

HUNTING HILL METROPOLITAN DISTRICT
Douglas County, Colorado

FINANCIAL STATEMENTS
December 31, 2017

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May 17, 2018

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hunting Hill Metropolitan District
Douglas County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hunting Hill Metropolitan District as of and for the year December 31, 2017, 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.

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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 Hunting Hill Metropolitan District, as of December 31, 2017, 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 Hunting Hill Metropolitan District's basic financial statements. The budget to actual schedules for the 2007 Series Bonds and the 2013 Series Bonds Debt Service Funds and the Capital Projects Fund (the Supplementary Information) and the summary of assessed valuation, mill levy and property taxes collected (the 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 budget to actual schedule for the debt service fund 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.

Dassio & Associates, P.C.

April 11, 2018

BASIC FINANCIAL STATEMENTS

**HUNTING HILL METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2017**

	Governmental Activities
ASSETS	
Cash and investments	\$ 305,492
Cash and investments - Restricted	16,973
Receivable from County Treasurer	2,107
Prepays	2,553
Property taxes receivable	346,871
Capital assets	
Capital assets, net	2,637,380
Total assets	3,311,376
LIABILITIES	
Accounts payable	6,660
Accrued interest payable	23,333
Noncurrent liabilities	
Due in more than one year	6,492,794
Total liabilities	6,522,787
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	346,871
Total deferred inflows of resources	346,871
NET POSITION	
Net investment in capital assets	592,571
Restricted for:	
Emergency reserves	14,200
Unrestricted	(4,165,053)
Total net position	\$ (3,558,282)

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

**HUNTING HILL METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Government activities:					
General government	\$ 236,701	\$ -	\$ -	\$ -	\$ (236,701)
Interest and related costs on long-term debt	516,165	-	3,000	1,996,687	1,483,522
Dedication of capital assets to other entity	1,712,659	-	-	-	(1,712,659)
	<u>\$ 2,465,525</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 1,996,687</u>	<u>(465,838)</u>
General revenues:					
Property taxes					287,131
Specific ownership taxes					31,456
Net investment income					3,238
Other income					2,905
Total general revenues					<u>324,730</u>
Change in net position					(141,108)
Net position - Beginning					(3,417,174)
Net position - Ending					<u>\$ (3,558,282)</u>

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

**HUNTING HILL METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017**

	<u>General</u>	<u>Debt Service - 2007 Series Bonds</u>	<u>Debt Service - 2013 Series Bonds</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 305,492	\$ -	\$ -	\$ -	\$ 305,492
Cash and investments - Restricted	14,200	2,773	-	-	16,973
Deferred property tax receivable	34,683	312,188	-	-	346,871
Due from County Treasurer	211	1,896	-	-	2,107
Prepaid expense	2,553	-	-	-	2,553
TOTAL ASSETS	<u>357,139</u>	<u>316,857</u>	<u>-</u>	<u>-</u>	<u>673,996</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	6,660	-	-	-	6,660
Total liabilities	<u>6,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,660</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	34,683	312,188	-	-	346,871
Total deferred inflows or resources	<u>34,683</u>	<u>312,188</u>	<u>-</u>	<u>-</u>	<u>346,871</u>
FUND BALANCES					
Nonspendable for:					
Prepaid expense	2,553	-	-	-	2,553
Restricted for:					
Emergency reserves	14,200	-	-	-	14,200
Debt service	-	4,669	-	-	4,669
Assigned	235,239	-	-	-	235,239
Unassigned	63,804	-	-	-	63,804
Total fund balances	<u>315,796</u>	<u>4,669</u>	<u>-</u>	<u>-</u>	<u>320,465</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 357,139</u>	<u>\$ 316,857</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,637,380
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(4,000,000)
Accrued current interest - Bonds	(23,333)
Accrued and unpaid interest payable - Bonds	(1,592,820)
Developer advance payable	(713,842)
Accrued interest payable - Developer advance	(186,132)
Net position of governmental activities	<u>\$ (3,558,282)</u>

