

**COMPARK BUSINESS CAMPUS  
METROPOLITAN DISTRICT  
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2018**

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
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Board of Directors  
Compark Business Campus Metropolitan District  
Douglas County, Colorado

Independent Auditors' Report

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Compark Business Campus Metropolitan District (the "District") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Compark Business Campus Metropolitan District as of December 31, 2018, and the respective changes in financial position 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

Management has omitted the management's discussion and analysis that accounting principles general 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The continuing disclosure obligation information, as listed in the table of contents, has not been subject 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.

*Stratagem PC*  
*Certified Public Accountants*  
*Lakewood, Colorado*

July 30, 2019

## **BASIC FINANCIAL STATEMENTS**

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 63,320
Cash and Investments - Restricted	6,469,864
Deposit with Town of Parker	317,387
Receivable - County Treasurer	22,065
Property Taxes Receivable	2,121,313
Prepaid Expenses	7,183
Accounts Receivable - Other	42,657
Due From Other Governments	20,628
Capital Assets, Not Being Depreciated	1,308,210
Capital Assets, Net	1,610,430
Total Assets	11,983,057
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Bond Refunding, Net	2,435,331
Total Deferred Outflows of Resources	2,435,331
<b>LIABILITIES</b>	
Accounts Payable	11,090
Accrued Interest Payable	176,571
Noncurrent Liabilities:	
Due Within One Year	245,000
Due in More Than One Year	47,852,000
Total Liabilities	48,284,661
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	2,121,313
Total Deferred Inflows of Resources	2,121,313
<b>NET POSITION</b>	
Net Investment in Capital Assets	(1,478,493)
Restricted For:	
Emergency Reserves	12,100
Debt Service	113,713
Unrestricted	(34,634,906)
Total Net Position	\$ (35,987,586)

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net Revenue (Expense) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 413,315	\$ -	\$ -	\$ 170,721	\$ (242,594)
Interest and Related Costs on Long-Term Debt	2,532,066	-	-	316,177	(2,215,889)
Total Government Activities	\$ 2,945,381	\$ -	\$ -	\$ 486,898	(2,458,483)
 <b>GENERAL REVENUES</b>					
Property Taxes					2,169,864
Specific Ownership Taxes					230,625
Net Investment Income					137,521
Other Revenue					4,656
Developer Advance Interest Forgiveness					170,910
Total General Revenues					2,713,576
 <b>CHANGE IN NET POSITION</b>					
					255,093
Net Position - Beginning of Year					(36,242,679)
 <b>NET POSITION - END OF YEAR</b>					
					\$ (35,987,586)

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 63,320	\$ -	\$ -	\$ 63,320
Cash and Investments - Restricted	12,100	3,581,661	2,876,103	6,469,864
Deposit with Town of Parker	-	-	317,387	317,387
Receivable - County Treasurer	3,496	18,569	-	22,065
Property Taxes Receivable	335,594	1,785,719	-	2,121,313
Accounts Receivable - Other	-	-	42,657	42,657
Due from Other Governments	14,104	6,524	-	20,628
Prepaid Expenses	7,183	-	-	7,183
	<u>\$ 435,797</u>	<u>\$ 5,392,473</u>	<u>\$ 3,236,147</u>	<u>\$ 9,064,417</u>
<b>Total Assets</b>				
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,450	\$ -	\$ 5,640	\$ 11,090
Total Liabilities	5,450	-	5,640	11,090
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	335,594	1,785,719	-	2,121,313
Total Deferred Inflows of Resources	335,594	1,785,719	-	2,121,313
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expenses	7,183	-	-	7,183
Restricted For:				
Emergency Reserves	12,100	-	-	12,100
Debt Service	-	3,606,754	-	3,606,754
Capital Projects	-	-	351,716	351,716
Committed	-	-	2,878,791	2,878,791
Unassigned	75,470	-	-	75,470
Total Fund Balances	<u>94,753</u>	<u>3,606,754</u>	<u>3,230,507</u>	<u>6,932,014</u>
	<u>\$ 435,797</u>	<u>\$ 5,392,473</u>	<u>\$ 3,236,147</u>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
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.				2,918,640
Capital Assets, Net				
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are expensed in the funds.				2,435,331
Cost of Bond Refunding, Net				
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				(48,097,000)
Bonds Payable				
Accrued Bond Interest Payable				(176,571)
Net Position of Governmental Activities				<u>\$ (35,987,586)</u>

