property tax revenue	1,174,270
Bonds payable:	
Due within one year	360,000
Due in more than one year	4,615,000
Total Liabilities	6,178,379
 Net Assets:	
Restricted for emergencies	22,691
Restricted for debt service	(3,768)
Unrestricted	(439,932)
Total Net Assets	(421,009)

The accompanying notes are an integral part of these financial statements.

**Berry Creek Metropolitan District
Statement of Activities
For the Year Ended December 31, 2011**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General government	247,381	-	-	-	(247,381)
Public works	158,689	-	-	-	(158,689)
Culture and recreation	452,505	23,890	77,313	-	(351,302)
Interest on long-term debt	210,175	-	-	-	(210,175)
Total Governmental Activities	<u>1,068,750</u>	<u>23,890</u>	<u>77,313</u>	<u>-</u>	<u>(967,547)</u>

General revenues:

Taxes:	
Property tax, levied for general purposes	578,128
Property tax, levied for debt service	538,390
Specific ownership tax	36,290
Investment earnings	6,482
Miscellaneous income	1,996
Total General Revenues	<u>1,161,286</u>
Change in Net Assets	193,739
Net Assets - Beginning	<u>(614,748)</u>
Net Assets - Ending	<u>(421,009)</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

**Berry Creek Metropolitan District
Balance Sheets
Governmental Funds
December 31, 2011**

	General	Debt Service	Total Governmental Funds
Assets:			
Equity in pooled cash	669,780	-	669,780
Investments	1,092,032	-	1,092,032
Due from county treasurer	1,616	1,505	3,121
Property tax receivable	602,179	572,091	1,174,270
Accounts receivable	13,150	-	13,150
Due from other fund	5,273	-	5,273
Prepaid expenses	12,867	-	12,867
Total Assets	2,396,897	573,596	2,970,493
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	12,092	-	12,092
Due to other fund	-	5,273	5,273
Deposits held	300	-	300
Deferred property tax	602,179	572,091	1,174,270
Total Liabilities	614,571	577,364	1,191,935
Fund Balance:			
Unspendable	12,867	-	12,867
Restricted for emergencies	22,691	-	22,691
Committed:			
Operating	505,280	-	505,280
Replacement	50,000	-	50,000
Capital Projects	1,191,488	(3,768)	1,187,720
Total Fund Balance (Deficit)	1,782,326	(3,768)	1,778,558
Total Liabilities and Fund Balances	2,396,897	573,596	
Amounts reported in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Details of this difference are as follows:			
Capital assets		5,118,577	
Accumulated depreciation		(2,394,225)	
			2,724,352
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Details of these amounts are as follows:			
Bond issue costs, net		67,798	
Accrued interest payable		(16,717)	
Bonds payable		(4,975,000)	
			(4,923,919)
Net Assets of Governmental Activities			(421,009)

The accompanying notes are an integral part of these financial statements.

Berry Creek Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Debt Service	Total Governmental Funds
Revenues:			
Taxes	596,919	555,889	1,152,808
Lottery proceeds	6,468	-	6,468
Net investment earnings	5,139	1,343	6,482
Community center	23,890	-	23,890
Contributions from SPOA	70,845	-	70,845
Other	1,996	-	1,996
Total Revenues	705,257	557,232	1,262,489
Expenditures:			
Current operating:			
General government	210,622	16,839	227,461
Parks and recreation	213,606	-	213,606
Community center	61,528	-	61,528
Capital outlay	270,615	-	270,615
Debt service	-	551,098	551,098
Total Expenditures	756,371	567,937	1,324,308
Excess (Deficiency) of Revenues Over Expenditures	(51,114)	(10,705)	(61,819)
Net Change in Fund Balances	(51,114)	(10,705)	(61,819)
Fund Balances - Beginning	1,833,440	6,937	1,840,377
Fund Balance (Deficit) - Ending	1,782,326	(3,768)	1,778,558

Amounts reported in the Statement of Activities are different because:

Net Change in Fund Balances (61,819)

The issuance of long-term debt 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 assets. Additionally, certain costs related to the issuance of long-term debt are deferred and recognized over the life of the related debt. The details of these differences are as follows:

