

**CANTERBERRY CROSSING
METROPOLITAN DISTRICT II
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2018**

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

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 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	7
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	8
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	9
NOTES TO BASIC FINANCIAL STATEMENTS	10
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	24
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	25
ENTERPRISE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE – BUDGET AND ACTUAL (BUDGETARY BASIS)	26
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	27
FIVE YEAR SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	28

Board of Directors
Canterberry Crossing Metropolitan District II
Douglas County, Colorado

Independent Auditors' Report

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Canterberry Crossing Metropolitan District II as of December 31, 2018, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Canterbury Crossing Metropolitan District II's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Simmons & Wheeler P.C.

Englewood, CO
May 29, 2019

BASIC FINANCIAL STATEMENTS

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash	\$ 30,820	11,388	\$ 42,208
Cash - Restricted	165,594	-	165,594
Receivable - County Treasurer	9,406	-	9,406
Prepaid Insurance	12,407	-	12,407
Property Taxes Receivable	928,599	-	928,599
Accounts Receivable	3,789	-	3,789
Community Center, Pool and Equipment	-	587,974	587,974
Total Assets	<u>1,150,615</u>	<u>599,362</u>	<u>1,749,977</u>
LIABILITIES			
Accounts Payable	39,300	417	39,717
Payroll Taxes Payable	46	-	46
Loan Interest Payable	35,281	-	35,281
Noncurrent Liabilities:			
Due Within One Year	245,000	-	245,000
Due in More Than One Year	9,604,360	-	9,604,360
Total Liabilities	<u>9,923,987</u>	<u>417</u>	<u>9,924,404</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	928,599	-	928,599
Total Deferred Inflows of Resources	<u>928,599</u>	<u>-</u>	<u>928,599</u>
NET POSITION			
Net Investment in Capital Assets	-	587,974	587,974
Restricted for:			
Emergency Reserve	2,500	-	2,500
Debt Service	102,951	-	102,951
Conservation Trust	3,552	-	3,552
Assigned	5,772	-	5,772
Unrestricted	(9,816,746)	10,971	(9,805,775)
Total Net Position	<u>\$ (9,701,971)</u>	<u>\$ 598,945</u>	<u>\$ (9,103,026)</u>

See accompanying Notes to Basic Financial Statements.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	Program Revenues			Net Revenues (Expenses) and Changes Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental Activities:							
General Government	\$ 89,562	\$ -	\$ -	\$ 13,984	\$ (75,578)	\$ -	\$ (75,578)
Interest and Related Costs on Long-Term Debt	659,082	-	-	-	(659,082)	-	(659,082)
Capital Conveyed to Other Entities	28,000	-	-	-	(28,000)	-	(28,000)
	<u>\$ 776,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,984</u>	<u>(762,660)</u>	<u>-</u>	<u>(762,660)</u>
Business-Type Activities:							
Community Center and Pool	\$ 232,162	\$ 173,823	-	-	-	(58,339)	(58,339)
	<u>\$ 232,162</u>	<u>\$ 173,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(58,339)</u>	<u>(58,339)</u>
GENERAL REVENUES							
Property Taxes					928,574	-	928,574
Specific Ownership Taxes					98,198	-	98,198
Net Investment Income					3,612	-	3,612
Total General Revenues					<u>1,030,384</u>	<u>-</u>	<u>1,030,384</u>
CHANGE IN NET POSITION							
Net Position - Beginning of Year					(9,969,695)	657,284	(9,312,411)
NET POSITION - END OF YEAR							
					<u>\$ (9,701,971)</u>	<u>\$ 598,945</u>	<u>\$ (9,103,026)</u>