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 343,688	\$ 1,826,176	\$ -	\$ 2,169,864
Specific Ownership Taxes	36,539	194,086	-	230,625
Potomac Debt Service Revenue	-	316,177	-	316,177
System Operations Fee	-	-	170,721	170,721
Other Income	-	-	4,656	4,656
Net Investment Income	6,458	76,297	54,766	137,521
E-470 Potomac Reimbursement	14,104	-	-	14,104
Total Revenues	<u>400,789</u>	<u>2,412,736</u>	<u>230,143</u>	<u>3,043,668</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	30,885	-	-	30,885
Audit	15,703	-	-	15,703
County Treasurer's fee	5,160	27,418	-	32,578
District Management	36,917	-	-	36,917
Dues and Memberships	912	-	-	912
Election Expense	666	-	-	666
Insurance	6,718	-	-	6,718
Landscape Maintenance	163,376	-	-	163,376
Legal	20,300	-	-	20,300
Miscellaneous	7,679	-	-	7,679
Repairs and Maintenance	3,390	-	-	3,390
Snow Removal	8,750	-	-	8,750
Utilities - Entrance sign	322	-	-	322
Utilities - Irrigation	4,072	-	-	4,072
Utilities - Security Lights	1,323	-	-	1,323
Debt Service:				
Bond Interest	-	2,101,442	-	2,101,442
Bond Principal	-	375,000	-	375,000
Bond Issue Costs	-	10,000	-	10,000
Paying Agent Fees	-	8,468	-	8,468
Capital Expenditures	-	-	50,529	50,529
Capital Outlay	-	-	445,284	445,284
Total Expenditures	<u>306,173</u>	<u>2,522,328</u>	<u>495,813</u>	<u>3,324,314</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	94,616	(109,592)	(265,670)	(280,646)
<b>OTHER FINANCING SOURCES (USES)</b>				
Repay Developer Advance	<u>(165,952)</u>	-	-	<u>(165,952)</u>
Total Other Financing Sources (Uses)	<u>(165,952)</u>	-	-	<u>(165,952)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(71,336)	(109,592)	(265,670)	(446,598)
Fund Balances - Beginning of Year	<u>166,089</u>	<u>3,716,346</u>	<u>3,496,177</u>	<u>7,378,612</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 94,753</u>	<u>\$ 3,606,754</u>	<u>\$ 3,230,507</u>	<u>\$ 6,932,014</u>

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
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 \$ (446,598)

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		445,284
Depreciation Expense		(56,613)

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.

This amount is the net effect of these differences in the treatment of long-term debt and related items as follows:

Current Year Bond Principal Payment	375,000	
Current Year Cost of Bond Refunding	(381,685)	
Current Year Repayment of Developer Advances	149,240	
Developer Advance Interest Forgiveness	170,910	
Current Year Repayment From E-470 Potomac	(14,104)	299,361

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 Payable on Bonds - Change in Liability	(3,053)	
Accrued Interest Payable on Developer Advance - Change in Liability	16,712	13,659

Changes in Net Position of Governmental Activities \$ 255,093

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 345,788	\$ 345,788	\$ 343,688	\$ (2,100)
Specific Ownership Taxes	34,579	34,579	36,539	1,960
Net Investment Income	1,800	1,800	6,458	4,658
E-470 Potomac Reimbursement	14,104	14,104	14,104	-
Total Revenues	<u>396,271</u>	<u>396,271</u>	<u>400,789</u>	<u>4,518</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	27,000	27,000	30,885	(3,885)
Audit	9,000	9,000	15,703	(6,703)
County Treasurer's fee	5,187	5,187	5,160	27
District Management	35,000	35,000	36,917	(1,917)
Dues and Memberships	750	750	912	(162)
Election Expense	1,000	1,000	666	334
Insurance	6,800	6,800	6,718	82
Landscape Maintenance	140,000	164,000	163,376	624
Legal	30,000	30,000	20,300	9,700
Miscellaneous	2,853	2,853	7,679	(4,826)
Repairs and Maintenance	35,000	35,000	3,390	31,610
ROW/Drainage Maintenance	5,000	5,000	-	5,000
Snow Removal	10,000	10,000	8,750	1,250
Utilities - Entrance Sign	200	200	322	(122)
Utilities - Irrigation	4,000	4,000	4,072	(72)
Utilities - Security Lights	1,200	1,200	1,323	(123)
Total Expenditures	<u>312,990</u>	<u>336,990</u>	<u>306,173</u>	<u>30,817</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	83,281	59,281	94,616	35,335
<b>OTHER FINANCING SOURCES (USES)</b>				
Repay Developer Advance	-	(166,000)	(165,952)	48
Total Other Financing Sources (Uses)	<u>-</u>	<u>(166,000)</u>	<u>(165,952)</u>	<u>48</u>
<b>NET CHANGE IN FUND BALANCES</b>	83,281	(106,719)	(71,336)	35,383
Fund Balances - Beginning of Year	<u>138,246</u>	<u>166,089</u>	<u>166,089</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 221,527</u>	<u>\$ 59,370</u>	<u>\$ 94,753</u>	<u>\$ 35,383</u>