Repayment of principal on bonds	340,000	
Amortization of debt related deferrals,	(19,920)	
Adjustments to current year interest	923	
		321,003

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities these costs are allocated over the useful lives of the assets as depreciation expense. This is the amount by which depreciation exceeded capital outlay and any gain or loss on disposal of capital assets, if applicable, during the year. Details of these differences are as follows:

Capital additions	104,521	
Depreciation expense	(169,966)	
		(65,445)
Change in Net Assets of Governmental Activities		193,739

NOTES TO THE FINANCIAL STATEMENTS

Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011

I. Summary of Significant Accounting Policies

Berry Creek Metropolitan District (the "District") is a quasi-municipal corporation governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Eagle County, Colorado. The District was formed to provide recreational facilities, fire protection services, water services, cable TV services, and to construct and finance roadways and storm drainage facilities. The District has one employee, a District Manager, and most operations and administrative functions are contracted.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989 in the Government-wide financials that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

1. Government-wide Financial Statements

In the government-wide Statement of Net Assets, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported as unrestricted net assets.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, 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 governmental funds

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements and the fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

2. Pooled Cash

Each fund's portion of cash is pooled and invested in total to maximize earnings to investments. Invested earnings are allocated based upon each fund's portion of the cash and investments.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts. At December 31, 2011 all accounts were considered collectible.

4. Payables and Accrued Liabilities

Payables and accrued liabilities are defined as obligations arising out of the current period that are anticipated to be liquidated with currently available financial resources.

5. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

6. Capital Assets

Capital assets, which include land, buildings, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

Infrastructure, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure, buildings, and improvements	15 - 40
Equipment	5 - 15

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

7. Fund Balance

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District has adopted a policy to ensure adequate amounts are maintained for operating, replacement, capital projects and TABOR reserves. The District has set the following minimums:

Committed for:

Operations (percentage of annual revenue)	75%
Capital improvements (percentage of scheduled):	
Within one year	100%
Between one and two years	75%
Between two and four years	25%
Beyond four years	10%
Unscheduled (percentage of anticipated)	50%
TABOR (percentage of annual revenue)	3%

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

9. Interfund receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental funds Balance Sheet and the government-wide Statement of Net Assets

The governmental funds Balance Sheet includes a reconciliation between *fund balance – governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets.

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net change in fund balances of governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the District’s Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (“GAAP”). The budget for the proprietary funds is adopted on a Non-GAAP budgetary basis and is reconciled to GAAP basis if necessary.

As required by Colorado statutes, the District followed the following time table in approving and enacting a budget for the ensuing year:

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

1. For the 2011 budget year, prior to August 25, 2010, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries and prior to December 10, 2010 the County Assessor sent the final recertified assessed valuation to the District
2. On or before October 15, 2010, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. A public hearing on the proposed budget and capital program was held by the Board no later than 45 days prior to the close of the fiscal year.
4. For the 2011 budget, prior to December 15, 2010, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
5. For the 2011 budget, the final budget and appropriating resolution was adopted prior to December 31, 2010.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2010 were collected in 2011 and taxes certified in 2011 will be collected in 2012. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted a portion of its December 31, 2011 year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of \$22,691, the approximate required reserve at December 31, 2011

On May 5, 1998, the District's voters authorized the District to collect, retain, and spend all revenue collected from any source, without regard to fiscal year spending limits otherwise imposed by TABOR.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions including how to calculate fiscal year spending limits and qualification as an enterprise will require judicial interpretation.

C. Deficit Net Assets

The District has deficit net assets for its governmental activities.

IV. Detailed Notes on All Funds

A. Deposits

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. The 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 equal to the aggregate uninsured deposits.

