

CUNDALL FARMS METROPOLITAN DISTRICT
Adams County, Colorado

FINANCIAL STATEMENTS
December 31, 2016



RECEIVED

By the Office of the State Auditor at 2:46 pm, Aug 18, 2017

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR’S REPORT	1
 BASIC FINANCIAL STATEMENTS	
 Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
 Fund Financial Statements	
Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	6
Notes to Financial Statements.....	7
 SUPPLEMENTARY INFORMATION	 20
Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	21
Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	22
 OTHER INFORMATION	 23
Schedule of Debt Service Requirements to Maturity	24
Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected	25



Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cundall Farms Metropolitan District
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cundall Farms Metropolitan District as of and for the year December 31, 2016, 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

8200 South Quebec Street, Suite A3259, Centennial, Colorado 80112
303-905-0809 • info@dazziocpa.com

• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Cundall Farms Metropolitan District, as of December 31, 2016, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cundall Farms Metropolitan District's basic financial statements. The budget to actual schedules for the Debt Service and Capital Projects Funds (Supplementary Information), the Schedule of Debt Service Requirements to Maturity and the Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected (Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information 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 them.

Duzzio & Associates, P.C.

August 15, 2017

BASIC FINANCIAL STATEMENTS

CUNDALL FARMS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 115,424
Cash and investments - Restricted	1,142,952
Accounts receivable	1,219
Receivable from County Treasurer	271
Property taxes receivable	175,600
Capital assets	<u>13,342,002</u>
Total assets	<u>14,777,468</u>
LIABILITIES	
Accounts payable	18,793
Prepaid operations fees	7,344
Bond interest payable	39,159
Noncurrent liabilities	
Due in more than one year	<u>16,665,458</u>
Total liabilities	<u>16,730,754</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	<u>175,600</u>
Total deferred inflows of resources	<u>175,600</u>
NET POSITION	
Restricted for:	
Emergency reserves	3,100
Unrestricted	<u>(2,131,986)</u>
Total net position	<u><u>\$ (2,128,886)</u></u>

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

CUNDALL FARMS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Government activities:					
General government	\$ 63,485	\$ -	\$ 91,768	\$ -	\$ 28,283
Interest and related costs on long-term debt	1,065,563	-	-	-	(1,065,563)
	<u>\$ 1,129,048</u>	<u>\$ -</u>	<u>\$ 91,768</u>	<u>\$ -</u>	<u>(1,037,280)</u>
General revenues:					
Property taxes					46,084
Specific ownership taxes					3,798
Interest income					6,503
Total general revenues					<u>56,385</u>
Change in net position					(980,895)
Net position - Beginning					(1,147,991)
Net position - Ending					<u>\$ (2,128,886)</u>

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

**CUNDALL FARMS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 115,424	\$ -	\$ -	\$ 115,424
Cash and investments - Restricted	3,100	1,139,852	-	1,142,952
Accounts receivable	1,219	-	-	1,219
Receivable from County Treasurer	45	226	-	271
Due from other funds	3,460	-	-	3,460
Property taxes receivable	29,267	146,333	-	175,600
Total assets	<u>\$ 152,515</u>	<u>\$ 1,286,411</u>	<u>\$ -</u>	<u>\$ 1,438,926</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Accounts payable	\$ 14,694	\$ -	\$ 4,099	\$ 18,793
Prepaid operations fees	7,344	-	-	7,344
Due to other funds	-	-	3,460	3,460
Total liabilities	<u>22,038</u>	<u>-</u>	<u>7,559</u>	<u>29,597</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	29,267	146,333	-	175,600
Total deferred inflows of resources	<u>29,267</u>	<u>146,333</u>	<u>-</u>	<u>175,600</u>
FUND BALANCES				
Restricted for:				
Emergency reserves	3,100	-	-	3,100
Debt service	-	1,140,078	-	1,140,078
Committed				
Operations - fees	101,596	-	-	101,596
Unassigned	(3,486)	-	(7,559)	(11,045)
Total fund balances	<u>101,210</u>	<u>1,140,078</u>	<u>(7,559)</u>	<u>1,233,729</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 152,515</u>	<u>\$ 1,286,411</u>	<u>\$ -</u>	