See accompanying Notes to Basic Financial Statements.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Compark Business Campus Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on May 5, 1998, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located within the Town of Parker and/or Douglas County, Colorado. The District was established as part of a master-planned commercial development known as Compark and is authorized to provide water and wastewater service, street and storm drainage construction, installation of safety control devices, construction and maintenance of parks and recreation facilities and public transportation.

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

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

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
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. 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 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. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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 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, 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.

**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 plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

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 estimated economic useful lives:

Signage	25 Years
Drainage Improvements	30 Years
Landscaping / Irrigation	25 Years

**Water Rights**

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

**Original Issue Discount/Premium**

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Cost of Bond Refunding**

In the government-wide financial statements, the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

**Deferred Inflow/Outflow of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of bond refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflow/Outflow of Resources (Continued)**

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 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.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*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 incurred, it is the District's practice to use the most restrictive classification first.

**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 and Balance Sheet:

Cash and Investments	\$ 63,320
Cash and Investments - Restricted	<u>6,469,864</u>
Total Cash and Investments	<u><u>\$ 6,533,184</u></u>

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

Deposits with Financial Institutions	\$ 110,446
Investments	<u>6,422,738</u>
Total Cash and Investments	<u><u>\$ 6,533,184</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 \$128,155 and a carrying balance of \$110,446.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

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

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

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

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

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

**Fair Value Measurement and Application**

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

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

As of December 31, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 4,894,316
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	1,528,422
Total		<u>\$ 6,422,738</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**CSAFE**

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

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 CAPITAL ASSETS**

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

	Balance - December 31, 2017	Increases	Decreases	Balance - December 31, 2018
Capital Assets, Not Being Depreciated:				
Water Rights	\$ 808,165	\$ -	\$ -	\$ 808,165
Landscaping	436,730	-	-	436,730
Construction in Progress:				
Drainage Improvements	237,842	442,233	624,517	55,558
Sanitary Sewer Improvements	4,706	3,051	-	7,757
Total Capital Assets, Not Being Depreciated	1,487,443	445,284	624,517	1,308,210
Capital Assets, Being Depreciated:				
Drainage Improvements	576,198	624,517	-	1,200,715
Landscaping / Irrigation	175,343	-	-	175,343
Monument Sign	543,722	-	-	543,722
Total Capital Assets, Being Depreciated	1,295,263	624,517	-	1,919,780
Less Accumulated Depreciation For:				
Drainage Improvements	(57,619)	(27,851)	-	(85,470)
Landscaping / Irrigation	(17,535)	(7,013)	-	(24,548)
Monument Sign	(177,583)	(21,749)	-	(199,332)
Total Accumulated Depreciation	(252,737)	(56,613)	-	(309,350)
Total Capital Assets, Being Depreciated, Net	1,042,526	567,904	-	1,610,430
Capital Assets, Net	<u>\$ 2,529,969</u>	<u>\$ 1,013,188</u>	<u>\$ 624,517</u>	<u>\$ 2,918,640</u>

The District will convey streets and safety control assets and transfer certain water, sewer and storm-drainage facilities constructed and financed by the District to other local government entities for maintenance by such local government entities after completion of a specified warranty period. Upon final conveyance/transfer and acceptance, they are removed from capital assets.

