



BERRY CREEK METROPOLITAN DISTRICT
FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

April 12, 2019

The Board of Directors
Berry Creek Metropolitan District

We have audited the accompanying financial statements of the governmental activities and each major fund of Berry 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 from 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Berry Creek Metropolitan District, as of December 31, 2018, and the respective changes in financial position thereof 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.



Board of Directors
Berry Creek Metropolitan District
Page Two

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 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 auditing standards generally accepted in the United States of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Berry Creek Metropolitan District's basic financial statements. The Debt Service Fund budgetary schedule and property tax statistical schedule are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The property tax statistical schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Chadwick, Steinkirchner, Davis & Co., P.C.

Berry Creek Metropolitan District

Management's Discussion and Analysis December 31, 2018

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, 2018.

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 Position presents information on all the District's assets, deferred inflows, liabilities, and deferred outflows with the difference between the amounts reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 9 and 10 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 11 through 14 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.

Overview of the Financial Statements (continued)

Both the balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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 16 through 29 of this report.

Government-wide Financial Analysis.

Statement of Net Position

The perspective of the Statement of Net Position is of the District as a whole. Following is a summary of the District's net position for the fiscal years 2018 and 2017.

	Governmental Activities	
	2018	2017
Assets :		
Current assets	\$ 1,969,473	\$ 1,989,600
Capital and other non-current assets	3,928,409	3,924,839
Total Assets	5,897,882	5,914,439
Liabilities:		
Current Liabilities	31,261	53,188
Bonds Payable	2,785,000	3,000,000
Total Liabilities	2,816,261	3,053,188
Deferred Inflow of Resources:		
Deferred Property Tax Revenue	966,018	965,881
Net Position:		
Net Investment in Capital Assets	1,143,409	924,839
Restricted for emergencies	21,669	20,785
Restricted for debt service	39,814	36,954
Unrestricted	910,711	912,792
Total Net Position	\$ 2,115,603	\$ 1,895,370

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Overview of the Financial Statements (continued)

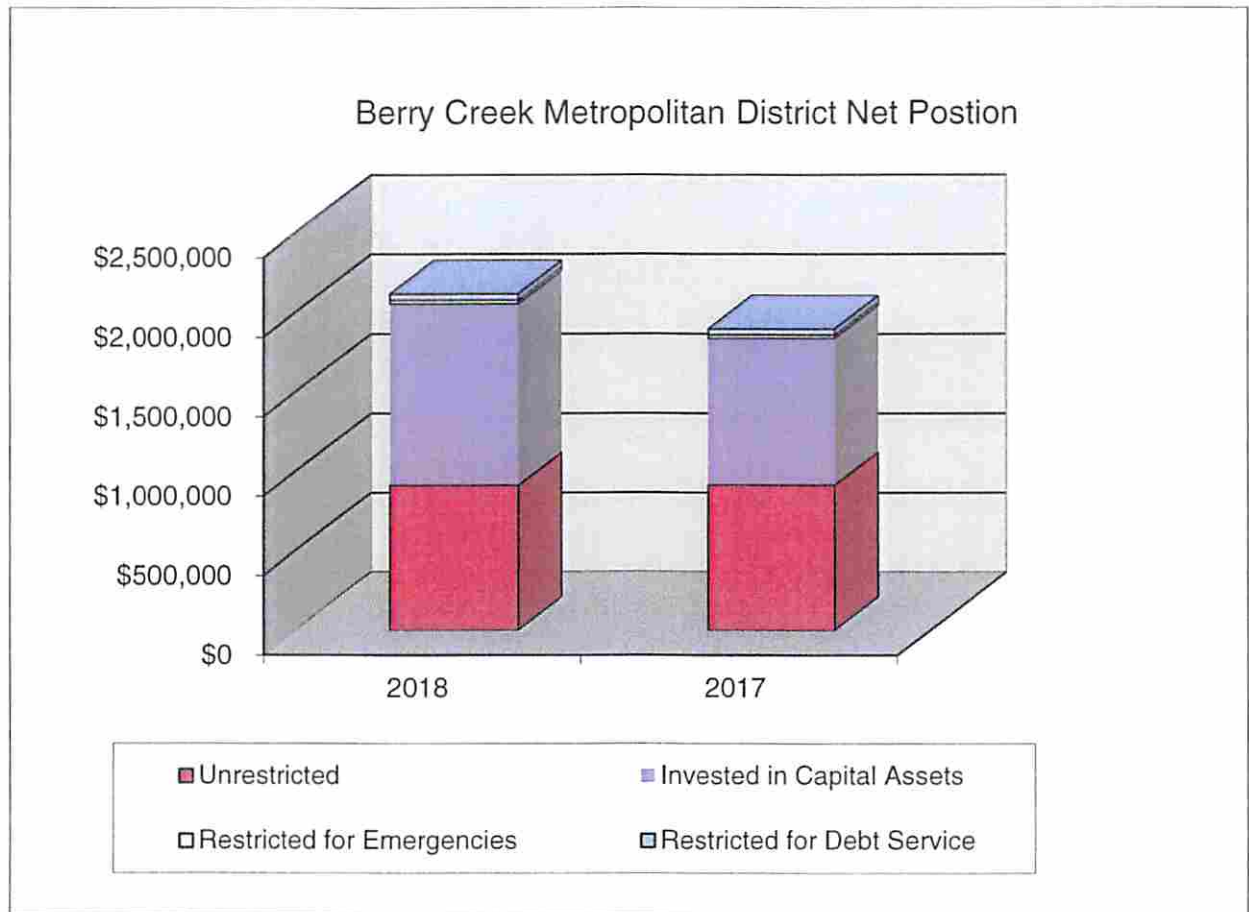
Statement of Activities

The perspective of the Statement of Activities is of the District as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting the cost of the services. The following detail reflects the total cost of services supported by program revenues and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2018 and 2017.