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

Capital assets are reported as assets on the Statement of Net Position but are recorded as expenditures in the funds	13,342,002
Capital assets	13,342,002
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(8,410,000)
Bond interest payable	(97,478)
Developer advances payable	(7,765,394)
Accrued interest on Developer advances	(431,745)
	<u>\$ (2,128,886)</u>

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

CUNDALL FARMS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 7,681	\$ 38,403	\$ -	\$ 46,084
Specific ownership taxes	633	3,165	-	3,798
Interest income	308	6,175	20	6,503
Operations fee	91,768	-	-	91,768
Total revenues	<u>100,390</u>	<u>47,743</u>	<u>20</u>	<u>148,153</u>
EXPENDITURES				
Current				
Accounting	19,480	-	-	19,480
Audit	4,700	-	-	4,700
County Treasurer's fees	115	577	-	692
Election	1,654	-	-	1,654
District management	13,073	-	-	13,073
Insurance and bonds	3,266	-	-	3,266
Dues & subscriptions	434	-	-	434
Legal	19,030	-	-	19,030
Miscellaneous	103	-	-	103
Postage & delivery	1,053	-	-	1,053
Debt service				
Paying agent fees	-	3,000	-	3,000
Bond interest	-	469,906	-	469,906
Capital				
Bond issue costs	-	-	186,419	186,419
Capital outlay	-	-	8,437,665	8,437,665
Total expenditures	<u>62,908</u>	<u>473,483</u>	<u>8,624,084</u>	<u>9,160,475</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>37,482</u>	<u>(425,740)</u>	<u>(8,624,064)</u>	<u>(9,012,322)</u>
OTHER FINANCING SOURCES (USES)				
Developer advance	40,000	-	8,437,665	8,477,665
Bond proceeds	-	-	1,575,000	1,575,000
Transfer (to) from other funds	-	100,000	(100,000)	-
Repay developer advances	-	-	(1,288,680)	(1,288,680)
Total other financing sources (uses)	<u>40,000</u>	<u>100,000</u>	<u>8,623,985</u>	<u>8,763,985</u>
NET CHANGE IN FUND BALANCES	<u>77,482</u>	<u>(325,740)</u>	<u>(79)</u>	<u>(248,337)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>23,728</u>	<u>1,465,818</u>	<u>(7,480)</u>	<u>1,482,066</u>
FUND BALANCES - END OF YEAR	<u>\$ 101,210</u>	<u>\$ 1,140,078</u>	<u>\$ (7,559)</u>	<u>\$ 1,233,729</u>

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

**CUNDALL FARMS METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2016**

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

Net changes in fund balances - Total governmental funds	\$ (248,337)
---	--------------

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

Capital outlay	8,437,665
----------------	-----------

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

Developer advances	(8,477,665)
Repayment of developer advance	1,288,680
Bond issuance	(1,575,000)

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

Accrued interest on Developer advances - Change in liability	(347,919)
Accrued interest on bonds - Change in liability	<u>(58,319)</u>

Change in net position of governmental activities	<u><u>\$ (980,895)</u></u>
---	----------------------------