A depreciation expense of \$56,613 was charged to functions/programs of the general government activities.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations as of December 31, 2018:

	Balance - January 1, 2018	Additions	Reductions	Balance - December 31, 2018	Due Within One Year
General Obligation Refunding Bonds, Series 2012A	\$ 9,915,000	\$ -	\$ -	\$ 9,915,000	\$ -
Taxable General Obligation Refunding Bonds, Series 2012B	5,045,000	-	-	5,045,000	-
General Obligation Refunding Loan Tax Exemption Refunding, Series 2017	33,512,000	-	375,000	33,137,000	245,000
Developer Advance Payable: Operating	149,240	-	149,240	-	-
Interest on Developer Advance Payable: Operating	187,621	-	187,621	-	-
	<u>\$ 48,808,861</u>	<u>\$ -</u>	<u>\$ 711,861</u>	<u>\$ 48,097,000</u>	<u>\$ 245,000</u>

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

**General Obligation Bonds**

**\$14,960,000 General Obligation Refunding Bonds, Series 2012A & Series 2012B, dated May 30, 2012**, consisting of \$9,915,000 in Series A Tax Exempt Term Bonds due December 1, 2039, which bear interest at 6.75%, and \$5,045,000 in Series B Taxable Term Bonds due December 1, 2027, which bear interest at 9.50%. The bonds are subject to redemption prior to maturity on or after December 1, 2022, at the option of the District without redemption premium. The bonds were issued for the following purposes: to advance refund \$3,975,000 of the District's General Obligation Refunding and Improvement Bonds, Series 2007, to provide cash flow relief to the District in the years 2012 to 2017, and to pay for bond issuance costs. The District used \$102,801 of District funds towards the partial refunding of the Series 2007 bonds. The defeased portion of the bonds are not considered a liability of the District since sufficient funds of \$13,112,170 were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds on the call date, December 1, 2012, at which point \$3,975,000 of the bonds were repaid. The remaining funds from the bond issuance were placed in Escrow and used to pay the debt service amounts on the Series 2007A Bonds that were due for the years 2012 to 2017.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds (Continued)**

The bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 3) any other legally available monies which the District determines to be treated as Pledged Revenue. The bonds are also secured by amounts held by the Trustee in the 2012 Reserve Funds. 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 Funds. The District is required to levy an ad valorem tax to pay the principal of, and interest on, the bonds without limitation as to rate and in an amount sufficient to pay the bonds when due. For collection year 2018, the District levied 35.090 mills for Debt Service.

**\$33,512,000 General Obligation Refunding Loan, Series 2017, dated December 21, 2017**, bearing interest of 2.95%, maturing on December 1, 2022. The loan was issued for the following purposes: to refund and pay \$35,135,000 of the outstanding portion of the District's General Obligation Refunding and Improvement Bonds, Series 2007A; to provide \$1,000,000 for public improvements; to provide cash flow relief to the District in the years 2018 to 2022 due to a reduction in the interest rate, and to pay for bond issuance costs. The Series 2017 bonds also used \$5,019,723 from the refunded Series 2007A bonds.

The bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the Refunded Bonds Mill Levy Revenue, (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 2017 Reserve Fund. 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 District is required to levy an ad valorem tax to pay the principal of, and interest on, the bonds without limitation as to rate and in an amount sufficient to pay the bonds when due. For collection year 2018, the District levied 35.090 mills for Debt Service.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds (Continued)**

The long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 245,000	\$ 2,126,080	\$ 2,371,080
2020	375,000	2,118,852	2,493,852
2021	505,000	2,107,789	2,612,789
2022	32,672,000	2,092,892	34,764,892
2023	725,000	1,085,838	1,810,838
2024-2028	3,660,000	4,254,990	7,914,990
2029-2033	-	3,346,315	3,346,315
2034-2038	7,980,000	2,340,226	10,320,226
2039	1,935,000	130,613	2,065,613
Total	<u>\$ 48,097,000</u>	<u>\$ 19,603,595</u>	<u>\$ 67,700,595</u>