	Governmental Activities	
	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 59,623	\$ 39,622
Operating grants and contributions	70,674	68,438
General revenues:		
Property taxes	965,859	964,468
Other taxes	49,043	49,674
Interest and other revenue	30,555	20,717
Total Revenues	1,175,754	1,142,919
Expenses:		
General government	256,105	223,778
Culture and recreation	581,471	555,174
Interest on long-term debt	117,945	130,521
Total Expenses	955,521	909,473
Change in Net Position	220,233	233,446
Net Position - Beginning	1,895,370	1,661,924
Net Position - Ending	\$ 2,115,603	\$ 1,895,370

The District's overall financial position, as measured by net position, increased from \$1,895,370 at the end of 2017 to \$2,115,603 at the end of 2018. As the District collects property taxes and pays its debt down, the net position increases. The following graph shows the District's total net position by category for 2018 compared to 2017.

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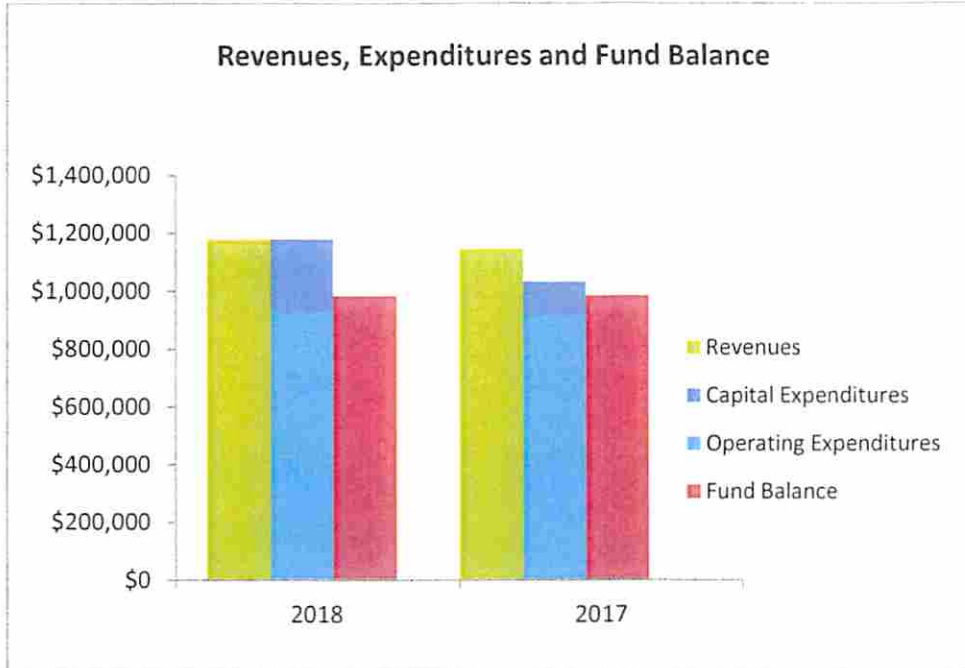
Financial Analysis of the District's Funds

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.