See accompanying Notes to Basic Financial Statements.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash	\$ 30,820	\$ -	\$ -	\$ 30,820
Cash - Restricted	2,500	129,559	33,535	165,594
Receivable - County Treasurer	733	8,673	-	9,406
Accounts Receivable	-	-	3,789	3,789
Prepaid Insurance	12,407	-	-	12,407
Property Taxes Receivable	72,358	856,241	-	928,599
 Total Assets	\$ 118,818	\$ 994,473	\$ 37,324	\$ 1,150,615
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 11,300	\$ -	\$ 28,000	\$ 39,300
Payroll Taxes Payable	46	-	-	46
Total Liabilities	11,346	-	28,000	39,346
 DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	72,358	856,241	-	928,599
Total Deferred Inflows of Resources	72,358	856,241	-	928,599
 FUND BALANCES				
Nonspendable:				
Prepaid Expenses	12,407	-	-	12,407
Restricted, for:				
Emergencies (TABOR)	2,500	-	-	2,500
Debt Service	-	138,232	-	138,232
Conservation Trust	-	-	3,552	3,552
Assigned to:				
Capital Projects	-	-	5,772	5,772
Unassigned	20,207	-	-	20,207
Total Fund Balances	35,114	138,232	9,324	182,670
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 118,818	\$ 994,473	\$ 37,324	

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

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

Bonds Payable	(9,010,000)
Bond Premium	(839,360)
Accrued Loan Interest Payable	(35,281)
	(9,884,641)

Net Position of Governmental Activities	\$ (9,701,971)
---	-----------------------

See accompanying Notes to Basic Financial Statements.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 72,356	\$ 856,218	\$ -	\$ 928,574
Specific Ownership Taxes	7,652	90,546	-	98,198
Interest and Other Income	564	3,048	-	3,612
Conservation Trust Entitlement	-	-	13,984	13,984
Total Revenues	<u>80,572</u>	<u>949,812</u>	<u>13,984</u>	<u>1,044,368</u>
EXPENDITURES				
Accounting	26,421	-	-	26,421
Audit	4,500	-	-	4,500
County Treasurer's Fees	1,086	12,846	-	13,932
Directors' Fees	1,100	-	-	1,100
District Management	27,914	-	-	27,914
Dues and Subscriptions	506	-	-	506
Election Expense	53	-	-	53
Insurance	12,260	-	-	12,260
Legal	15,280	-	-	15,280
Miscellaneous	335	-	-	335
Payroll Tax	107	-	-	107
Debt Service	-	11,968,964	-	11,968,964
Conservation Trust Project	-	-	28,000	28,000
Total Expenditures	<u>89,562</u>	<u>11,981,810</u>	<u>28,000</u>	<u>12,099,372</u>
EXCESS OF REVENUES OVER (UNDER)EXPENDITURES	(8,990)	(11,031,998)	(14,016)	(11,055,004)
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	9,255,000	-	9,255,000
Bond Premium	-	850,101	-	850,101
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,105,101</u>	<u>-</u>	<u>10,105,101</u>
NET CHANGE IN FUND BALANCES	(8,990)	(926,897)	(14,016)	(949,903)
Fund Balances - Beginning of Year	<u>44,104</u>	<u>1,065,129</u>	<u>23,340</u>	<u>1,132,573</u>
FUND BALANCES - END OF YEAR	<u>\$ 35,114</u>	<u>\$ 138,232</u>	<u>\$ 9,324</u>	<u>\$ 182,670</u>

See accompanying Notes to Basic Financial Statements.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balances - Governmental Funds \$ (949,903)

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

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

Capital Outlay	28,000
Capital Conveyed to Other Entity	(28,000)

The issuance of long-term debt (e.g., bonds, leases) 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;

Loan Principal Payment	11,070,000
Current Year Bond Issuance	(9,255,000)
Current Year Bond Principal	245,000
Bond Premium	(850,101)
Amortization of Bond Premium	10,741

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 Loan - Change in Liability	(3,013)
--	---------