**Authorized Debt**

On November 7, 2000, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$100,000,000 at an interest rate not to exceed 15% per annum. On November 6, 2001, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$1,000,000 at an interest rate not to exceed 15% per annum. On November 1, 2005, a majority of the qualified electors of the District who voted in the election authorized the issuance of additional indebtedness in an amount not to exceed \$20,000,000 at an interest rate not to exceed 15% per annum. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Original Authorized Amount for Debt</u>	<u>Authorization Used 2004 Bonds</u>	<u>Authorization Used 2007 Bonds</u>	<u>Authorization Used 2012 Bonds</u>	<u>Authorization Used 2017 Loan</u>	<u>Authorized But Unissued</u>
Sanitation Sewer	\$ 14,090,000	\$ 1,307,550	\$ 1,950,000	\$ -	\$ 1,000,000	\$ 9,832,450
Streets	15,805,000	504,056	5,000,000	-	-	10,300,944
Safety	1,535,000	-	-	-	-	1,535,000
Water	26,410,000	60,000	6,000,000	-	-	20,350,000
Parks and Recreation	3,025,000	274,994	2,500,000	-	-	250,006
TV Relay and Transmission	1,535,000	-	-	-	-	1,535,000
Public Transportation	7,600,000	-	-	-	-	7,600,000
Refunding	50,000,000	4,140,547	5,409,790	14,960,000	-	25,489,663
Operations and Maintenance	1,000,000	-	-	-	-	1,000,000
Total	<u>\$ 121,000,000</u>	<u>\$ 6,287,147</u>	<u>\$ 20,859,790</u>	<u>\$ 14,960,000</u>	<u>\$ 1,000,000</u>	<u>\$ 77,893,063</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$50,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Developer Advances**

On April 30, 1999, the District entered into a Financing and Reimbursement Agreement with Compark Properties, LLC (Developer). The District agrees to reimburse the Developer for organizational and operating and administrative costs expended by the Developer that are not payable from the proceeds of District bonds that are issued for capital purposes. Repayment of these costs will be made by the District to the Developer when sufficient revenue has been collected by the District. Interest will accumulate starting on the date the Developer incurred the cost at the highest rate of interest payable by the District on its General Obligation Bonds, Series 1999 (5.3%). This Agreement was subsequently renewed for 2001 and 2002. The Third Renewal Agreement, effective January 1, 2004, renewed the Agreement for 2003 and allows the Agreement to be automatically renewed for successive one-year periods until mutually terminated. During 2018, this obligation was satisfied in full (see Note 7).

**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 net investment in capital assets, calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 2,918,640
Outstanding Bonds Payable	(5,069,514)
Discount Costs, and Cost of Refunding (Net of Accumulated Amortization)	256,689
Unspent Bond Proceeds	415,692
Net Investment in Capital Assets	\$ (1,478,493)

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 a restricted net position as of December 31, 2018, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	\$ 12,100
Debt Service	113,713
Net Investment in Capital Assets	\$ 125,813

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6 NET POSITION (CONTINUED)**

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.

**NOTE 7 RELATED PARTY**

The primary developer of land within the District is Compark Properties, LLC (Developer). The District received advances from the Developer for the period from inception (May 5, 1998) through December 31, 2005, to pay for various organizational, operating, and administrative expenditures. During 2018, the District and the Developer entered into an Offset Agreement in which each party agreed to a net amount that cleared all current obligations between the two parties. In August 2018, a payment of \$165,952 was made to the Developer. This payment constitutes payment in full satisfaction of all obligations under any and all prior advance and reimbursement agreements between the District and the Developer (see Note 5). Execution of the Agreement resulted in an interest forgiveness in the amount of \$170,910.

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS**

**District Facilities Construction and Service Agreement**

On November 20, 1998, the District entered into a Facilities Construction and Service Agreement with E-470 Potomac Metropolitan District (Potomac) to set forth the rights and obligations of Potomac to assist in the repayment of indebtedness, and for the District to issue indebtedness to construct, own or transfer, and operate and maintain water, sanitation, street, safety, park and recreation, transportation, television relay and translation, and mosquito control facilities, programs and services for the benefit of both Districts as outlined in the Service Plans of each District.

Subsequently, the original agreement was amended on January 26, 1999, and the Supplemental District Facilities Construction and Service Agreement dated March 22, 1999, which collectively clarified the definitions of terms used in the original agreement, authorized the District to collect rates, fees, charges for services, tolls, etc. within Potomac's boundaries; acknowledged and approved the District's entry into a Facilities Agreement with Stonegate Village Metropolitan District (Stonegate) for water and sewer facilities, services and programs; and authorized the District to collect tap fees within Potomac's boundaries under a Tap Purchase Agreement between Potomac and U.S. Home Corporation, with payment of a portion of such tap fees to Stonegate.