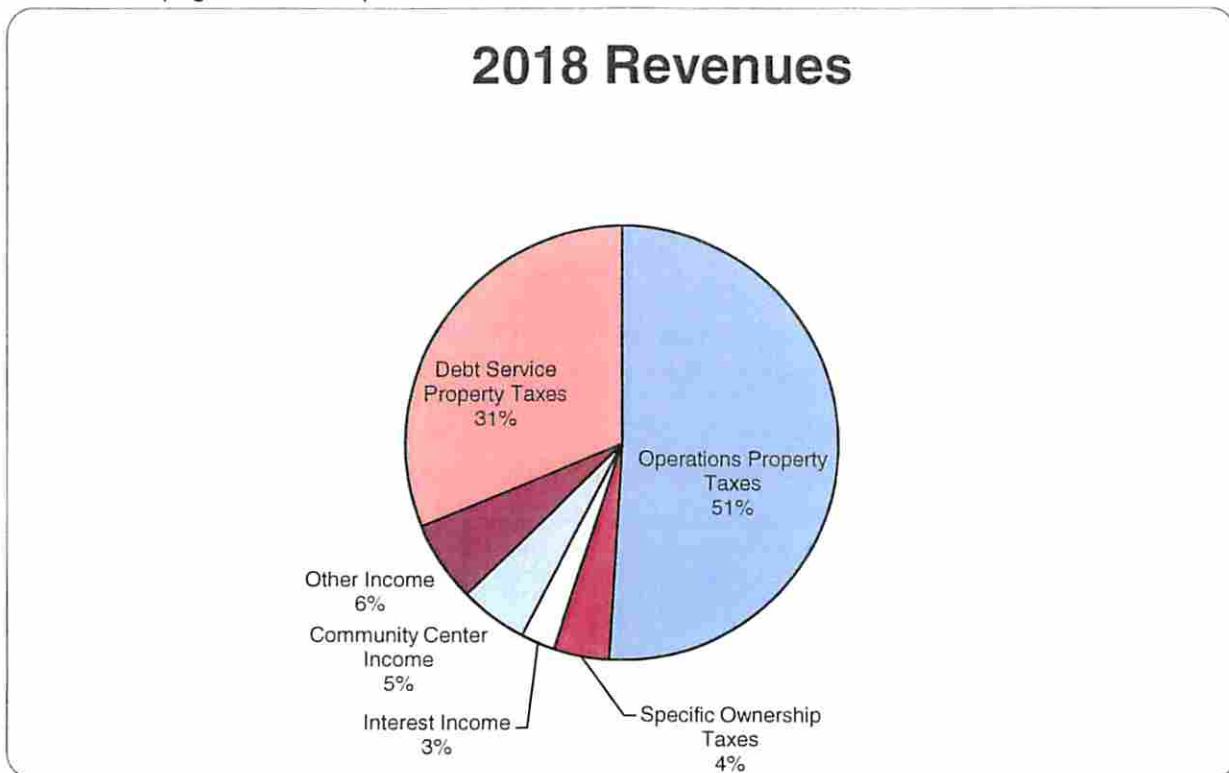
Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful 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 \$981,474, a decrease of \$1,190 from the prior year. Of the District's governmental-type fund balances, \$16,165 is non-spendable since it represents funds already expended for next year's operations, \$21,669 is restricted for emergencies under the Taxpayers' Bill of Rights (TABOR), \$39,814 is restricted for future debt service, \$100,000 is assigned for replacements, \$275,000 is assigned for future capital projects and the remaining balance of \$528,826 is unassigned but is held primarily for the purpose of an operating and working capital reserve. The following graph shows the combined fund balances for 2018 and 2017 relative to revenues and expenditures.

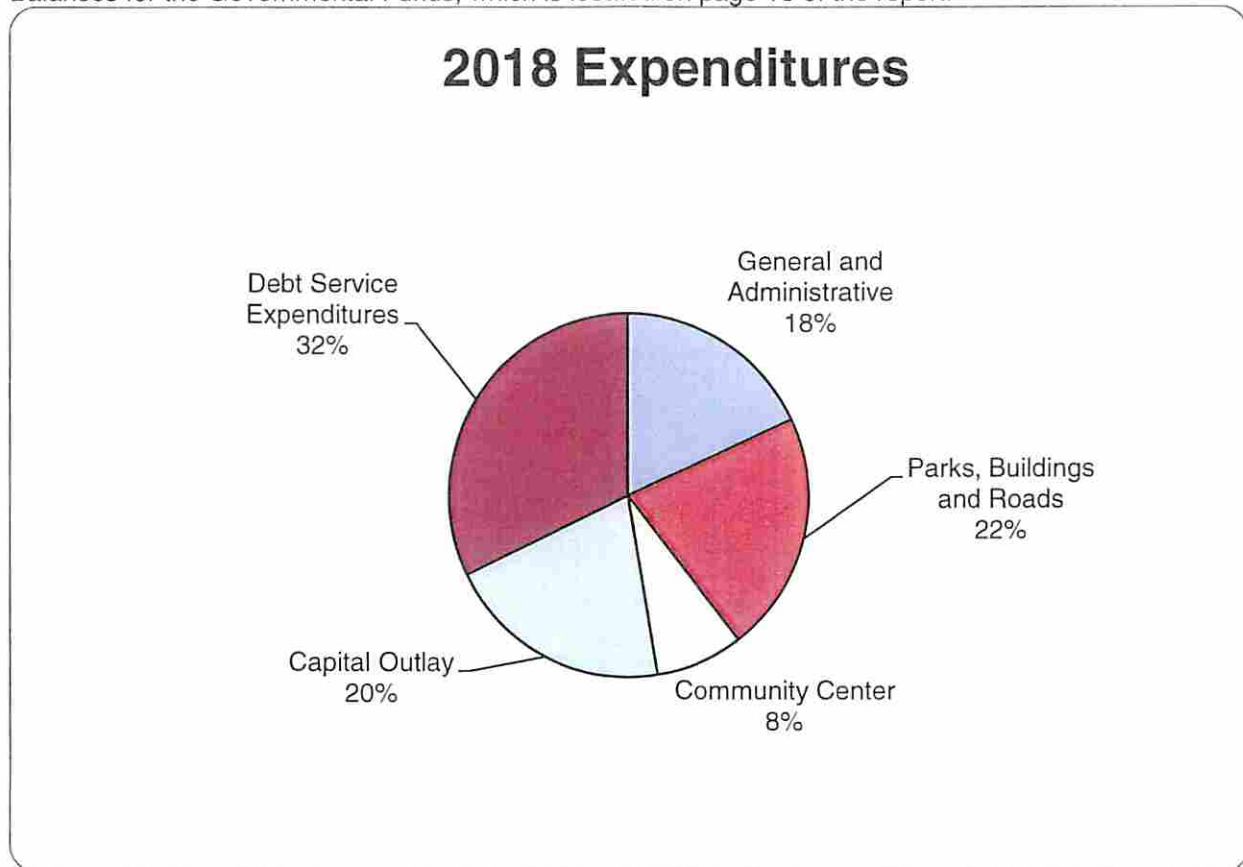
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Approximately 82% of the District's revenues are generated from property taxes. The following graph shows the relative size of the District's revenue sources. For more information, please refer to the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds, which is located on page 13 of the report.