Change in Net Position of Governmental Activities	\$ 267,724
---	------------

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 72,356	\$ 72,356	\$ 72,356	\$ -
Specific Ownership Tax	7,200	7,200	7,652	452
Interest Income	500	500	18	(482)
Other Revenue	-	-	546	546
Total Revenues	<u>80,056</u>	<u>80,056</u>	<u>80,572</u>	<u>516</u>
EXPENDITURES				
Current:				
Accounting	20,000	20,000	26,421	(6,421)
Auditing	4,500	4,500	4,500	-
County Treasurer's Fee	1,100	1,100	1,086	14
Directors' Fees	2,000	2,000	1,100	900
District Management	15,000	15,000	27,914	(12,914)
Dues and Subscriptions	600	600	506	94
Election Expense	2,000	2,000	53	1,947
Insurance and Bonds	13,000	13,000	12,260	740
Legal Services	10,000	10,000	15,280	(5,280)
Miscellaneous	14,500	14,500	335	14,165
Payroll Taxes	150	150	107	43
Contingency	4,150	12,150	-	12,150
Total Expenditures	<u>87,000</u>	<u>95,000</u>	<u>89,562</u>	<u>5,438</u>
NET CHANGE IN FUND BALANCES	(6,944)	(14,944)	(8,990)	5,954
Fund Balances - Beginning of Year	<u>54,552</u>	<u>54,552</u>	<u>44,104</u>	<u>(10,448)</u>
FUND BALANCES - END OF YEAR	<u>\$ 47,608</u>	<u>\$ 39,608</u>	<u>\$ 35,114</u>	<u>\$ (4,494)</u>

See accompanying Notes to Basic Financial Statements.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
STATEMENT OF NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018**

ASSETS

CURRENT ASSETS

Cash - Insurance Escrow Account	11,388
Total Current Assets	11,388

CAPITAL ASSETS, NET

Community Center	552,845
HOA Furniture, Fixtures and Equipment	35,129
Total Capital Assets	587,974
Total Assets	599,362

LIABILITIES

Accounts Payable	417
Total Liabilities	417

NET POSITION

Net Investment in Capital Assets	587,974
Unrestricted	10,971
Total Net Position	\$ 598,945

See accompanying Notes to Basic Financial Statements.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018**

OPERATING REVENUES

HOA Fees	\$ 173,806
Other Fee Income	17
Total Operating Revenues	173,823

OPERATING EXPENSES

Miscellaneous	1,940
Repairs and Maintenance	14,775
Telephone	1,711
Water	6,251
Electricity	10,076
Gas	4,934
Chemicals	14,572
Pool Security	10,213
Pool Tags	1,719
Management Contract	76,000
License and Permits	40
Storm Water	1,171
Payroll	29,984
Depreciation	58,776
Total Operating Expenses	232,162

CHANGE IN NET POSITION

(58,339)

Total Net Position - Beginning of Year

657,284

TOTAL NET POSITION - END OF YEAR

\$ 598,945

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 173,823
Payments to Suppliers	<u>(172,597)</u>
Net Cash (Used) by Operating Activities	<u>1,226</u>

NET (DECREASE) IN CASH AND CASH EQUIVALENTS

1,226

Cash and Cash Equivalents - Beginning of Year

10,162

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 11,388

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY**

Operating (Loss)	\$ (58,339)
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities	
Depreciation Expense	58,776
Decrease in Prepaid Expenses	784
Increase in Accounts Payable	<u>5</u>
Net Cash (Used) by Operating Activities	<u><u>\$ 1,226</u></u>

See accompanying Notes to Basic Financial Statements.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 DEFINITION OF REPORTING ENTITY

Canterberry Crossing Metropolitan District II (District), a quasi-municipal corporation and political subdivision of the State of Colorado, located entirely in the Town of Parker, Douglas County, Colorado, was organized on January 9, 2001, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the Town of Parker on July 17, 2000, as modified in 2001 (Modified Service Plan). The District was established to provide for construction and financing of street, safety control, water, sanitation and park and recreation facilities and improvements. The street and safety control improvements were dedicated to and are being maintained by the Town of Parker. Water and sanitation improvements were dedicated to and are being maintained by the Parker Water and Sanitation District. Other improvements were dedicated to and are being maintained by the Canterberry Crossing Master Association (HOA).

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. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

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.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (Continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise 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, as are the proprietary fund financial statements. 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 and Proprietary Funds 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 government 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. 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.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The District reports the following major proprietary fund:

The Enterprise Fund accounts for the Community Center and pool operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

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 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 general fund, debt service fund, and capital projects fund budgets for the year ended December 31, 2018.

Pooled Cash and Investments

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

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 or business-type 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.