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

HUNTING HILL METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	General	Debt Service - 2007 Series Bonds	Debt Service - 2013 Series Bonds	Capital Projects	Total Governmental Funds
REVENUES					
Property taxes	\$ 28,713	\$ 258,418	\$ -	\$ -	\$ 287,131
Specific ownership taxes	3,146	28,310	-	-	31,456
Net investment income	3,123	115	-	-	3,238
Facility fees	-	3,000	-	-	3,000
Capital recovery fees	-	-	1,996,687	-	1,996,687
Other income	2,905	-	-	-	2,905
Total revenues	<u>37,887</u>	<u>289,843</u>	<u>1,996,687</u>	<u>-</u>	<u>2,324,417</u>
EXPENDITURES					
Current					
Accounting	19,742	-	16,565	-	36,307
Banking fees	-	-	260	-	260
County Treasurer's fees	431	3,878	-	-	4,309
District management	5,525	-	-	-	5,525
Dues and subscriptions	417	-	-	-	417
Financial analysis	-	-	-	33,534	33,534
Insurance	2,669	-	-	-	2,669
Legal	12,786	-	9,782	-	22,568
Repairs and maintenance:					
Snow removal	18,918	-	-	-	18,918
Landscape maintenance	18,304	-	-	-	18,304
Irrigation system repairs	8,790	-	-	-	8,790
Other repairs and maintenance	2,239	-	-	-	2,239
Utilities					
Water - irrigation	20,104	-	-	-	20,104
Miscellaneous	120	-	-	-	120
Debt service					
Bond interest - Series 2007	-	284,721	-	-	284,721
Bond interest - Series 2013	-	-	166,658	-	166,658
Bond principal - Series 2013	-	-	1,855,000	-	1,855,000
Capital outlay	-	-	-	43,285	43,285
Total expenditures	<u>110,045</u>	<u>288,599</u>	<u>2,048,265</u>	<u>76,819</u>	<u>2,523,728</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(72,158)</u>	<u>1,244</u>	<u>(51,578)</u>	<u>(76,819)</u>	<u>(199,311)</u>
OTHER FINANCING SOURCES (USES)					
Developer advances	47,220	-	-	-	47,220
Transfers in	435,230	-	486,088	76,819	998,137
Transfers (out)	(76,819)	-	(435,230)	(486,088)	(998,137)
Total other financing sources (uses)	<u>405,631</u>	<u>-</u>	<u>50,858</u>	<u>(409,269)</u>	<u>47,220</u>
NET CHANGE IN FUND BALANCES	333,473	1,244	(720)	(486,088)	(152,091)
FUND BALANCES - BEGINNING OF YEAR	(17,677)	3,425	720	486,088	472,556
FUND BALANCES - END OF YEAR	<u>\$ 315,796</u>	<u>\$ 4,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,465</u>

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

**HUNTING HILL 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, 2017**

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

Net change in fund balances - Total governmental funds	\$	(152,091)
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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 the cost of any depreciable asset over the estimated useful life of the asset.

Dedication of capital improvements to other governments		(1,712,659)
Depreciation		(66,515)
Capital outlay		43,285

Long-term debt (e.g., bonds) 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. 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.

Developer advance		(47,220)
Principal payment		1,855,000

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 current interest on bonds payable - Change in liability		(23,333)
Accrued and unpaid interest on bonds payable - Change in liability		19,179
Accrued interest on developer advances payable - Change in liability		(56,754)