The District is to operate, maintain, and replace such facilities until they have been transferred or conveyed to Douglas County or another District upon final approval and acceptance by the County or other District.

An amendment dated February 27, 2001, clarified the definitions of terms but made no significant changes to the original agreement.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**District Facilities Construction and Service Agreement (Continued)**

An amendment approved November 18, 2003, effective as of November 27, 2001, specifically limits Potomac's obligations to repayment of the 1999 bonds (and any bonds that refund the 1999 bonds). Potomac shall have no obligation for payment of any bonds issued by the District after the effective date of the Agreement, except for future bonds issued by the District for replacements and betterments of Potomac's in-district facilities. Assuming continuing performance of the Agreement by Potomac, Potomac's obligations with respect to the bonds were satisfied in 2018.

Potomac's mill levy is limited to a maximum of 35 mills (adjusted for laws and changes in assessment ratio after 1998) until no longer required to make payments under this agreement. An amendment dated November 18, 2003, also obligates Potomac's specific ownership and HB 1006 property tax revenue to the obligations of this agreement.

Two members of the Board of Directors of the District are also members of the Board of Directors of Potomac.

**Financing and Reimbursement Intergovernmental Agreement**

On May 22, 2001 (effective January 1, 2001), the District entered into an Agreement with Potomac where the District will provide funding to Potomac for operational costs and assistance in issuing bonds. This Agreement has been renewed from time to time and amounts advanced to or for Potomac are to be repaid only when Potomac has sufficient funds to make payments. In consideration for the payment of operational costs by the District, Potomac agrees to pay reimbursements plus interest to the District. Reimbursement shall include interest at the highest rate (5.3%) of interest payable on the District's \$15,300,000 General Obligation Bonds, Series 1999. As of December 31, 2018, all obligations under this agreement have been paid.

**Stonegate Village Metropolitan District Regional Facilities Agreement**

During 1998, the District entered into a Regional Facilities Agreement with Stonegate. Stonegate agreed to provide water and sanitation services to the property within the District and Potomac boundaries in exchange for conveyance by the District of a minimum of 317-acre feet of water to Stonegate. The District agreed to finance its proportional share of all facilities which are necessary for Stonegate to provide water and sewer services to the District and Potomac properties as well as to pay Stonegate their current system access fee. At December 31, 2018, Stonegate's system access fee was \$2,827 per Single Family Equivalent (SFE). These facilities will be owned by Stonegate.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Town of Parker**

The District and the Town of Parker (Town) have entered into an Intergovernmental Agreement dated as of February 5, 2007 (the Parker Agreement). The Parker Agreement provided for the annexation of approximately 203.7 acres (including the portion of the Trimark Exclusion recently re-included in the District) of the property in the District (the Annexed Property) into the Town; additional areas of the District may or may not be annexed into the Town in the future. The Parker Agreement imposes limitations on the District that are not included in the Service Plan and the District agrees to be limited in spite of the powers granted to it by the Service Plan or the Special District Act. For instance, in the Parker Agreement, the District agrees that with respect to the Annexed Property, it will plan for, design, acquire, construct, install, replace, relocate, redevelop, repair, and finance only the Public Improvements as defined in the Parker Agreement and no others. The District is required to dedicate all Public Improvements to the Town unless otherwise specified in the Parker Agreement; however, all Public Improvements are required to be operated and maintained by the District.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Compark Village / Compark South**

In prior years, the District incurred costs that were for the public improvements and related work associated with annexing a portion of the property within the boundaries of the District into the Town of Parker and the organization of one or more special districts or business improvement districts on that property or adjacent and nearby property to assist the District to provide public improvements and services in the area. The annexation is expected to lead to an increase in the tax base of the District.

In the event that one or more new districts are organized, the District expects that the new district or districts will reimburse the District for at least a portion of the costs associated with the work; however, there is no current obligation for the new district or districts, if organized, to do so. Other cost sharing arrangements involving the District improvements that have been previously installed have also been discussed. During 2018, all obligations for any costs related to Compark Village and Compark South were satisfied in the Offset Agreement (see Note 7).