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

**CUNDALL FARMS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
REVENUES			
Property taxes	\$ 7,681	\$ 7,681	\$ -
Specific ownership taxes	614	633	19
Interest Income	-	308	308
Operations Fee	69,480	91,768	22,288
Homebuilder contribution - landscape	55,000	-	(55,000)
Total revenues	<u>132,775</u>	<u>100,390</u>	<u>(32,385)</u>
EXPENDITURES			
Accounting	20,000	19,480	520
Audit	4,800	4,700	100
County Treasurer's fees	115	115	-
Election	500	1,654	(1,154)
Insurance and bonds	2,600	3,266	(666)
Dues & subscriptions	500	434	66
Legal	30,000	19,030	10,970
Miscellaneous	1,000	103	897
Contingency	5,485	-	5,485
Grounds maintenance	54,627	-	54,627
District management	16,800	13,073	3,727
Postage & delivery	1,250	1,053	197
Sprinkler repair	5,463	-	5,463
Snow removal	8,160	-	8,160
Water & sewer	36,463	-	36,463
Backflow testing	1,200	-	1,200
Electric	400	-	400
Total expenditures	<u>189,363</u>	<u>62,908</u>	<u>126,455</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(56,588)</u>	<u>37,482</u>	<u>94,070</u>
OTHER FINANCING SOURCES (USES)			
Developer advance	86,000	40,000	(46,000)
Total other financing sources (uses)	<u>86,000</u>	<u>40,000</u>	<u>(46,000)</u>
NET CHANGE IN FUND BALANCES	29,412	77,482	48,070
FUND BALANCES - BEGINNING OF YEAR	<u>(24,958)</u>	<u>23,728</u>	<u>48,686</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,454</u>	<u>\$ 101,210</u>	<u>\$ 96,756</u>

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

CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - DEFINITION OF REPORTING ENTITY

Cundall Farms Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for the County of Adams, Colorado on December 1, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the City of Thornton, Colorado.

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2016.

The District exceeded its annual budget in the Capital Projects fund. This may be a violation of local budget law.

Pooled Cash and Investments

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

Investments are carried at fair value.

Property Taxes

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

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

Operations Fees

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

CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Equity

Net Position

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

Fund Balance

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

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

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

Deficit Fund Balance

The Capital Projects Fund reported a deficit balance of \$(7,559) in the fund financial statements as of December 31, 2016. The deficit will be eliminated with developer advances.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 115,424
Cash and investments - Restricted	<u>1,142,952</u>
Total cash and investments	<u>\$ 1,258,376</u>
Deposits with financial institutions	\$ 82,868
Investments	<u>1,175,508</u>
Total	<u>\$ 1,258,376</u>

Deposits with Financial Institutions

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

CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

As of December 31, 2016, the District had a bank balance of \$82,868 and a carrying balance of \$82,868.

Investments

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

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

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

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

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

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized cost.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2016, the District had the following investments:

Investment	Maturity	Fair Value
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 1,175,508</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in property for the period ended December 31, 2016, follows:

	Balance at December 31, 2015	Additions	Deletions	Balance at December 31, 2016
	<u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>2016</u>
Governmental Type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 4,904,337	\$8,437,665	\$ -	\$ 13,342,002
Total capital assets, not being depreciated	<u>\$ 4,904,337</u>	<u>\$8,437,665</u>	<u>\$ -</u>	<u>\$ 13,342,002</u>

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2016:

	<u>Balance at December 31, 2015</u>	<u>Additions</u>	<u>Retirement of Long-Term Obligations</u>	<u>Balance at December 31, 2016</u>	<u>Due Within One Year</u>
G.O. Bonds - Series 2014	\$ 6,835,000	\$ -	\$ -	\$ 6,835,000	\$ -
G.O. Bonds - Series 2016	-	1,575,000	-	1,575,000	-
G.O. Bonds - Series 2016 accrued interest	-	58,319	-	58,319	-
Developer advances - operations	113,941	40,000	-	153,941	-
Developer advances - capital	462,468	8,437,665	1,288,680	7,611,453	-
Accrued interest -					
Developer advances - operations	7,327	11,542	-	18,869	-
Accrued interest -					
Developer advances - capital	76,499	336,377	-	412,876	-
	<u>\$ 7,495,235</u>	<u>\$10,458,903</u>	<u>\$ 1,288,680</u>	<u>\$ 16,665,458</u>	<u>\$ -</u>

\$6,835,000 Series 2014 General Obligation Bonds

On August 29, 2014, the District issued General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds in the amount of \$6,835,000. The Bonds bear interest at a rate of 6.875% per annum, with interest payable on June 1 and December 1, and principal payable on December 1. The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2019, and on any date thereafter, upon payment of par and accrued interest, without redemption premium. The Bonds are also subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2020, and each December 1 thereafter.