The following graph illustrates the relative sizes of the District's expenditures for 2018. Debt Service expenditures during 2018 make up the largest category and accounted for 32% of total 2018 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 13 of the report.



Budget Variances. A budget comparison for the General Fund is presented on page 15 and a budget comparison for the Debt Service Fund is presented on page 30. General Fund 2018 actual expenditures were less than budgeted because contingency funds were not needed.

Capital Assets. The District invested \$230,920 in capitalized capital asset additions during 2018. The primary capital expenditures were for a remodel of the Chip Ramsey Park pavilion and bathrooms. Depreciation expense of \$222,907 was recognized in 2018. Additional information can be found in the Notes to the Financial Statements on page 24 of this report.

Long-term Debt. The District refunded the \$3,000,000 2008 General Obligation Bonds with the issuance of the 2018 General Obligation Bonds and by paying \$215,000 in principal, leaving the outstanding debt balance at \$2,785,000. Additional information can be found in the Notes to the Financial Statements on page 25 of this report.

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 Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, CO 81632 or you may call (970) 926-6060.

Berry Creek Metropolitan District

STATEMENT OF NET POSITION

December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Equity in pooled cash and investments	\$ 979,644
Receivables:	
Due from county treasurer	4,751
Property taxes receivable	966,018
Accrued interest	2,895
Prepaid expenses	16,165
Capital assets, net	3,928,409
Total Assets	<u>5,897,882</u>
LIABILITIES	
Accounts payable	12,325
Accrued expenses	906
Unearned revenue	8,750
Accrued interest payable	6,321
Accrued compensated absences	2,959
Long-term liabilities	
Portion due and payable within one year	
Bonds payable	280,000
Portion due and payable after one year	
Bonds payable	2,505,000
Total Liabilities	<u>2,816,261</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes	966,018
Total Deferred Inflows of Resources	<u>966,018</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,782,279</u>
NET POSITION	
Net investment in capital assets	1,143,409
Restricted for emergencies	21,669
Restricted for debt service	39,814
Unrestricted	910,711
Total Net Position	<u><u>\$ 2,115,603</u></u>

The accompanying notes are an integral part of this statement.

Berry Creek Metropolitan District

STATEMENT OF ACTIVITIES

Year ended December 31, 2018

Function/Programs	Expenses	Program Revenues			Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital and Contributions	
Governmental activities:					
General government	\$ 256,105	\$ -	\$ 62,004	\$ -	\$ (194,101)
Culture and recreation	581,471	59,623	8,670	-	(513,178)
Interest on long-term debt	117,945	-	-	-	(117,945)
Total governmental activities	<u>\$ 955,521</u>	<u>\$ 59,623</u>	<u>\$ 70,674</u>	<u>\$ -</u>	<u>(825,224)</u>

General revenues:

Taxes:

Property tax	965,859
Specific ownership tax	49,043
Interest income	30,234
Miscellaneous income	321
Total general revenues	<u>1,045,457</u>
Change in net position	220,233
Net position - beginning	1,895,370
Net position - ending	<u>\$ 2,115,603</u>

The accompanying notes are an integral part of this statement.

Berry Creek Metropolitan District

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2018

	General	Debt Service	Total Governmental Funds
ASSETS			
Equity in pooled cash and investments	\$ 941,634	\$ 38,010	\$ 979,644
Receivables			
Due from county treasurer	2,947	1,804	4,751
Property taxes receivable	600,824	365,194	966,018
Accrued interest	2,895	-	2,895
Prepaid expenses	16,165	-	16,165
Total Assets	<u>1,564,465</u>	<u>405,008</u>	<u>1,969,473</u>
LIABILITIES			
Accounts payable	12,325	-	12,325
Accrued expenses	906	-	906
Unearned revenue	8,750	-	8,750
Total Liabilities	<u>21,981</u>	<u>-</u>	<u>21,981</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	600,824	365,194	966,018
Total Deferred Inflows of Resources	<u>600,824</u>	<u>365,194</u>	<u>966,018</u>
Total Liabilities and Deferred Inflows of Resources	<u>622,805</u>	<u>365,194</u>	<u>987,999</u>
FUND EQUITY			
Nonspendable, prepaid expenses	16,165	-	16,165
Restricted for emergencies	21,669	-	21,669
Restricted for debt service	-	39,814	39,814
Assigned:			
Replacement	100,000	-	100,000
Capital Projects	275,000	-	275,000
Unassigned	528,826	-	528,826
Total Fund Equity	<u>\$ 941,660</u>	<u>\$ 39,814</u>	<u>\$ 981,474</u>

The accompanying notes are an integral part of this statement.

Berry Creek Metropolitan District

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

December 31, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance - governmental funds	\$ 981,474
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,928,409
Long-term liabilities such as bonds are not due and payable in the current period and, therefore, are not reported in the funds.	(2,785,000)
Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds.	(6,321)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. This is the compensated absences liability as of year-end.	<u>(2,959)</u>
Net Position of Governmental Activities	<u><u>\$ 2,115,603</u></u>

The accompanying notes are an integral part of this statement.