The State Regulatory Commissions 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, 2011, the District's cash deposits had a carrying balance as follows:

	<u>Standard & Poor's rating</u>	<u>Carrying amounts</u>	<u>Maturities</u>	
			<u>Less than one year</u>	<u>More than one year</u>
Deposits:				
Petty cash	Not Rated	\$ 1,000	-	-
Checking	Not Rated	1,243	-	-
Certificates of deposit	Not Rated	480,804	-	480,804
		<u>\$ 483,047</u>	<u>-</u>	<u>480,804</u>

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

B. Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

The District owned the following investments as of December 31, 2011:

	Rating	Carrying Balance	Fair Value
Local government investment pool	AAAm	\$ 667,537	667,537
US Agencies	AA+	\$ 611,228	611,228
		\$ 1,278,765	1,278,765

The District had invested \$667,537 in the Colorado Local Government Liquid Asset Trust ("COLOTRUST"). COLOTRUST is investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

COLOTRUST directly holds all repurchase agreements. The custodian's internal records identify the investments owned by COLOTRUST. The District does not categorize its participation in COLOTRUST because the investment is not evidenced by securities specifically identifiable to the District.

COLOTRUST is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. The pool has a Standard & Poor's investment rating of AAAM.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The district coordinates its investments maturities to closely match cash flow needs and invests primarily in securities with a maximum investment term less than five years from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

B. Investments (continued)

Credit Risk. The District's general investment policy is to apply the prudent-person rule; investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution.

Credit quality distribution for investments, with credit exposure as a percentage of total investments are as follows at year end:

<u>Investment Type</u>	<u>Rating</u>	<u>Percentage</u>
Certificates of deposit	N/A	27%
Colotrust	AAAm	38%
US Agencies	AA+	35%

C. Summary of Cash Deposits and Investments

Cash deposits and investments are reflected on the December 31, 2011 Statement of Net Assets as follows:

Cash and cash equivalents	\$ 669,780
Investments	1,092,032
	<u>\$ 1,761,812</u>

Reconciliation to Statement of Net Assets:

Deposits	\$ 483,047
Local government investment pool	667,537
Investments	611,228
Total	<u>\$ 1,761,812</u>

D. Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Water rights	\$ 33,214	-	-	33,214
Land	325,929	-	-	325,929
Total capital assets not being depreciated	<u>359,143</u>	<u>-</u>	<u>-</u>	<u>359,143</u>
Capital assets being depreciated:				
Improvements	3,308,433	104,521	-	3,412,954
Buildings	817,019	-	-	817,019
Equipment	529,461	-	-	529,461
Total capital assets being depreciated	4,654,913	104,521	-	4,759,434
Less accumulated depreciation for:				
Improvements	(1,406,319)	(129,502)	-	(1,535,821)
Buildings	(380,175)	(27,234)	-	(407,409)
Equipment	(437,765)	(13,230)	-	(450,995)
Total accumulated depreciation	<u>(2,224,259)</u>	<u>(169,966)</u>	<u>-</u>	<u>(2,394,225)</u>
Total capital assets being depreciated, net	<u>2,430,654</u>	<u>(65,445)</u>	<u>-</u>	<u>2,365,209</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 2,789,797</u></u>	<u><u>(65,445)</u></u>	<u><u>-</u></u>	<u><u>2,724,352</u></u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Culture and recreation	\$ 169,966

E. Long-term Debt

1. General Obligation Refunding Bonds, Series 2002

The District issued \$2,925,000 of general obligation refunding bonds dated September 1, 2002 and bearing interest rates ranging from 2.5% to 4.15%, payable on June 1 and December 1. Principal on the bonds is payable on December 1 and matures in various increments through 2011. Bonds maturing on or after December 1, 2013 are subject to redemption prior to their respective maturity dates at the option of the District at anytime on or after December 1, 2012 at par plus accrued interest thereon, without redemption premium.

2. General Obligation Bonds, Series 2008

The District issued \$3,500,000 of general obligation bonds dated March 31, 2008 and bearing an interest rate of 4.06%, payable on June 1 and December 1. Principal on the bonds is payable on December 1 and matures in various increments through 2027. Bonds maturing on or after December 1, 2013 are subject to redemption prior to their respective maturity dates at the option of the District at anytime on or after December 1, 2018 at par plus accrued interest thereon, without redemption premium.

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

3. General Obligating Refunding Bonds, Series 2008B

The District issued \$1,010,000 of general obligation refunding bonds dated June 2, 2008 and bearing an interest rate of 2.92%, payable on June 1 and December 1. Principal on the bonds is payable on December 1 and matures in various increments through 2011. The bonds are not subject to optional redemption prior to maturity. Proceeds from the bonds were utilized to refund all outstanding Series 1998 refunding bonds. The District determined this refunding resulted in a net present value savings of \$21,668.