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due/payable. The District must levy 50.000 mills, as adjusted, so long as the amount on deposit in the Surplus Fund is less than the Required Surplus Fund amount of \$683,500. The District currently has less than the Required Surplus Fund amount as of December 31, 2016, and, accordingly, the District has levied 50.000 mills for collection year 2016. Additionally, the Debt Service Reserve Requirement on the 2014 Bonds is \$651,000, and was fully funded at December 31, 2016.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

\$1,575,000 Series 2016 General Obligation Subordinate Bonds

On June 23, 2016, the District issued Subordinate Bonds in the amount of \$1,575,000. The proceeds from the sale of the Bonds were used for the purposes of reimbursing the construction costs of public infrastructure improvements benefitting the District, paying costs of issuance of the Subordinate Bonds, and transferring \$100,000 from the Subordinate Project fund to the 2014 Senior Surplus fund. Interest on the Subordinate Bonds is at a rate of 7.75% per annum is payable annually on December 15, beginning on December 15, 2016. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The Subordinate Bonds are subject to optional redemption prior to maturity as described in the Subordinate Indenture.

The Subordinate Bonds are secured by and payable solely from Pledged Revenue defined in the Subordinate Indenture as the moneys derived by the District, net of any costs of collection, from: (i) property taxes derived from the Required Subordinate Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Subordinate Mill Levy; and (iii) revenue, if any, available for the Subordinate Bonds after all amounts required by the Senior Indenture are applied by the trustee for Senior Bonds. Pledged Revenue for the Subordinate Bonds is subordinate to the revenue pledged to the 2014 Senior Bonds. While the 2014 Senior Bonds are secured by a Senior Reserve Fund and a Senior Surplus Fund, there is no reserve fund or surplus fund which secures the Subordinate Bonds. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. The Required Subordinate Mill Levy may not be imposed after 2054. In the event any amounts due and owing on the Subordinate Bonds remain outstanding on December 15, 2054, such amounts shall be extinguished and shall no longer be due and payable.

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

	Governmental Activities		
	Principal	Interest	Total
2017	\$ -	\$ 469,906	\$ 469,906
2018	-	469,906	469,906
2019	-	469,906	469,906
2020	40,000	469,906	509,906
2021	60,000	467,156	527,156
2022-2026	460,000	2,259,126	2,719,126
2027-2031	790,000	2,059,407	2,849,407
2032-2036	1,280,000	1,724,939	3,004,939
2037-2041	1,950,000	1,199,688	3,149,688
2042-2044	2,255,000	360,594	2,615,594
	<u>\$ 6,835,000</u>	<u>\$ 9,950,534</u>	<u>\$ 16,785,534</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On November 3, 2009, the District's voters authorized total indebtedness of \$125,000,000 for facilities, \$5,000,000 for operations and maintenance, \$20,000,000 for both intergovernmental and private agreements and \$20,000,000 for refunding of debt. Pursuant to the Service plan, the total Debt that the District shall be permitted to issue shall not exceed \$20,000,000. Additionally, the maximum debt mill levy is 50.000 mills, as adjusted for changes in the assessment ratio, which may result in an increase to 55.277 mills, which shall not be imposed for longer than 40 years from the first year the debt service mill levy is imposed unless a refunding of the Debt has been voted upon. The final year to impose a debt service mill levy is 2054.