Berry Creek Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

Year ended December 31, 2018

	General	Debt Service	Total Governmental Funds
Revenues			
Taxes	\$ 629,482	\$ 385,420	\$ 1,014,902
Lottery proceeds	8,670	-	8,670
Interest	25,277	4,957	30,234
Community center	59,623	-	59,623
Contribution from SPOA	62,004	-	62,004
Other	321	-	321
Total revenues	<u>785,377</u>	<u>390,377</u>	<u>1,175,754</u>
Expenditures			
Current operating			
General government	211,995	11,015	223,010
Parks and recreation	252,048	-	252,048
Community center	85,078	-	85,078
Debt service			
Principal	-	3,000,000	3,000,000
Interest	-	121,774	121,774
Bond issuance costs	-	32,119	32,119
Capital outlay	247,915	-	247,915
Total expenditures	<u>797,036</u>	<u>3,164,908</u>	<u>3,961,944</u>
Excess of Revenues Over (Under) Expenditures	(11,659)	(2,774,531)	(2,786,190)
Other financing sources (uses)			
Bond proceeds	-	2,785,000	2,785,000
Transfers in (out)	7,609	(7,609)	-
Total other financing sources (uses)	<u>7,609</u>	<u>2,777,391</u>	<u>2,785,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,050)	2,860	(1,190)
Fund Balance - January 1	<u>945,710</u>	<u>36,954</u>	<u>982,664</u>
Fund Balance - December 31	<u>\$ 941,660</u>	<u>\$ 39,814</u>	<u>\$ 981,474</u>

The accompanying notes are an integral part of this statement.

Berry Creek Metropolitan District

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended December 31, 2018

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

Net Change in Fund Balances - Governmental Funds	\$ (1,190)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized outlays were more than depreciation in the current period (\$226,477 - \$222,907).	3,570
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Governmental funds report the proceeds from and repayment of principal on long-term debt as other financing sources and expenditures. However, these proceeds and repayments are not reported as revenue and expenses in the statement of activities, but rather an increase or reduction of debt in the statement of net position. This amount is the effect of the difference in the treatment of these increases and repayments. (\$3,000,000 - \$2,785,000)	215,000
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Governmental funds do not record the amount of interest on long-term debt that has accrued since the end of the year. However, these liabilities are reported in the statement of net position and the related expense is reported in the statement of activities. This is the amount by which accrued interest changed from the prior year.	3,829
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Governmental funds do not report accrued compensated absences as part of expenditures. However, they are reported as expenses in the statement of activities. This is the amount accrued compensated absences changed from the prior year.	<u>(976)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 220,233</u></u>
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The accompanying notes are an integral part of this statement.

Berry Creek Metropolitan District

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 599,078	\$ 599,078	\$ 599,064	\$ (14)
Specific ownership taxes	26,958	26,958	30,418	3,460
Lottery proceeds	9,270	9,270	8,670	(600)
Interest income	8,424	8,424	25,277	16,853
Community center	41,000	41,000	59,623	18,623
Contribution from SPOA	61,800	61,800	62,004	204
Other	1,000	1,000	321	(679)
Total revenues	747,530	747,530	785,377	37,847
Expenditures				
General government				
Accounting, audit, and administration	161,310	161,310	159,950	1,360
Elections	1,500	1,500	848	652
Insurance	16,178	16,178	13,842	2,336
Legal	10,000	10,000	12,114	(2,114)
Treasurer's fees	17,972	17,972	17,991	(19)
Contributions	7,500	7,500	7,250	250
Parks and recreation	265,930	265,930	252,048	13,882
Community center	73,117	73,117	85,078	(11,961)
Contingency	75,000	75,000	-	75,000
Capital outlay	110,000	210,000	247,915	(37,915)
Total expenditures	738,507	838,507	797,036	41,471
Excess of Revenues				
Over (Under) Expenditures	9,023	(90,977)	(11,659)	79,318
Other financing sources (uses)				
Transfers in (out)	5,502	7,609	7,609	-
Excess of Revenues and Other				
Financing Sources Over (Under)				
Expenditures and Other Financing Uses	14,525	(83,368)	(4,050)	79,318
Fund Balance - January 1	842,409	945,709	945,710	1
Fund Balance - December 31	\$ 856,934	\$ 862,341	\$ 941,660	\$ 79,319

The accompanying notes are an integral part of this statement.

Berry Creek Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

The 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 television services, and to construct and finance roadways and storm drainage facilities.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

2. Reporting Entity

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

3. 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. Currently, the District has only governmental activities.

Berry Creek Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets, receivables, deferred outflows of resources as well as long-term debt, obligations and deferred inflows of resources. The District's net position is reported in three parts: net investment in capital assets; various restricted net position; and unrestricted net position.

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

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures.

The fund focus is on current available resources and budget compliance.

4. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. At this time the District only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

Berry Creek Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Debt Service Fund – The Debt Service Fund accounts for the servicing of general long-term debt including long-term contractual obligations approved by the District’s electorate and revenues generated by property taxes that are required to be used in payment of such long-term debt and contractual obligations.

5. Measurement Focus and Basis of Accounting

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.

Long-Term Economic Focus and Accrual Basis

Governmental activities in the government-wide 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.