**Assignment of Water & Wastewater Service Fee – Belford South 204**

On January 4, 2016, the District entered into an agreement with Stonegate and Belford South Metropolitan District (Belford South) whereas 204 SFE's of the District's excess wastewater service capacity will be transferred to Belford South. Belford South shall not sell, pledge, assign, encumber, or alienate any assigned SFE's for use outside of its boundaries without the prior consent of both Stonegate and the District. This assignment will stay effective until all assigned SFE's have been connected to an are being served by Stonegate's Water System and Wastewater System or until all unused assigned SFE's revert back to the District. Stonegate shall provide water and wastewater service to Belford's service area in the amount of Belford's water and wastewater service ratio portion.

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**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, 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.

**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.

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

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR or the 5.5% limitation of CRS 29-1-301.

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**

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,836,675	\$ 1,836,675	\$ 1,826,176	\$ (10,499)
Specific Ownership Tax	183,668	183,668	194,086	10,418
Potomac Debt Service Revenue	284,488	284,488	316,177	31,689
Net Investment Income	63,000	63,000	76,297	13,297
Total Revenues	<u>2,367,831</u>	<u>2,367,831</u>	<u>2,412,736</u>	<u>44,905</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fees	27,550	27,550	27,418	132
Debt Service:				
Bond Interest	2,082,220	2,102,220	2,101,442	778
Bond Principal	375,000	375,000	375,000	-
Bond Issue Costs	-	10,000	10,000	-
Paying Agent Fees	10,000	10,000	8,468	1,532
Total Expenditures	<u>2,494,770</u>	<u>2,524,770</u>	<u>2,522,328</u>	<u>2,442</u>
<b>NET CHANGE IN FUND BALANCES</b>	(126,939)	(156,939)	(109,592)	47,347
Fund Balance - Beginning of Year	<u>3,638,797</u>	<u>3,716,346</u>	<u>3,716,346</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,511,858</u>	<u>\$ 3,559,407</u>	<u>\$ 3,606,754</u>	<u>\$ 47,347</u>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
System Development Fees	\$ 80,000	\$ -	\$ (80,000)
System Operations Fee	160,000	170,721	10,721
Net Investment Income	25,000	54,766	29,766
Reimbursed Expenditures	50,000	-	(50,000)
Other Income	1,000	4,656	3,656
Tap Fees	200,000	-	(200,000)
Total Revenues	<u>516,000</u>	<u>230,143</u>	<u>(285,857)</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	4,000	1,269	2,731
District Management	35,000	18,520	16,480
Engineering	15,000	16,510	(1,510)
Legal	15,000	14,230	770
Capital Outlay			
Detention - Filing 7	-	122,089	(122,089)
Detention - Filing 8	-	9,999	(9,999)
Detention - Filing 11	300,000	310,145	(10,145)
Sanitary Sewer Improvements - CV8	-	3,051	(3,051)
Contingency	250,000	-	250,000
Total Expenditures	<u>619,000</u>	<u>495,813</u>	<u>123,187</u>
<b>NET CHANGE IN FUND BALANCES</b>	(103,000)	(265,670)	(162,670)
Fund Balance - Beginning of Year	<u>3,499,579</u>	<u>3,496,177</u>	<u>(3,402)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,396,579</u>	<u>\$ 3,230,507</u>	<u>\$ (166,072)</u>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2018**

Bonds and Interest Maturing in the Year Ending December 31,	\$9,915,000 General Obligation Refunding Tax-Exempt - Series 2012A Dated: May 30, 2012 Interest Rate: 6.75% Interest Payable June 1 and December 1 Principal Payable December 1			\$5,045,000 General Obligation Refunding Taxable - Series 2012B Dated: May 30, 2012 Interest Rate: 9.50% Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ -	\$ 669,263	\$ 669,263	\$ -	\$ 479,275	\$ 479,275
2020	-	669,263	669,263	-	479,275	479,275
2021	-	669,263	669,263	-	479,275	479,275
2022	-	669,263	669,263	660,000	479,275	1,139,275
2023	-	669,263	669,263	725,000	416,575	1,141,575
2024	-	669,263	669,263	795,000	347,700	1,142,700
2025	-	669,263	669,263	870,000	272,175	1,142,175
2026	-	669,263	669,263	950,000	189,525	1,139,525
2027	-	669,263	669,263	1,045,000	99,275	1,144,275
2028	-	669,263	669,263	-	-	-
2029	-	669,263	669,263	-	-	-
2030	-	669,263	669,263	-	-	-
2031	-	669,263	669,263	-	-	-
2032	-	669,263	669,263	-	-	-
2033	-	669,263	669,263	-	-	-
2034	1,395,000	669,263	2,064,263	-	-	-
2035	1,485,000	575,100	2,060,100	-	-	-
2036	1,585,000	474,863	2,059,863	-	-	-
2037	1,700,000	367,875	2,067,875	-	-	-
2038	1,815,000	253,125	2,068,125	-	-	-
2039	1,935,000	130,613	2,065,613	-	-	-
<b>Total</b>	<b>\$ 9,915,000</b>	<b>\$ 12,509,784</b>	<b>\$ 22,424,784</b>	<b>\$ 5,045,000</b>	<b>\$ 3,242,350</b>	<b>\$ 8,287,350</b>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)  
DECEMBER 31, 2018**