Changes in net position of governmental activities	\$	<u>(141,108)</u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**HUNTING HILL METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 28,713	\$ 28,713	\$ 28,713	\$ -
Specific ownership taxes	2,623	3,100	3,146	46
Net investment income	-	2,600	3,123	523
Other income	-	2,905	2,905	-
Total revenues	<u>31,336</u>	<u>37,318</u>	<u>37,887</u>	<u>569</u>
EXPENDITURES				
Current				
Accounting	8,000	27,000	19,742	7,258
Audit	4,100	-	-	-
Banking fees	100	-	-	-
County Treasurer's fees	431	431	431	-
District management	6,000	5,600	5,525	75
Dues and subscriptions	500	417	417	-
Insurance	3,000	2,669	2,669	-
Legal	30,000	35,000	12,786	22,214
Repairs and maintenance:				
Snow removal	70,000	38,000	18,918	19,082
Landscape maintenance	25,000	18,400	18,304	96
Irrigation system repairs	6,000	9,600	8,790	810
Other repairs and maintenance	4,000	4,000	2,239	1,761
Utilities				
Water - irrigation	12,000	18,200	20,104	(1,904)
Electricity	300	-	-	-
Miscellaneous	500	50	120	(70)
Contingency	5,000	-	-	-
Total expenditures	<u>174,931</u>	<u>159,367</u>	<u>110,045</u>	<u>49,322</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(143,595)</u>	<u>(122,049)</u>	<u>(72,158)</u>	<u>49,891</u>
OTHER FINANCING SOURCES (USES)				
Developer advances	143,000	47,220	47,220	-
Transfers in	-	435,230	435,230	-
Transfers (out)	-	(78,798)	(76,819)	1,979
Total other financing sources (uses)	<u>143,000</u>	<u>403,652</u>	<u>405,631</u>	<u>1,979</u>
NET CHANGE IN FUND BALANCE	(595)	281,603	333,473	51,870
FUND BALANCE - BEGINNING OF YEAR	2,900	(17,677)	(17,677)	-
FUND BALANCE - END OF YEAR	<u>\$ 2,305</u>	<u>\$ 263,926</u>	<u>\$ 315,796</u>	<u>\$ 51,870</u>

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

HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - DEFINITION OF REPORTING ENTITY

The Hunting Hill Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court on November 20, 2007, and is governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by Douglas County on September 12, 2007, as amended by Douglas County on July 30, 2013. The District's service area is located in Douglas County, Colorado. The District was established to provide the financing, acquisition, design, construction, relocation, installation, completion and/or operation and maintenance of street improvements, water and irrigation systems, sanitary sewage system, storm sewer and drainage system, traffic and safety controls, and mosquito control.

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, and specific ownership taxes. 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 – 2007 Series Bonds accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds for the General Obligation Limited Tax Bonds, Series 2007.

The Debt Service Fund – 2013 Series Bonds accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds for the Capital Recovery Fee Revenue Bonds, Series 2013.

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

HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District amended its annual budget for the year ended December 31, 2017.

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.

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 inflows 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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

For 2017, all capital infrastructure assets that are owned and maintained by the District, were moved out of construction in progress and were added to assets that are being depreciated, and depreciation began on these assets for the first full year. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Infrastructure assets:

Streets, roads, and walking path	40 years
Landscaping	40 years

The District conveyed its construction in progress that it was not going to own and maintain to the Highlands Ranch Metropolitan District and other governmental entities in prior years. For 2017, the costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

Deferred Inflow/Outflow of Resources

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

Equity

Net Position

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

HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 305,492
Cash and investments - Restricted	<u>16,973</u>
Total cash and investments	<u><u>\$ 322,465</u></u>

Cash and investments as of December 31, 2017, consist of the following:

Deposits with financial institutions	\$ 3,251
Investments	<u>319,214</u>
Total cash and investments	<u><u>\$ 322,465</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2017, the District's cash deposits had a bank balance of \$3,726 and a carrying balance of \$3,251.

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.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

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

As of December 31, 2017, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 319,214</u>

CSAFE

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

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2017, follows:

	<u>Balance at January 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2017</u>
Governmental activities				
Capital assets, not being depreciated:				
Construction in progress:				
Storm drainage system	\$ 672,974	\$ -	\$ 672,974	\$ -
Sewer system	627,174	-	627,174	-
Water system	412,511	-	412,511	-
Total capital assets, not being depreciated	<u>1,712,659</u>	<u>-</u>	<u>1,712,659</u>	<u>-</u>
Capital assets, being depreciated:				
Streets, roads, and walking path	2,501,746	43,285	-	2,545,031
Landscaping	158,864	-	-	158,864
Total capital assets, being depreciated	<u>2,660,610</u>	<u>43,285</u>	<u>-</u>	<u>2,703,895</u>
Less accumulated depreciation for:				
Streets, roads, parking lots	-	62,543	-	62,543
Landscaping & walking path	-	3,972	-	3,972
Total accumulated depreciation	<u>-</u>	<u>66,515</u>	<u>-</u>	<u>66,515</u>
Total capital assets, being depreciated, net	<u>2,660,610</u>	<u>(23,230)</u>	<u>-</u>	<u>2,637,380</u>
Total capital assets	<u>\$ 4,373,269</u>	<u>\$ (23,230)</u>	<u>\$ 1,712,659</u>	<u>\$ 2,637,380</u>