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. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Infrastructure:

Community Center and Pool	25 years
Pool and Park Structures	25 years
Electronic Equipment	10 years
Computers	5 years

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has 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.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash	\$ 42,208
Cash - Restricted	<u>165,594</u>
Total Cash	<u><u>\$ 207,802</u></u>

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

Deposits with Financial Institutions	<u>\$ 207,802</u>
Total Cash	<u><u>\$ 207,802</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2018, the District's cash deposits had a bank balance of \$207,802 and a carrying balance of \$207,802.

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.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2018, the District had no investments.

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2017	Additions	Retirements	Balance at December 31, 2018
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 28,000	\$ 28,000	\$ -
HOA Furniture and Fixtures	6,532	-	-	6,532
Total Capital Assets, Not Being Depreciated	6,532	28,000	28,000	6,532
Capital Assets, Being Depreciated:				
Community Center and Pool	1,368,072	-	-	1,368,072
HOA Equipment	63,801	-	-	63,801
Total Capital Assets, Being Depreciated	1,431,873	-	-	1,431,873
Less Accumulated Depreciation for:				
Community Center and Pool	(760,504)	(54,723)	-	(815,227)
HOA Equipment	(31,151)	(4,053)	-	(35,204)
Total Accumulated Depreciation	(791,655)	(58,776)	-	(850,431)
Business-Type Activities Capital Assets, Net	<u>\$ 646,750</u>	<u>\$ (30,776)</u>	<u>\$ 28,000</u>	<u>\$ 587,974</u>

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

All improvements, other than the Community Center and pool, have been dedicated to the Town of Parker, Parker Water and Sanitation District, and/or the HOA. When the property is dedicated, the District removes the cost of construction from capital assets. The District anticipates costs, if any, associated with the warranty will be insignificant.

On January 1, 2004, Canterbury Crossing Metropolitan District (CCMD), a separate and distinct quasi-municipal corporation and political subdivision of the State of Colorado, transferred the Community Center and pool to the District for ownership. The Community Center and pool are maintained and managed by the HOA. The District will retain ownership and depreciate the Community Center and pool until they are later dedicated to the HOA.

During 2018, \$28,000 of the capital assets constructed by the District were conveyed to the HOA for construction of the port-a-potty enclosure. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

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, 2018:

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018	Due Within One Year
Refunding Tax Free					
Loan - Series 2013	\$ 11,070,000	\$ -	\$ 11,070,000	\$ -	\$ -
2018 Bonds	-	9,255,000	245,000	9,010,000	245,000
Bond Premium	-	850,101	10,741	839,360	-
Total Long-Term Obligations	<u>\$ 11,070,000</u>	<u>\$ 10,105,101</u>	<u>\$ 11,325,741</u>	<u>\$ 9,849,360</u>	<u>\$ 245,000</u>

Refunding Tax Free Loan – Series 2013. On October 1, 2013, the District entered into a Loan Agreement (Loan) with Compass Mortgage Corporation. The Loan proceeds were used to pay the outstanding principal and interest due on the Series 2008 Loan. The Loan has a principal balance of \$12,290,000 and a base interest rate of 3.45% with interest payments due on June 1 and December 1, and with principal payments due on December 1, annually through December 1, 2020.

The loan is an obligation of the District secured by and payable from pledged revenue consisting of: (a) monies derived from the Required Mill Levy; (b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (c) any other legally available monies which the Board determines in its sole discretion to apply as Pledged Revenue.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Prior to the time when the debt to assessed ratio is 50% or less, the Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District in an amount sufficient, when combined with monies held in the Loan Payment Fund not required to be applied to the payment of the Loan in the then current calendar year (not including monies in the Reserve Fund or the Surplus Fund), to pay when due the principal of and interest on the Loan, and to fund the Reserve Fund up to the Reserve Requirement. The method of calculating assessed valuation was changed after July 17, 2000. The minimum and maximum mill levies provided herein were increased to reflect such changes.

The adjusted Required Mill Levy is (i) not in excess of 42.827 mills, previously 35 mills, reduced by the number of mills necessary to pay unlimited mill levy general obligation debt, if any, and ad valorem tax in an annual amount of 3.000 mills, previously 2.452 mills, to be used to pay the operations and maintenance expense of the District (Operations Deduction), and (ii) not less than 35.500 mills, previously 29.012 mills.