At December 31, 2016, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized November 3, 2009 Election	Authorization Used Series 2014	Authorization Used Series 2016	Remaining at December 31, 2016
Streets	\$ 20,000,000	\$ 3,192,000	\$ 736,000	\$ 16,072,000
Parks and Recreation	20,000,000	307,000	70,000	19,623,000
Water	20,000,000	643,000	148,000	19,209,000
Sanitation/Storm Sewer	20,000,000	2,693,000	621,000	16,686,000
Transportation	5,000,000	-	-	5,000,000
Mosquito Control	5,000,000	-	-	5,000,000
Safety Protection	20,000,000	-	-	20,000,000
Fire Protection	5,000,000	-	-	5,000,000
Television & Relay	5,000,000	-	-	5,000,000
Security	5,000,000	-	-	5,000,000
Operations & Maintenance	5,000,000	-	-	5,000,000
Refunding of Debt	20,000,000	-	-	20,000,000
Governmental IGA's	20,000,000	-	-	20,000,000
Private IGA's	20,000,000	-	-	20,000,000
	<u>\$ 190,000,000</u>	<u>\$ 6,835,000</u>	<u>\$ 1,575,000</u>	<u>\$ 181,590,000</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 6 - NET POSITION

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

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$3,100 for emergencies as of December 31, 2016.

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, of which the majority will be conveyed to other governmental entities.

NOTE 7- AGREEMENTS

Funding and Reimbursement Agreement

On November 28, 2012, the Funding and Reimbursement Agreement was made and entered into between Cundall Farms Metropolitan District (the "District") and Cundall Farms, LLC (the "Developer"). The agreement provides that the Developer will advance to the District funds required to be paid by the District for the District's permitted purposes. The District does not presently have financial resources to provide funding for payment of costs. The Developer agrees to loan to the District an amount that does not exceed the aggregate of \$100,000 per annum for five years, up to \$500,000. The interest rate shall be 8% per annum, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount. The term for repayment of this obligation shall not extend beyond forty (40) years from the date of this agreement.

As of December 31, 2016, \$153,941 was outstanding with accrued interest of \$18,869.

Operations Shortfall Funding Agreement

On March 3, 2016, the District and KB Homes Colorado Inc. (the "Homebuilder") entered into an Operations Shortfall Funding Agreement (the "Operations Shortfall Funding Agreement"). Pursuant to the Operations Shortfall Funding Agreement, the Homebuilder agrees to pay to the District, in the time and manner set forth in the Operations Shortfall Funding Agreement, amounts sufficient to pay the Operations Costs Shortfall (defined generally as the difference between the District's operations revenue available to pay operations costs and the actual operations costs) for calendar years 2015 through 2019. The Operations Shortfall Funding Agreement provides that all amounts funded by the Homebuilder to pay Operations Costs Shortfalls are deemed a contribution to the District by the Homebuilder, and there will be no obligation, present or future, of the District to pay or reimburse the Homebuilder. No amounts have been contributed by the Homebuilder as of December 31, 2016.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE 7- AGREEMENTS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

On November 28, 2012, the Infrastructure Acquisition and Reimbursement Agreement was made and entered into between the District and the Developer. The Developer has incurred certain costs related to the Public Infrastructure for the benefit of the District, and expects to incur additional costs related thereto, on the condition that the District agrees to reimburse the Developer for all District Eligible Costs to the extent constituting Repayment Obligations, acquire any such Public Infrastructure constructed for the benefit of the District from the Developer that is not being dedicated to other governmental entities, and to pay all reasonable costs related thereto, and to reimburse the Developer for any costs incurred by the Developer for Public Infrastructure that is being dedicated to third parties. Repayment Obligation shall bear simple interest at a rate of 8% per annum from the date any such Repayment Obligation is incurred to the earlier of the date a Reimbursement Obligation is issued, or the date of payment of such amount in full.

As of December 31, 2016, \$7,611,453 was outstanding with accrued interest of \$412,876.