The District conveyed its construction in progress that it was not going to own and maintain to the Highlands Ranch Metropolitan District and other governmental entities in prior years. For 2017, the costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

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

Governmental activities:

 General government \$ 66,515

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2017:

	<u>Balance at January 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2017</u>	<u>Due Within One Year</u>
General Obligation Limited					
Tax Bonds - Series 2007					
Principal	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000	\$ -
Unpaid & Compounded Interest	1,491,149	386,392	284,721	1,592,820	-
Capital Recovery Fee					
Revenue Bonds - Series 2013					
Principal	1,855,000	-	1,855,000	-	-
Unpaid Interest	120,850	45,808	166,658	-	-
Developer advances					
Principal	666,622	47,220	-	713,842	-
Accrued interest	129,378	56,754	-	186,132	-
	<u>\$ 8,262,999</u>	<u>\$ 536,174</u>	<u>\$ 2,306,379</u>	<u>\$ 6,492,794</u>	<u>\$ -</u>

The details of the District's long-term obligations are as follows:

\$4,000,000 General Obligation Limited Tax Bonds, Series 2007, dated December 20, 2007, with interest of 7.0% per annum, payable on each June 1 and December 1, issued in the amount of \$4,000,000 due December 1, 2037. Such bonds are subject to mandatory sinking fund redemption. In addition, all bonds maturing on or after December 1, 2017 are subject to redemption at the option of the District upon payment of par plus accrued interest thereon, and with premiums as follows: 3.0% premium if redemption is dated before December 1, 2018; 2.0% premium if redemption is dated before December 1, 2019; 1.0% premium if redemption is dated before December 1, 2020; no premium if redemption is dated on or after December 1, 2020.

The interest will be adjusted to 6.0% as of December 1 of the year in which the assessed valuation of taxable property in the District as finally certified to the District by the County assessor on or before December 10th is sufficient to generate ad valorem property tax revenues from the maximum permitted Required Mill Levy, assuming 100% collection and net of the county treasurer's collection fees, in an amount at least equal to: (1) the maximum annual principal and interest requirements on the Bonds (based upon a 7.0% interest rate) and any then-outstanding bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof that is on parity with the lien thereon of the Series 2007 Bonds ("Parity Obligations"); (2) the amount required to pay any principal and accrued but unpaid interest and interest due as a result of compounding on the Series 2007 Bonds and any then-outstanding Parity Obligations that has theretofore become due but remains unpaid; and (3) the amount required to replenish any existing deficiency in the Reserve Fund and any reserve fund or similar account established to secure payment of the principal, premium (if any), and interest on any Parity Obligation.

HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2007 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 Capital Fees (including Facilities Fees, and excluding Capital Recovery Fees); (3) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (4) any other legally available monies which the District determines to be treated as Pledged Revenue. The Bonds are also secured by amounts held by the Trustee in the Reserve Fund, which is to be \$55,000 per the Bond Indenture. As of December 31, 2017, the balance of the Reserve Fund is \$0. 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 and payable and to make up any deficiencies in the Reserve Fund. The maximum Required Mill Levy is 45.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District but in no event shall the Required Mill Levy, as adjusted, ever exceed 50.000 mills. Unless the Surplus Fund balance exceeds \$350,000, the minimum Required Mill Levy is 35.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2017, the balance of the Surplus Fund is \$0. As of December 31, 2017, the adjusted maximum mill levy is 49.750 mills and the adjusted minimum mill levy is 38.694 mills. For collection year 2018, the District levied 49.750 mills.

At December 31, 2017, the entire \$4,000,000 of principal is still outstanding, of which \$345,000 is unpaid for the past mandatory sinking fund redemption dates. At December 31, 2017, there is also \$1,061,967 of unpaid interest and an additional \$530,853 of accrued and compounded interest on the unpaid interest. Unpaid interest compounds and accrues semi-annually at the rate on the bonds. Failure to pay interest and principal is not an Event of Default so long as the District levies the maximum required mill levy described above.

Due to economic conditions beyond the District's control, development within the District has occurred slower than anticipated and the pledged revenues have not been sufficient for the District to make the required debt service payments on the bonds. Therefore, until there is a significant increase in development within the District or the structure of the Series 2007 Bonds is modified, the ability of the District to make the scheduled payments of principal and interest along with the unpaid interest described above with the anticipated revenues for 2018 is in doubt.