Once the Debt to Assessed Ratio is 50% or less, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, to pay when due the principal of and interest on the Loan, and to fund the Reserve Fund up to the Reserve Requirement, without limitation of rate and in amounts sufficient to make such payments when due. In the event the foregoing amounts cannot be fully paid, satisfied, and discharged as of the Maturity Date with a mill levy in 2019 for collection in 2020 of not greater than 75 mills, the "Required Mill Levy" shall be: (i) 75 mills for that year and for any year thereafter in which a debt service mill levy is made for payment of such amounts or (ii) such lesser mill levy as shall be consented to by the Lender. Any increase in the mill levy is subject to the maximum annual tax increase permitted by the District's electoral authorization.

As of December 31, 2018, the debt to assessed ratio of the District was 37%.

The District issued its Series 2018 Bonds (described below) in 2018, which pre-paid the loan in full without a prepayment fee. Upon issuance of the Series 2018 Bonds and the application of the process thereof to the pre-payment of the loan, the Series 2018 Bonds will constitute the only outstanding general obligation debt of the District.

Series 2018 Bonds

On October 10, 2018 the District issued \$9,255,000 in General Obligation Refunding Bonds Series 2018. Bonds in the amount of \$7,085,000 bear interest at 5.00% per annum and mature on December 1, 2034. Bonds in the amount of \$2,170,000 bear interest at 3.750% and mature on December 1, 2037. The Series 2018 bonds are payable semiannually on June 1 and December 1 of each year commencing December 1, 2018. They are subject to optional and mandatory sinking fund redemption prior to maturity. Proceeds from the sale of the Bonds were used for the purposes of refunding the 2013 Loan and paying costs incidental to the issuance of the Bonds and the refunding of the 2013 Loan.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2018 Bonds (Continued)

The Series 2018 Bonds are secured by the District's covenant to impose and ad valorem tax to pay the Series 2018 Bonds, without limitation of rate and in amount sufficient to pay the Series 2018 Bonds when due.

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2028, and on any date thereafter, upon payment of par plus accrued interest to the redemption date (with no redemption premium).

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

<u>For Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 245,000	\$ 423,375	\$ 668,375
2020	270,000	411,125	681,125
2021	285,000	397,625	682,625
2022	315,000	383,375	698,375
2023	330,000	367,625	697,625
2024-2028	2,025,000	1,564,875	3,589,875
2029-2033	2,715,000	994,875	3,709,875
2034-2037	2,825,000	279,500	3,104,500
Total	<u>\$ 9,010,000</u>	<u>\$ 4,822,375</u>	<u>\$ 13,832,375</u>

The District's long-term obligations relating to the Bond will mature as follows:

Authorized Debt

On November 7, 2000, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$26,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on November 7, 2000	<u>Authorization Used</u>				Authorized But Unissued
		Series 2002 and 2005 Bonds	2008 Loan	2013 Loan	Series 2018 Bonds	
Streets and Safety Protection	\$ 7,047,000	\$ 7,014,075	\$ 32,925	\$ -	\$ -	-
Parks and Recreation	1,553,000	1,418,850	134,150	-	-	-
Water Supply	1,445,000	1,205,780	239,220	-	-	-
Sanitary Sewer and Storm Drainage	2,955,000	1,711,295	1,243,705	-	-	-
Debt Refunding	13,000,000	-	195,000	-	9,255,000	3,550,000
Total	<u>\$ 26,000,000</u>	<u>\$ 11,350,000</u>	<u>\$ 1,845,000</u>	<u>\$ -</u>	<u>\$ 9,255,000</u>	<u>\$ 3,550,000</u>

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

According to the Modified Service Plan, the District is limited to issuing \$13,000,000 in debt (except for bonds issued for refunding purposes). The Modified Service Plan limits the District's debt service mill levy to 35 mills, provided, however, such mill levy may be adjusted for changes in the methodology for determining valuation of taxable property, for so long as the ratio of the District's debt to assessed valuation exceeds 50% reduced by the number of mills necessary to pay unlimited mill levy general obligation debt, if any, and any amount necessary to pay operation and maintenance expenses. The debt service mill levy imposed by the District in 2017 for collection in 2018 was 35.50 mills.