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 within 60 days after the end 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.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

Berry Creek Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Government-wide Net Position

- *Net investment in capital assets*—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- *Restricted net position*—consist of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (those who may donate to the District less related liabilities and deferred inflows of resources).
- *Unrestricted*—all other net position is reported in this category.

7. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

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 ranges:

Berry Creek Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Operations (percentage of annual revenue)	75% to 125%
Capital improvements (percentage of scheduled):	
Within one year	100% to 150%
Between one and two years	75% to 100%
Between two and four years	25% to 50%
Beyond four years	10% to 20%
Unscheduled (percentage of anticipated)	50% to 75%
TABOR (percentage of fiscal year spending)	3%

The Balance Sheet – Governmental Funds on page 11 shows the amounts assigned and restricted under this policy; general fund unassigned fund balance as of December 31, 2018 is to be used for the operating reserve.

8. 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 original maturities of three months or less.

9. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

10. Property Taxes

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budget or Statement of Revenues, Expenditures, and Changes in Fund Balance of the assessment year. Property taxes are recorded as deferred inflows of resources in the year they are levied and measurable. Property tax revenues are recorded as revenue in the year they are available or collected. Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15.

11. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District defines capital assets as assets with an initial, individual cost of more than \$5,000.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Berry Creek Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

	<u>Estimated lives</u>
Infrastructure, buildings, and improvements	15-30 years
Equipment	7 to 15 years

Costs related to the construction of assets including engineering, legal, surveying and landscaping that were incurred from the beginning of construction until the assets were substantially complete were capitalized.

12. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available.

13. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

14. Interfund Transactions

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

15. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

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”).

As required by the Colorado statutes, the District followed by the following timetable in approving and enacting a budget for the ensuing years:

- (1) For the 2018 budget year, prior to August 23, 2017, the County Assessor sent the District the assessed valuation of all taxable property within the District’s boundaries.

Berry Creek Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- (2) On or before October 15, 2017, 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) The Board held a public hearing on the proposed budget and capital program no later than 45 days prior to the close of the fiscal year.
- (4) For the 2018 budget, prior to December 15, 2017, 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 2018 budget, the final budget and appropriating resolution was adopted prior to December 31, 2017.
- (6) After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) supplemental appropriations to the extent of revenues in excess of those estimated in the budget; c) emergency appropriations; and d) reduction of appropriations for which originally estimated revenues are insufficient.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end. One supplemental appropriation was adopted for the general and debt service funds during 2018.

16. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category at December 31, 2018.

In addition to liabilities, the statement of net position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until then. The District has only one type of item which qualifies for reporting in this category at December 31, 2018. Accordingly, the item, unavailable revenue from property taxes, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

Berry Creek Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE B – EQUITY IN POOLED CASH AND INVESTMENTS

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. 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 102% of the aggregate uninsured deposits. As of December 31, 2018, the District had deposits of \$698,711 all of which was covered by federal depository insurance.

Bank deposit amounts by type and maturities are as follows:

	Deposit Amounts	Maturities	
		Less than 1 year	1-5 years
Deposits:			
Checking	\$ 8,711		
Certificates of deposit	<u>690,000</u>	-	\$ 690,000
	<u>\$ 698,711</u>		

Investments

Colorado state statutes authorize the District to invest in U.S. Treasury bills, obligations of any other U.S. agency, obligations of the World Bank, general obligation bonds of any state or any of their subdivisions, revenue bonds of any state or any of their subdivisions, bankers acceptance notes, commercial paper, repurchase agreements, money market funds and guaranteed investment contracts. All investments must be held by the District, in its name, or in custody of a third party on behalf of the local government. Certificates of deposits held are valued at amortized cost which approximates fair value.

As of December 31, 2018, the District had \$277,822 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions of Colotrust. Substantially all securities owned by Colotrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by Colotrust. Colotrust funds carry a Standard & Poor's AAAM rating. There is no custodial, interest rate or foreign currency risk exposure. COLOTRUST operates like a 2a-7 external investment pool and investments in the pool are valued at \$1 net asset value (NAV) per share. The underlying investments held by Colotrust are valued at fair value.

Cash and investments as of December 31, 2018 are as follows:

Cash and cash equivalents	\$ 289,644
Investments	<u>690,000</u>
	<u>\$ 979,644</u>

Berry Creek Metropolitan District
 NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE C – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2018:

	<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*
Construction in progress	4,443	–	4,443	–
Land	<u>325,929</u>	<u>–</u>	<u>–</u>	<u>325,929</u>
Total capital assets not being depreciated	<u>363,586</u>	<u>–</u>	<u>4,443</u>	<u>359,143</u>
Capital assets, being depreciated				
Improvements	3,758,273	230,920	–	3,989,193
Buildings	2,634,545	–	–	2,634,545
Equipment	<u>582,249</u>	<u>–</u>	<u>–</u>	<u>582,249</u>
Total capital assets being depreciated	<u>6,975,067</u>	<u>230,920</u>	<u>–</u>	<u>7,205,987</u>
Less accumulated depreciation for:				
Improvements	2,215,996	116,133	–	2,332,129
Buildings	667,098	98,444	–	765,542
Equipment	<u>530,720</u>	<u>8,330</u>	<u>–</u>	<u>539,050</u>
Total capital assets being depreciated, net	<u>3,413,814</u>	<u>222,907</u>	<u>–</u>	<u>3,636,721</u>
Governmental activities capital assets, net	<u>\$ 3,561,253</u>	<u>8,013</u>	<u>–</u>	<u>3,569,266</u>
	<u>\$ 3,924,839</u>	<u>\$ 8,013</u>	<u>\$ 4,443</u>	<u>\$ 3,928,409</u>

*Historical cost is shown for water rights in accordance with US GAAP. Fair market value for the water rights held by the District is estimated to be \$3,323,173 as of December 31, 2017 (latest information available).