For 2009 through 2013 the District failed to impose the maximum required limited mill levy of 45.000 mills for debt service as required under the Bond Indenture related to the Series 2007 Bonds. Furthermore, facility fees collected in 2012 in the amount of \$24,000 were not used to make interest payments on the Series 2007 Bonds. These events may be construed as an Event of Default under the Bond Indenture. For the years 2014 through 2017, the District levied the required maximum mill levy of 45.000 mills.

\$2,000,000 Capital Recovery Fee Revenue Bonds, Series 2013, dated January 29, 2014, with interest of 7.0% per annum, payable on each June 1 and December 1, issued in the amount of \$2,000,000 due December 1, 2023. The bonds are also subject to mandatory redemption to the extent that pledged revenues are available to redeem the bonds.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The Series 2013 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) Capital Recovery Fees and (2) any other legally available monies which the Board of Directors for the District determines in its sole discretion to be treated as Pledged Revenue. The Bonds are also secured by amounts held by the Trustee in the Reserve Fund, which is to be \$135,000 per the Private Placement Memorandum.

During 2015, the District used \$126,183 of the Reserve Fund along with available pledged revenues to make the 2015 interest payments on the bonds when due. During 2016, the District used \$8,200 of the Reserve Fund along with available pledged revenue to make a \$9,000 payment on the \$64,925 current interest payment due on the bonds on June 1, 2016, with the remaining \$55,925 becoming past due interest.

The Series 2013 Bonds were fully redeemed from available pledged revenues on April 7, 2017.

Due to the bond principal and interest payments on the Series 2007 Bonds being dependent upon the receipt of pledged revenues, a schedule of debt service requirements to maturity is not available.

Authorized Debt

On November 6, 2007, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$37,000,000 at an interest rate not to exceed 12% per annum, and authorized the issuance of indebtedness for the purpose of refunding existing debt in an amount not to exceed \$6,000,000 at an interest rate to be determined by the District and may be higher than the interest rate borne by the debt being refunded. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2007 Election	Authorization Used		Remaining at December 31, 2017
		Series 2007 Bonds	Series 2013 Bonds	
Street improvements	\$ 6,000,000	\$2,492,000	\$1,462,100	\$ 2,045,900
Water supply	6,000,000	547,000	248,000	5,205,000
Sanitary sewer	6,000,000	342,000	146,300	5,511,700
Storm drainage	6,000,000	619,000	143,600	5,237,400
Traffic and safety	6,000,000	-	-	6,000,000
Mosquito control	6,000,000	-	-	6,000,000
Operations and maintenance	1,000,000	-	-	1,000,000
Refunding of debt	6,000,000	-	-	6,000,000
	<u>\$ 43,000,000</u>	<u>\$4,000,000</u>	<u>\$2,000,000</u>	<u>\$37,000,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$6,000,000.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The District has issued \$4,000,000 of General Obligation Limited Tax Bonds, Series 2007 and \$2,000,000 of Capital Recovery Fee Revenue Bonds, Series 2013. Therefore as of December 31, 2017, the District has no authorized but unissued debt, due to the limitation of the District's Service Plan.

Developer Advances

The District has entered into a Funding and Reimbursement Agreement with the Developer. See Note 8 for additional information about this agreement.

NOTE 6 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2017, the District had net investment in capital assets, calculated as follows:

	Governmental Activites
Net Investment in Capital Assets:	
Capital assets, net	\$ 2,637,380
Noncurrent portion of long-term obligations	<u>(2,044,809)</u>
Net Investment in Capital Assets	<u><u>\$ 592,571</u></u>

Restricted net position includes 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 restricted net position as of December 31, 2017, as follows:

	Governmental Activites
Restricted net position:	
Emergencies (see Note 2)	<u>\$ 14,200</u>
Total restricted net position	<u><u>\$ 14,200</u></u>

The District had a deficit unrestricted net position as of December 31, 2017. This deficit amount is a result of the District being responsible for the repayment of debt issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 7 - RELATED PARTIES

One member of the Board of Directors is a paid consultant to an entity owned by the Developer (Verona Building Co., LLC). The Developer also manages GGF, LLC, which is the Trustee and Bondholder Representative for the General Obligation Limited Tax Bonds, Series 2007. And the Developer is still in control of the Hunting Hill Homeowners Association. These parties may have conflicts of interest in dealing with the District.