4. Annual Debt Service Requirements

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	360,000	200,606	560,606
2013	370,000	186,913	556,913
2014	385,000	172,476	557,476
2015	400,000	157,062	557,062
2016	225,000	140,476	365,476
2017 to 2021	1,275,000	557,235	1,832,235
2022 to 2026	1,600,000	274,050	1,874,050
2027	360,000	14,616	374,616
Total	\$ 4,975,000	1,703,434	6,678,434

Additionally, in 1987, the District authorized a general obligation pledge to the extent of their service agreement with Upper Eagle Regional Water Authority (see Note V.).

5. Changes in Long-term Debt

	<u>Beginning Balance</u>	<u>Debt Issued</u>	<u>Principal Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
2002 GO Refunding Bonds	1,560,000	-	(65,000)	1,495,000	355,000
2008B GO Refunding Bonds	270,000	-	(270,000)	-	-
2008 GO Bonds	3,485,000	-	(5,000)	3,480,000	5,000
	<u>5,315,000</u>	<u>-</u>	<u>(340,000)</u>	<u>4,975,000</u>	<u>360,000</u>

6. Authorized and Unissued Debt

The District has no debt authorized by the electorate which has not been issued as of December 31, 2011.

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

IV. Detailed Notes on All Funds (continued)

F. Deficit Fund Balance

The District has a deficit fund balance in the Debt Service Fund.

V. Other Information

A. Colorado Special Districts Property and Liability Pool

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. The District's 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 and public official's 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.

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2010 (the latest audited information available) is as follows:

Assets	<u>\$ 31,818,208</u>
Liabilities	\$ 14,252,664
Capital and surplus	<u>17,565,544</u>
Total	<u><u>\$ 31,818,208</u></u>
Revenue	\$ 10,629,016
Underwriting expenses	<u>11,195,134</u>
Underwriting gain	(566,118)
Other income	<u>404,383</u>
Net Income	<u><u>\$ (161,735)</u></u>

Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)

V. Other Information (continued)

B. Upper Eagle Regional Water Authority

The District is a participant in the Upper Eagle Regional Water Authority (the "Authority"). The Authority was formed pursuant to an establishing contract on September 18, 1984, by the following quasi-municipal corporations ("Districts and Town") located in Eagle County, Colorado:

Arrowhead Metropolitan District
Town of Avon
Beaver Creek Metropolitan District
Berry Creek Metropolitan District
Eagle-Vail Metropolitan District
Edwards Metropolitan District

The Authority was formed to make the best practicable use of the Districts' and Town's joint resources to supply water to the Districts and the Town and to further develop water resources and facilities in a portion of Eagle County, Colorado.

The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2010, the Authority had debt with maturities through the year 2039.

In the event of the dissolution of the Authority, all of the assets of the Authority shall immediately vest in the participating Districts and Town, subject to any outstanding liens, mortgages or other pledges of such assets.

Except for the water systems conveyed to the Authority on January 1, 1998 pursuant to the Amended and Restated Master Service Agreement (see below), interest in the assets of the Authority conveyed to each District and Town shall be that proportion which the average annual amount of treated water sold within each District and Town bears to the average annual total amount of all treated water sold by the Authority. For water systems conveyed on January 1, 1998, each of the Districts and Town will vest in their individual water systems upon dissolution of the Authority.

The District has a service contract with the Authority. Under the terms of the agreement, the Authority provides and bills residents of the District with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation and replacements, and operations and maintenance, including maintenance of the District's water distribution system. As part of the agreement, the District has leased all of its water rights, associated easements and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the District's plan for augmentation and water decrees at no cost to the District.

The participating Districts and Town have given the Authority a general obligation pledge to their service contract obligations. Essentially, the Districts and Town will levy taxes sufficient to meet said service contract obligations if other revenue sources are not available.

**Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)**

V. Other Information (continued)

B. Upper Eagle Regional Water Authority (continued)

Effective January 1, 1998, the Districts and Town entered into an Amended and Restated Master Service Contract with the Upper Eagle Regional Water Authority whereby the Districts and Town conveyed their individual water systems to the Authority. The Authority will continue to provide water service, maintain the water systems and bill residents of the Districts and Town. The Districts and Town will continue to set and receive tap fees for connection to their former individual water systems, which will be collected by the Authority and remitted to the Districts and Town.

Extensions of lines, construction of system additions, existing and future debt will continue to be the responsibility of the Districts and Town. A District or Town may withdraw from the Authority as provided in the contract and immediately vest in their individual water system and rights. The responsibilities of the Authority to the withdrawing Districts' or Town's customers would be immediately assumed by the withdrawing District or Town.

The term of the contract is the later of twenty-one years from the effective date, or until all obligations of the Authority have been paid, or until termination of the Authority.

A summary of audited financial information for the Authority as of and for the year ended December 31, 2010 (the latest audited information available) is as follows:

Upper Eagle Regional Water Authority	
Assets:	
Current	\$ 16,116,935
Other	8,113,716
Property and equipment	83,407,045
Total Assets	<u><u>\$ 107,637,696</u></u>
Liabilities and Net Assets:	
Current	\$ 3,196,548
Long-term debt	29,684,770
Net assets	74,756,378
Total Liabilities and Net Assets	<u><u>\$ 107,637,696</u></u>
Operations:	
Operating revenue	\$ 8,355,216
Operating expense	11,174,259
Operating income	<u>(2,819,043)</u>
Other income	441,694
Other expense	<u>(1,755,814)</u>
Net (loss)	<u>(4,133,163)</u>
Capital contributions	501,768
Net Assets - Beginning	<u>78,387,773</u>
Net Assets - Ending	<u><u>\$ 74,756,378</u></u>

Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)

V. Other Information (continued)

C. Eagle County Encroachment Easements

The District has entered into an encroachment easement agreement dated July 7, 2008 (“Encroachment Agreement A”) with Eagle County (“County”) in order to construct certain improvements to land owned by the County including but not limited to pedestrian and bike usage and landscaping improvements. The District will be responsible for future maintenance and upkeep of the improvements constructed.

The District has entered into an encroachment easement agreement dated August 18, 2009 and updated October 26, 2010 (“Encroachment Agreement B”) with Eagle County (“County”) in order to proceed with the multi-year Landscape Master Plan for the Singletree Community. The landscape project will be implemented on land owned by the County. The Easement also requires the District to bear all cost of future maintenance and upkeep of the improvements constructed.

D. Roundabout Landscape Improvements Agreement

On March 17, 2011 the District entered into agreement with Edwards Metropolitan District (“EMD”) and Edwards Community Authority (“ECA”) to jointly design, bid and construct landscape improvements to four roundabouts, medians and streetscapes north and south to the I-70 Interchange in Edwards, Colorado which has been designated into four bid areas (collectively the “Project”). The Project has assigned Bid Area One to ECA; Bid Area Two to the District and Bid Areas Three and Four to EMD. Each of the entities will responsible for the costs of the Bid Area(s) as assigned for the improvements. The District was designated as the project manager for the day-to-day management of the process. ECA accepts responsibility for maintenance, including irrigation of Bid Areas One, Three and Four. As the District wishes to maintain Bid Area Two at a higher standard it accepts responsibility to do so. The maintenance costs of Bid Area Two shall be paid by the District, but the District shall be given credit on its contribution to ECA in an amount equal to the average amount spent by ECA for landscape maintenance and irrigation per square foot on Bid Areas One, Three and Four multiplied by the number of landscaped square feet being maintained in Bid Area Two. The term of this agreement is through the end of 2011, automatically renewing for additional one year terms in perpetuity, unless any entity fails to make an annual appropriation of funds to meet its obligations. The agreement may also be terminated by any of the entities with thirty days written notice.

E. Sidewalk Easement and Maintenance

On August 30, 2011 the District entered into an agreement with Eagle County (the “County”) in which the District will provide all future maintenance services associated with the portion of the sidewalk improvement which is located on the District’s property upon their completion. Maintenance responsibilities include all maintenance necessary to maintain the sidewalk, excluding curb, gutter and storm drainage which are the responsibility of the County.