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Culture and recreation \$ 222,907

Berry Creek Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE D – LONG-TERM DEBT

2008 General Obligation Bonds

The District issued \$3,500,000 of General Obligation Bonds dated March 31, 2008. The bonds were general obligations of the District. The bonds were advance refunded with the Series 2018 bonds as noted below.

General Obligation Refunding Bonds Series 2018

The District issued \$2,785,000 of General Obligation Refunding Bonds dated December 3, 2018 and bearing an interest rate of 3.06% payable on June 1 and December 1 of each year. This advance refunding was made to refund the Series 2008 GO Bonds. Principal payments are due on December 1 annually through 2027. The bonds are general obligations of the District. All of the taxable property within the District is subject to the levy of the general ad valorem property taxes to pay principal and interest of the bonds. This bond refunding decreased the District's total debt service payments by \$131,912. The transaction also resulted in a net present value savings of \$91,493.

The following is a summary of long-term debt transactions for the year ended December 31, 2018:

	Balance January 1, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2018</u>	Due within <u>one year</u>
2008 General Obligation Bonds	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ -
2018 General Obligation Bonds	-	2,785,000	-	2,785,000	280,000
Total long-term debt	<u>\$ 3,000,000</u>	<u>\$2,785,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,785,000</u>	<u>\$ 280,000</u>

Debt service requirements are as follows:

2018 Issue:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 280,000	\$ 84,748	\$ 364,748
2020	290,000	76,653	366,653
2021	300,000	67,779	367,779
2022	310,000	58,599	368,599
2023	325,000	49,113	374,113
2024-2027	1,280,000	93,483	1,373,483
	<u>\$ 2,785,000</u>	<u>\$ 430,375</u>	<u>\$ 3,215,375</u>

Remaining Authorized but Unissued Indebtedness and Obligation to Issue Future Bonds. During 2007, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$3,600,000 at an interest rate not to exceed 7% per annum. The voter authorized but unissued indebtedness at December 31, 2017 of \$100,000 is calculated as follows:

	2007 <u>Original Voter Authorization</u>	<u>Authorization Used In 2008</u>	<u>Remaining Unused Authorization</u>
Expansion of Winslow Road Underpass	\$ 3,600,000	\$ (3,500,000)	\$ 100,000

Berry Creek Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE E – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and general liability. The District is a member of the Colorado Special District Property and Liability Pool (“Pool”) for property and liability insurance.

The Pool was formed by an intergovernmental agreement to provide public officials, property, general and automobile liability coverage for claims up to \$1,000,000, except if the claim falls within the government immunity statute, then the coverage is \$150,000 per person and a \$600,000 aggregate claim. The Pool is reinsured for 80% of the first \$250,000 of all claims and 100% for claims in excess of \$250,000.

The District may be required to make additional contributions in the event aggregate losses incurred by the Pool exceed amounts recoverable from reinsurance contracts. 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. Any settled claims are not expected to exceed coverage. A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2018 is as follows:

Assets	<u>\$ 63,918,422</u>
Liabilities	\$ 39,345,647
Capital and surplus	<u>24,572,775</u>
Total	<u>\$ 63,918,422</u>
Revenues	\$ 20,983,559
Investment income and other	<u>898,330</u>
Total revenue	21,881,889
Expenses	<u>22,973,705</u>
Net income (loss)	<u>\$ (1,091,816)</u>

NOTE F – COMMITMENTS AND CONTINGENCIES

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives have disclosed that they are not aware of any material outstanding claims against the District at December 31, 2018.

NOTE G – 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 of the prior year, extension of any expiring tax, or tax policy change directly causing a new 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 or other financial obligation unless adequate present cash reserves are pledged irrevocable and held for payments in future years.

Berry Creek Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE G – 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 the fiscal year spending (excluding bonded debt service) for fiscal years ended after December 31, 1994. At December 31, 2018, a reserve of \$21,669 was required.

On November 6, 2007, the District’s voters authorized the issuance of \$3,600,000 of general obligation bonds for street and related improvements, including the Winslow Road overpass.

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 the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

NOTE H – INTERGOVERNMENTAL AGREEMENTS

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 the Town of Avon (“Town”) located in Eagle County, Colorado (Contracting Parties):

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

The purposes of the Authority are to supply water for domestic and other public and private purposes; to provide all necessary water diversion works, reservoirs, treatment works and facilities, equipment and appurtenances incident thereto; to effect the development of water resources, systems or facilities, in whole or in part, for the use and benefit of the Contracting Parties, their inhabitants, and others; and to provide efficient, effective, and reliable water service.

The Authority is to remain in effect until it has no bonds, notes or other obligations outstanding and the Contracting Parties unanimously consent to its dissolution.