In the future, the District may issue a portion of all of the remaining authorized, but unissued general obligation debt for the purpose of providing public improvements, to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any debt issuance is not determinable.

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, 2018, the District had a net investment in capital assets of \$587,974.

Restricted assets include net position that is 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, 2018, as follows:

Restricted Net Position:	
Emergency Reserve	\$ 2,500
Debt Service	102,951
Conservation Trust	3,552
Total Restricted Net Position	<u>\$ 109,003</u>

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 which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 AGREEMENTS

Management Agreement

On May 21, 2002, the District entered into an Agreement with CCMD and the HOA, whereby the HOA will manage and maintain the operation of the Community Center and pool owned by the District and CCMD (Management Agreement). The Management Agreement was amended on May 15, 2007, to clarify certain administrative functions and responsibilities of the HOA. The District imposes a fee on all users of the Community Center and the pool pursuant to a Resolution adopted on October 15, 2002, as amended. On November 7, 2017, the District adopted a Resolution adopting the Recreation Center Fees and approving the Recreation Center Budget for the 2018 calendar and fiscal year. This resolution replaces all of the prior resolutions regarding Recreation Center Fees. This fee is charged to the residents via the monthly fees that they pay to the HOA. Upon the repayment of the general obligation debt, including any refundings thereof, the District will convey the Community Center and pool over to the HOA.

Intergovernmental Agreement with Parker Properties Metropolitan District

On November 15, 2011, the District entered into an intergovernmental agreement with Parker Properties Metropolitan District #1 (Parker Properties) where they agreed to transfer certain monies available after their dissolution to the District for use in funding the operation and maintenance or capital improvements to the Recreation Center.

NOTE 8 RELATED PARTY

The original Developer of the property that constitutes the District is Canterbury Development Company, LLC. Certain members of the Board of Directors are employees of, owners of, or otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Said director resigned from the Board of Directors prior to year-end.

NOTE 9 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, public officials' liability and workers compensation 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.

CANTERBERRY CROSSING METROPOLITAN DISTRICT II
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 10 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.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

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

On November 7, 2000, the District voters passed an election question to increase property taxes \$500,000 annually, without limitation of rate, to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue, other than ad valorem taxes, without regard to any limitation under TABOR.

During this election, the voters of the District also authorized the issuance of \$26,000,000 in debt, of which \$13,000,000 is for debt refunding. Additionally, the voters authorized all revenue used to pay such debt to be collected and spent without regard to any limitations under TABOR.

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

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

SUPPLEMENTARY INFORMATION

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	856,217	856,217	856,218	\$ 1
Specific Ownership Tax	85,600	85,600	90,546	4,946
Interest Income	11,500	1,400	3,048	1,648
Total Revenues	<u>953,317</u>	<u>943,217</u>	<u>949,812</u>	<u>6,595</u>
EXPENDITURES				
Paying Agent Fees	300	300	-	300
County Treasurer's Fee	12,800	12,800	12,846	(46)
District Management	-	-	2,287	(2,287)
Banking Fees	-	-	5,000	(5,000)
Loan Interest	387,219	387,219	387,219	-
Bond Interest - Series 2018	-	62,324	61,714	610
Loan Principal	340,000	11,070,000	11,070,000	-
Bond Principal - Series 2018	-	250,000	245,000	5,000
Bond Issue Costs	-	255,651	197,744	57,907
Contingency	4,681	57,968	-	57,968
Total Expenditures	<u>745,000</u>	<u>12,096,262</u>	<u>11,981,810</u>	<u>114,452</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	208,317	(11,153,045)	(11,031,998)	121,047
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	10,471,608	9,255,000	(1,216,608)
Bond Premium	-	-	850,101	850,101
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,471,608</u>	<u>10,105,101</u>	<u>(366,507)</u>
NET CHANGE IN FUND BALANCE	208,317	(681,437)	(926,897)	(245,460)
Fund Balance - Beginning of Year	<u>1,051,420</u>	<u>1,065,129</u>	<u>1,065,129</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,259,737</u>	<u>\$ 383,692</u>	<u>\$ 138,232</u>	<u>\$ (245,460)</u>