NOTE 8 - AGREEMENTS

Advance and Reimbursement and Facilities Acquisition Agreement

On November 26, 2007, the District entered into an Advance and Reimbursement and Facilities Acquisition Agreement with Fairfield Homes at Hunting Hill, LLC ("Fairfield Homes"). On December 1, 2008, the District passed a resolution consenting to the November 25, 2008 Agreement Regarding Assignment and Assumption for Advance and Reimbursement and Facilities Acquisition Agreement between Fairfield Homes and Hunting Hill Acquisition Co, LLC ("HHA"). Fairfield Homes conveyed property within the boundaries of the District to HHA. Fairfield Homes assigned all of its rights, duties and obligations under the Advance and Reimbursement and Facilities Acquisition Agreement to HHA. Fairfield Homes shall have no remaining interest in the Facilities Acquisition Agreement from and after the date of the Assignment Agreement.

The District shall reimburse HHA for the Advances for organization, maintenance, and operations costs, together with an interest rate of 8% per annum on such sums advanced. Interest shall accrue as of the date each Advance is made to the District, provided, however, that no interest shall begin to accrue on any Advance made to the District prior to the date on which the District was officially formed. The District shall make payment for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expenses of the District. In 2010, HHA changed its name to Verona Building Co., LLC ("Verona").

Payments by the District are applied first to interest then to principal of the Advances in chronological order in accordance with the date each Advance was made to the District. Upon issuance of the Series 2007 Bonds, the District reimbursed Verona for the advances for organizational costs and actual capital construction costs for improvements incurred.

On April 26, 2016, the District entered into the First Amendment to Advance and Reimbursement and Facilities Acquisition Agreement ("Amendment") with Verona Building Co., LLC, formerly known as Hunting Hill Acquisition Co., LLC, as successor in interest to Fairfield Homes at Hunting Hill, LLC (collectively "Verona"). This Amendment replaced all amounts of advances for operations and maintenance costs of the District listed in the original Advance and Reimbursement and Facilities Acquisition Agreement with amounts advanced under the original agreement and the accrued interest on such through April 12, 2016. The outstanding total amounts agreed upon within the Amendment were total principal of \$585,972.41 and accrued interest of \$92,888.20.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 8 - AGREEMENTS (CONTINUED)

As of December 31, 2017, outstanding advances under the agreement totaled \$713,842 and accrued interest totaled \$186,132.

NOTE 9 - INTERFUND AND OPERATING TRANSFERS

The transfer from the Capital Projects Fund to the Debt Service Fund was the result of unspent project funds from the Series 2013 Bond issuance, which were released to provide for the full redemption of the Series 2013 Bonds. The transfer from the Debt Service Fund to the General Fund was due to Capital Recovery Fees received in excess of amounts required to fully redeem the Series 2013 Bonds. The transfer from the General Fund to the Capital Projects Fund was related to excess revenues which were not needed in 2017 to fund General Fund expenditures, which were transferred and used for current Capital Projects Fund expenditures.

NOTE 10 - RISK MANAGEMENT

The District is 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 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.

NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known 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.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 11 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

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

On November 6, 2007, a majority of the District's electors authorized the District to collect, retain, and spend any and all amounts annually from any revenue sources whatsoever other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, inspection charges, administrative charges, grants, or any other fee, rate, toll, penalty, income, or charge imposed, collected, or authorized by law to be imposed or collected by the District, and such revenues shall be collected, retained and spent by the District as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District.

On November 6, 2007, a majority of the District's electors authorized the District to increase property taxes \$400,000 annually, or by such lesser annual amount as may be necessary to pay the District's operations, maintenance, and other expenses: such taxes to consist of an ad valorem mill levy imposed without limitation of rate or with such limitations as may be determined by the District's Board of Directors, and in amounts sufficient to produce the annual increase set forth above or such lesser amount as may be necessary, to be used for the purpose of paying the District's operations, maintenance, and other expenses; and the proceeds of such taxes and investment earnings thereon be collected, retained and spent by the District as a voter-approved revenue change in 2007 and in each year thereafter, without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, or section 29-1-301, Colorado Revised Statutes, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District.