On September 6, 2011 the District entered into an agreement with County to grant the County perpetual, non-exclusive easement for the County’s purpose of installation, construction and maintenance of sidewalk improvements on the District’s property for a public bicycle and pedestrian connection in the Edwards Area.

Berry Creek Metropolitan District
Notes to the Financial Statements
December 31, 2011
(Continued)

V. Other Information (continued)

F. Defined Contribution Plan

Effective January 1, 2008, the full time employee of the District participates in the Berry Creek Metropolitan District Money Purchase Plan administered by the ICMA Retirement Corporation. The District contribution is 6.20% of earnings and the employee contribution is 6.20% of earnings. The District's contributions for each employee are fully vested upon contribution. Contributions to the Plan for the year ended December 31, 2011 totaled \$8,940, which consisted of \$4,470 contributed by the employee and \$4,470 contributed by the District. Contributions to the Plan for the year ended December 31, 2010 totaled \$8,533, which consisted of \$4,266 contributed by the employee and \$4,266 contributed by the District.

REQUIRED SUPPLEMENTARY INFORMATION

**Berry Creek Metropolitan District
Governmental Funds - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts For the Year Ended December 31, 2010)**

	<u>2011</u>			<u>2010</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Property tax	591,789	578,128	(13,661)	689,352
Specific ownership tax	23,672	18,791	(4,881)	22,900
Lottery proceeds	6,840	6,468	(372)	6,014
Net investment earnings	27,688	5,139	(22,549)	22,858
Community center	18,100	23,890	5,790	19,220
Contributions from SPOA	44,828	70,845	26,017	94,054
Tap fees	-	-	-	12,757
Other	1,000	1,996	996	4,027
Total Revenues	<u>713,917</u>	<u>705,257</u>	<u>(8,660)</u>	<u>871,182</u>
Expenditures:				
General government:				
Accounting, audit and administration	159,102	156,755	2,347	149,158
Insurance	7,641	7,480	161	7,641
Legal	15,000	3,362	11,638	27,248
Treasurer's fees	17,754	17,814	(60)	20,710
Contributions	6,000	6,000	-	6,000
Miscellaneous	19,211	19,211	-	15,321
Parks and recreation	239,475	213,606	25,869	215,411
Community center	73,053	61,528	11,525	58,346
Capital outlay	225,950	270,615	(44,665)	552,366
Total Expenditures	<u>763,186</u>	<u>756,371</u>	<u>6,815</u>	<u>1,052,201</u>
(Deficiency) of Revenues Over Expenditures	<u>(49,269)</u>	<u>(51,114)</u>	<u>(1,845)</u>	<u>(181,019)</u>
Other Financial Sources:				
Transfer In	10,189	-	(10,189)	-
Total Other Financing Sources	<u>10,189</u>	<u>-</u>	<u>(10,189)</u>	<u>-</u>
Net Change in Fund Balances	<u>(39,080)</u>	<u>(51,114)</u>	<u>(12,034)</u>	<u>(181,019)</u>
Fund Balances - Beginning	<u>1,845,864</u>	<u>1,833,440</u>	<u>(12,424)</u>	<u>2,014,461</u>
Fund Balances - Ending	<u><u>1,806,784</u></u>	<u><u>1,782,326</u></u>	<u><u>(24,458)</u></u>	<u><u>1,833,442</u></u>

Berry Creek Metropolitan District
Governmental Funds - Debt Service Fund
Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts For the Year Ended December 31, 2010)