Berry Creek Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE H – INTERGOVERNMENTAL AGREEMENTS – CONTINUED

Upper Eagle Regional Water Authority – Continued:

The term of the underlying Authority Agreement shall be ten (10) years ending on December 31, 2023, but such term shall be subject to automatic renewal and extension for successive ten (10) year terms thereafter unless all of the Contracting Parties unanimously approve changes to this Authority Agreement during any extended term, to be effective on the first day of the extended term, including provision for payment of all bonds, notes and other obligations outstanding in accordance with their terms. At December 31, 2017, the Authority had debt with maturities through the year 2042.

Dissolution of the Authority requires the unanimous consent of the Contracting Parties and provision for a successor entity that will continue to provide service to the water service customers. Any provision for dissolution shall provide either that all the Authority's financial obligations be paid in full or that funds sufficient for the payment of the Authority's obligations be placed in escrow.

Upon dissolution without conveyance of all water rights and assets to a successor entity, the interest in the net position of the Authority including interests in unallocated water rights shall be distributed to each contracting party in proportion to the average annual amount of treated water sold within the boundaries of each Contracting Party.

The Contracting Parties (including the District) and other parties served by contract have previously conveyed to the Authority their individual water systems, except for certain golf course water systems, raw water storage and raw water irrigation systems, subject to existing agreements between the Authority and any Contracting Party. The customers of the Contracting Parties thereby became water service customers of the Authority. The Authority shall make Rules and Regulations concerning the operation of the Authority's Water System. These water systems were accepted by the Authority in "as is" condition and (subject to any contract obligations) all future maintenance, repair and upgrade expenses became the obligations of the Authority, and not the obligations of the Contracting Parties or the third party served by contract. In connection therewith, on January 27, 2015 the District adopted a resolution terminating collection of any future water tap fees by the District.

The Contracting Parties have leased and/or conveyed to the Authority all of the Contracting Parties' right, title and interests in and to the Contracting Parties' water rights, including the right to use all diversion ditches, pipelines, headgates and structures, reservoirs or other storage structures, pumps, casings, and other improvements and easements associated or used in connection with the water rights, for the Authority's use in carrying out its functions and providing water service.

Berry Creek Metropolitan District
NOTES TO FINANCIAL STATEMENTS

December 31, 2018

NOTE H – INTERGOVERNMENTAL AGREEMENTS – CONTINUED

Upper Eagle Regional Water Authority – Continued:

A summary of audited financial information for the Authority as of and for the year ended December 31, 2017 (the latest information available) is as follows:

Assets:	
Current	\$ 13,231,039
Other	4,916,571
Property and equipment	71,507,918
Deferred Outflows	<u>84,774</u>
Total Assets and Deferred Outflows	<u>\$ 89,740,302</u>
Liabilities and Net Position:	
Current	\$ 3,490,713
Long-term debt	30,099,423
Net position	<u>56,150,166</u>
Total Liabilities and Net Position	<u>\$ 89,740,302</u>
Operations:	
Operating revenue	\$ 11,539,107
Operating expense	<u>13,983,699</u>
Operating (Loss)	(2,444,592)
Non-operating revenue (expense), net	<u>(1,253,583)</u>
Net (Loss)	(3,698,175)
Capital contributions	1,513,598
Net Position – Beginning	<u>58,334,743</u>
Net Position – Ending	<u>\$ 56,150,166</u>

Berry Creek Metropolitan District

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND

Year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 366,803	\$ 366,803	\$ 366,795	\$ (8)
Specific ownership taxes	16,506	16,506	18,625	2,119
Interest income	2,594	2,594	4,957	2,363
Total revenues	<u>385,903</u>	<u>385,903</u>	<u>390,377</u>	<u>4,474</u>
Expenditures				
General government				
Treasurer's fee	11,004	11,004	11,015	(11)
Contingency	1,000	1,000	-	1,000
Debt service				
Interest expense	121,800	121,800	121,774	26
Principal reduction	245,000	3,000,000	3,000,000	-
Bond issuance costs	-	100,000	32,119	67,881
Total expenditures	<u>378,804</u>	<u>3,233,804</u>	<u>3,164,908</u>	<u>68,896</u>
Excess of Revenues Over (Under) Expenditures	7,099	(2,847,901)	(2,774,531)	73,370
Other financing sources (uses)				
Bond proceeds	-	2,855,000	2,785,000	(70,000)
Transfers in (out)	(5,502)	(7,609)	(7,609)	-
Total other financing sources (uses)	<u>(5,502)</u>	<u>2,847,391</u>	<u>2,777,391</u>	<u>(70,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,597	(510)	2,860	3,370
Fund Balance - January 1	<u>34,803</u>	<u>34,803</u>	<u>36,954</u>	<u>2,151</u>
Fund Balance - December 31	<u>\$ 36,400</u>	<u>\$ 34,293</u>	<u>\$ 39,814</u>	<u>\$ 5,521</u>

Berry Creek Metropolitan District

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAX COLLECTIONS

December 31, 2018

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		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	820,083	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	1,171,440	99.8%
2013	68,728,790	17	1,142,754	1,140,349	99.8%
2014	58,507,620	18	1,063,200	1,060,875	99.8%
2015	58,548,350	18	1,073,250	1,072,257	99.9%
2016	68,670,380	14	966,055	965,712	100.0%
2017	68,486,820	14	965,322	964,468	99.9%
2018	68,497,340	14	965,881	965,859	100.0%
2019	68,697,050	14	966,018		

NOTE:

Property tax collections in any one year include collection of delinquent taxes assessed in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.