SUPPLEMENTARY INFORMATION

**HUNTING HILL METROPOLITAN DISTRICT
DEBT SERVICE FUND - 2007 SERIES BONDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Budgets</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 258,417	\$ 258,418	\$ 258,418	\$ -
Specific ownership taxes	23,611	28,100	28,310	210
Net investment income	120	128	115	(13)
Facility fees	3,000	3,000	3,000	-
Total revenues	<u>285,148</u>	<u>289,646</u>	<u>289,843</u>	<u>197</u>
EXPENDITURES				
County Treasurer's fees	3,876	3,878	3,878	-
Banking fees	20	-	-	-
Debt service				
Bond interest - Series 2007	278,000	284,721	284,721	-
Contingency	-	2,964	-	2,964
Total expenditures	<u>281,896</u>	<u>291,563</u>	<u>288,599</u>	<u>2,964</u>
NET CHANGE IN FUND BALANCE	3,252	(1,917)	1,244	2,964
FUND BALANCE - BEGINNING OF YEAR	4,184	3,425	3,425	-
FUND BALANCE - END OF YEAR	<u>\$ 7,436</u>	<u>\$ 1,508</u>	<u>\$ 4,669</u>	<u>\$ 2,964</u>

**HUNTING HILL METROPOLITAN DISTRICT
DEBT SERVICE FUND - 2013 SERIES BONDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Budgets</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Capital recovery fees	\$ -	\$ 1,996,687	\$ 1,996,687	\$ -
Total revenues	<u>-</u>	<u>1,996,687</u>	<u>1,996,687</u>	<u>-</u>
EXPENDITURES				
Accounting	-	16,565	16,565	-
Banking fees	-	260	260	-
Legal	-	9,782	9,782	-
Debt service				
Bond interest - Series 2013	-	166,658	166,658	-
Bond principal - Series 2013	-	1,855,000	1,855,000	-
Total expenditures	<u>-</u>	<u>2,048,265</u>	<u>2,048,265</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(51,578)</u>	<u>(51,578)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	486,088	486,088	-
Transfers (out)	-	(435,230)	(435,230)	-
Total other financing sources (uses)	<u>-</u>	<u>50,858</u>	<u>50,858</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(720)	(720)	-
FUND BALANCE - BEGINNING OF YEAR	720	720	720	-
FUND BALANCE - END OF YEAR	<u>\$ 720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HUNTING HILL METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Budgets</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital outlay				
Entry monumentation and landscaping	200,000	-	-	-
Tap fees	35,000	-	-	-
Walkway	-	43,285	43,285	-
Walkway and lighting	140,000	-	-	-
Financial analysis	111,088	33,013	33,534	(521)
Contingency	-	2,500	-	2,500
Total expenditures	<u>486,088</u>	<u>78,798</u>	<u>76,819</u>	<u>1,979</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(486,088)</u>	<u>(78,798)</u>	<u>(76,819)</u>	<u>1,979</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	78,798	76,819	(1,979)
Transfers (out)	-	(486,088)	(486,088)	-
Total other financing sources (uses)	<u>-</u>	<u>(407,290)</u>	<u>(409,269)</u>	<u>(1,979)</u>
NET CHANGE IN FUND BALANCE	(486,088)	(486,088)	(486,088)	-
FUND BALANCE - BEGINNING OF YEAR	486,088	486,088	486,088	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**HUNTING HILL METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY AND
PROPERTY TAXES COLLECTED
December 31, 2017**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>	<u>Property Taxes</u>		<u>Percent Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
2013	\$ 1,627,120	50.000	\$ 81,356	\$ 81,364	100.01%
2014	\$ 2,089,860	50.000	\$ 104,493	\$ 104,494	100.00%
2015	\$ 2,787,260	50.000	\$ 139,363	\$ 139,364	100.00%
2016	\$ 4,831,550	50.000	\$ 241,578	\$ 241,578	100.00%
2017	\$ 5,742,610	50.000	\$ 287,130	\$ 287,131	100.00%
Estimated for year ending December 31, 2018	\$ 6,275,140	55.277	\$ 346,871		

NOTE:

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