	<u>2011</u>			<u>2010</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Property tax	551,110	538,390	(12,720)	456,553
Specific ownership tax	22,044	17,499	(4,545)	15,167
Net investment earnings	8,267	1,343	(6,924)	3,659
Total Revenues	<u>581,421</u>	<u>557,232</u>	<u>(24,189)</u>	<u>475,379</u>
Expenditures:				
Debt service:				
Bond principal	340,000	340,000	-	325,000
Bond interest	211,099	211,098	1	221,023
Treasurer fees	16,533	16,589	(56)	13,716
Paying agent fees	-	250	(250)	250
Contingency	3,600	-	3,600	-
Total Expenditures	<u>571,232</u>	<u>567,937</u>	<u>3,295</u>	<u>559,989</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,189</u>	<u>(10,705)</u>	<u>(20,894)</u>	<u>(84,610)</u>
Other Financial (Uses):				
Transfers in (out)	(10,189)	-	10,189	-
Total Other Financial (Uses)	<u>(10,189)</u>	<u>-</u>	<u>10,189</u>	<u>-</u>
Net Change in Fund Balances	-	(10,705)	(10,705)	(84,610)
Fund Balances - Beginning	<u>6,754</u>	<u>6,937</u>	<u>183</u>	<u>91,547</u>
Fund Balance (Deficit) - Ending	<u><u>6,754</u></u>	<u><u>(3,768)</u></u>	<u><u>(10,522)</u></u>	<u><u>6,937</u></u>

SUPPLEMENTARY INFORMATION

**Berry Creek Metropolitan District
Schedule of Bonds Payable to Maturity
December 31, 2011**

Bonds and Interest Maturing in the Calendar Year Ending December 31	\$2,925,000 General Obligation Refunding Series 2002		\$3,500,000 General Obligation Series 2008		Totals		
	Dated September 1, 2003 Interest Rate 2.50% - 4.15%		Dated March 31, 2008 Interest Rate 4.06%				
	Interest Due June 1 and December 1	Principal Due December 1	Interest Due June 1 and December 1	Principal Due December 1	Interest	Principal	Grand Total
	Interest Due June 1 and December 1	Principal Due December 1	Interest Due June 1 and December 1	Principal Due December 1	Interest	Principal	Grand Total
2012	59,318	355,000	141,288	5,000	200,606	360,000	560,606
2013	45,828	365,000	141,085	5,000	186,913	370,000	556,913
2014	31,594	380,000	140,882	5,000	172,476	385,000	557,476
2015	16,383	395,000	140,679	5,000	157,062	400,000	557,062
2016	-	-	140,476	225,000	140,476	225,000	365,476
2017	-	-	131,341	235,000	131,341	235,000	366,341
2018	-	-	121,800	245,000	121,800	245,000	366,800
2019	-	-	111,853	255,000	111,853	255,000	366,853
2020	-	-	101,500	265,000	101,500	265,000	366,500
2021	-	-	90,741	275,000	90,741	275,000	365,741
2022	-	-	79,576	290,000	79,576	290,000	369,576
2023	-	-	67,802	305,000	67,802	305,000	372,802
2024	-	-	55,419	320,000	55,419	320,000	375,419
2025	-	-	42,427	335,000	42,427	335,000	377,427
2026	-	-	28,826	350,000	28,826	350,000	378,826
2027	-	-	14,616	360,000	14,616	360,000	374,616
Totals	153,123	1,495,000	1,550,311	3,480,000	1,703,434	4,975,000	6,678,434

**Berry Creek Metropolitan District
History of Assessed Valuation, Mill Levy and Property Taxes Collected**

Calendar Year Ended December 31	Prior Year Assessed Valuation For Current Year Property Tax Levy	All Funds Mills Levied	Property Taxes Total All Funds		Percent Collected to Levied
			Levied	Collected	
1998	34,722,300	26	900,071	893,214	99.2%
1999	35,309,010	26	903,840	898,545	99.4%
2000	43,227,520	24	1,020,083	1,008,006	98.8%
2001	44,218,480	21	932,921	922,040	98.8%
2002	54,440,920	19	1,039,713	1,037,961	99.8%
2003	55,397,800	17	914,064	912,934	99.9%
2004	49,518,510	17	817,055	816,107	99.9%
2005	49,884,610	16	820,053	820,053	100.0%
2006	55,494,030	16	873,809	873,339	99.9%
2007	56,000,030	16	881,776	881,333	99.9%
2008	78,761,590	14	1,141,728	1,139,089	99.8%
2009	79,165,380	14	1,147,581	1,146,805	99.9%
2010	87,349,900	13	1,151,010	1,145,905	99.6%
2011	86,734,410	13	1,142,899	1,116,518	97.7%
2012	68,851,920	17	1,174,269		

NOTE:

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