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
CTF Proceeds	13,000	13,000	13,984	\$ 984
Total Revenues	<u>13,000</u>	<u>13,000</u>	<u>13,984</u>	<u>984</u>
EXPENDITURES				
Conservation Trust Project	25,000	30,000	28,000	2,000
Total Expenditures	<u>25,000</u>	<u>30,000</u>	<u>28,000</u>	<u>2,000</u>
NET CHANGE IN FUND BALANCE	(12,000)	(17,000)	(14,016)	2,984
Fund Balance - Beginning of Year	<u>32,171</u>	<u>32,171</u>	<u>23,340</u>	<u>8,831</u>
FUND BALANCE - END OF YEAR	<u>\$ 20,171</u>	<u>\$ 15,171</u>	<u>\$ 9,324</u>	<u>\$ (5,847)</u>

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2018**

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
HOA Fees	171,800	173,806	\$ 2,006
Interest Income	-	13	13
Other Revenue	-	4	4
Total Revenues	171,800	173,823	2,023
EXPENDITURES			
Insurance and Bonds	1,500	-	1,500
Miscellaneous	1,800	1,940	(140)
Repairs and Maintenance	11,500	14,775	(3,275)
Telephone	2,300	1,711	589
Water	9,000	6,251	2,749
Electricity	12,000	10,076	1,924
Gas	1,200	4,934	(3,734)
Chemicals	11,000	14,572	(3,572)
Pool Security	7,800	10,213	(2,413)
Pool Tags	2,000	1,719	281
Management Contract	75,000	76,000	(1,000)
Pool Enhancements	2,000	-	2,000
License and Permits	510	40	470
Office Supplies	490	-	490
Storm Water	1,400	1,171	229
Payroll	28,500	29,984	(1,484)
Contingency	15,000	-	15,000
Total Expenditures	183,000	173,386	9,614
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES - BUDGET BASIS			
	\$ (11,200)	437	\$ 11,637
ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS			
Depreciation Expense		(58,776)	
CHANGE IN NET ASSETS			
		(58,339)	
Net Position - Beginning of Year		657,284	
NET POSITION - END OF YEAR		\$ 598,945	

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2018**

9,255,000 General Obligation Refunding Bonds

Series 2018

Dated October 10, 2018

Principal Due Annually December 1

Interest at 3.75% to 5.00% Payable

Due June 1 and December 1

Year Ended December 31,	Principal	Interest	Total
2019	245,000	\$ 423,375	\$ 668,375
2020	270,000	411,125	681,125
2021	285,000	397,625	682,625
2022	315,000	383,375	698,375
2023	330,000	367,625	697,625
2024	360,000	351,125	711,125
2025	375,000	333,125	708,125
2026	410,000	314,375	724,375
2027	430,000	293,875	723,875
2028	450,000	272,375	722,375
2029	475,000	249,875	724,875
2030	510,000	226,125	736,125
2031	540,000	200,625	740,625
2032	580,000	173,625	753,625
2033	610,000	144,625	754,625
2034	655,000	114,125	769,125
2035	685,000	81,375	766,375
2036	730,000	55,688	785,688
2037	755,000	28,312	783,312
	<u>\$ 9,010,000</u>	<u>\$ 4,822,375</u>	<u>\$ 13,832,375</u>

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II
 FIVE YEAR SUMMARY OF ASSESSED VALUATION,
 MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2018**

Year Ended December 31,	Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2014	\$ 19,852,302	3.000	35.500	\$ 764,314	\$ 764,336	100.00 %
2015	19,739,840	3.000	35.500	759,983	759,441	99.93
2016	23,125,450	3.000	35.500	890,329	890,115	99.98
2017	23,122,080	3.000	35.500	890,200	890,201	100.00
2018	24,118,780	3.000	35.500	928,573	928,574	100.00
Estimated for calendar year ending December 31, 2019	\$ 24,119,470	3.000	35.500	\$ 928,599		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.