NOTE 8 - RELATED PARTIES

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

The Homebuilder of the project is KB Homes Colorado Inc. and two of the Board members are employees, owners, or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 9 - RISK MANAGEMENT

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

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

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

CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

On November 3, 2009, the District's voters approved for an annual increase in taxes of \$5,000,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

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

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**CUNDALL FARMS METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 38,404	\$ 38,404	\$ 38,403	\$ (1)
Specific ownership taxes	3,070	3,070	3,165	95
Interest income	-	-	6,175	6,175
Total revenues	<u>41,474</u>	<u>41,474</u>	<u>47,743</u>	<u>6,269</u>
EXPENDITURES				
Paying agent fees	2,000	2,000	3,000	(1,000)
County Treasurer's fees	576	576	577	(1)
Interest expense - bonds	469,906	469,906	469,906	-
Contingency	2,518	17,518	-	17,518
Total expenditures	<u>475,000</u>	<u>490,000</u>	<u>473,483</u>	<u>16,517</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(433,526)</u>	<u>(448,526)</u>	<u>(425,740)</u>	<u>22,786</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other fund	-	100,000	100,000	-
Total other financing sources (uses)	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(433,526)	(348,526)	(325,740)	22,786
FUND BALANCES - BEGINNING OF YEAR	<u>1,466,711</u>	<u>1,466,711</u>	<u>1,465,818</u>	<u>(893)</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,033,185</u>	<u>\$ 1,118,185</u>	<u>\$ 1,140,078</u>	<u>\$ 21,893</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
REVENUES			
Net investment income	\$ -	\$ 20	\$ 20
Total revenues	<u>-</u>	<u>20</u>	<u>20</u>
EXPENDITURES			
Bond issue costs	150,000	186,419	(36,419)
Capital outlay	-	8,437,665	(8,437,665)
Repay developer advance	1,545,000	1,288,680	256,320
Total expenditures	<u>1,695,000</u>	<u>9,912,764</u>	<u>(8,217,764)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,695,000)</u>	<u>(9,912,744)</u>	<u>(8,217,744)</u>
OTHER FINANCING SOURCES (USES)			
Bond issuance	1,695,000	1,575,000	(120,000)
Developer advance	-	8,437,665	8,437,665
Transfers to other fund	-	(100,000)	(100,000)
Total other financing sources (uses)	<u>1,695,000</u>	<u>9,912,665</u>	<u>8,217,665</u>
NET CHANGE IN FUND BALANCES	-	(79)	(79)
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>(7,480)</u>	<u>(7,480)</u>
FUND BALANCES - END OF YEAR	<u><u>-</u></u>	<u><u>(7,559)</u></u>	<u><u>(7,559)</u></u>

OTHER INFORMATION

CUNDALL FARMS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2016

Bonds and Interest Maturing in the Year Ending December 31,	\$6,835,000		
	General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) Series 2014, Dated August 29, 2014 Interest Rate of 6.875% Payable June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2017	\$ -	\$ 469,906	\$ 469,906
2018	-	469,906	469,906
2019	-	469,906	469,906
2020	40,000	469,906	509,906
2021	60,000	467,156	527,156
2022	75,000	463,031	538,031
2023	75,000	457,875	532,875
2024	95,000	452,719	547,719
2025	100,000	446,188	546,188
2026	115,000	439,313	554,313
2027	125,000	431,406	556,406
2028	145,000	422,813	567,813
2029	155,000	412,844	567,844
2030	175,000	402,188	577,188
2031	190,000	390,156	580,156
2032	215,000	377,094	592,094
2033	230,000	362,313	592,313
2034	255,000	346,500	601,500
2035	275,000	328,969	603,969
2036	305,000	310,063	615,063
2037	325,000	289,094	614,094
2038	360,000	266,750	626,750
2039	385,000	242,000	627,000
2040	425,000	215,531	640,531
2041	455,000	186,313	641,313
2042	495,000	155,031	650,031
2043	530,000	121,000	651,000
2044	1,230,000	84,563	1,314,563
	\$ 6,835,000	\$ 9,950,534	\$ 16,785,534

**CUNDALL FARMS METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2016**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2014	\$ 41,690	60.000	0.000	\$ 2,501	\$ 2,501	100.00%
2015	\$ 47,800	10.000	50.000	\$ 2,868	\$ 2,556	89.12%
2016	\$ 768,070	10.000	50.000	\$ 46,085	\$ 46,084	100.00%
Estimated for the year ending December 31, 2017	\$ 2,926,660	10.000	50.000	\$ 175,600		

NOTE:

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