Bonds and Interest Maturing in the Year Ending December 31,	\$33,512,000 General Obligation Refunding Tax-Exempt - Series 2017 Dated: December 21, 2017 Interest Rate: 2.95% Interest Payable June 1 and December 1 Principal Payable December 1					
	Principal Payable December 1			Totals		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 245,000	\$ 977,542	\$ 1,222,542	\$ 245,000	\$ 2,126,080	\$ 2,371,080
2020	375,000	970,314	1,345,314	375,000	2,118,852	2,493,852
2021	505,000	959,251	1,464,251	505,000	2,107,789	2,612,789
2022	32,012,000	944,354	32,956,354	32,672,000	2,092,892	34,764,892
2023	-	-	-	725,000	1,085,838	1,810,838
2024	-	-	-	795,000	1,016,963	1,811,963
2025	-	-	-	870,000	941,438	1,811,438
2026	-	-	-	950,000	858,788	1,808,788
2027	-	-	-	1,045,000	768,538	1,813,538
2028	-	-	-	-	669,263	669,263
2029	-	-	-	-	669,263	669,263
2030	-	-	-	-	669,263	669,263
2031	-	-	-	-	669,263	669,263
2032	-	-	-	-	669,263	669,263
2033	-	-	-	-	669,263	669,263
2034	-	-	-	1,395,000	669,263	2,064,263
2035	-	-	-	1,485,000	575,100	2,060,100
2036	-	-	-	1,585,000	474,863	2,059,863
2037	-	-	-	1,700,000	367,875	2,067,875
2038	-	-	-	1,815,000	253,125	2,068,125
2039	-	-	-	1,935,000	130,613	2,065,613
<b>Total</b>	<b>\$ 33,137,000</b>	<b>\$ 3,851,461</b>	<b>\$ 36,988,461</b>	<b>\$ 48,097,000</b>	<b>\$ 19,603,595</b>	<b>\$ 67,700,595</b>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2018**

**History of Assessed Valuations for the District**

<u>Levy/ Collection Year</u>	<u>Property Within the District</u>	<u>First Exclusion Property</u>	<u>Second Exclusion Property</u>	<u>Total Assessed Value</u>	<u>Percent Change</u>
2014/2015	\$ 34,092,400	\$ 2,457,320	\$ 471,160	\$ 37,020,880	7.39 %
2015/2016	41,350,960	3,594,970	1,139,130	46,085,060	24.48
2016/2017	41,781,480	3,647,270	1,163,730	46,592,480	1.10
2017/2018	49,195,660	4,111,910	1,246,280	54,553,850	17.09
2018/2019	47,630,150	4,112,510	1,246,380	52,989,040	(2.87)

**History of Mill Levies for the District**

<u>Levy / Collection Year</u>	<u>Property Within the District</u>			<u>Total</u>	<u>First Exclusion</u>	<u>Second Exclusion</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Refund / Abatement</u>		<u>Debt Service</u>	<u>Debt Service</u>
2014/2015	7.000	35.000	0.000	42.000	18.810	16.190
2015/2016	7.000	35.000	0.160	42.160	18.810	16.190
2016/2017	7.000	35.000	0.201	42.201	18.810	16.190
2017/2018	7.018	35.090	0.065	42.173	20.778	17.891
2018/2019	7.018	35.090	0.167	42.275	20.778	17.891

**Property Tax Collections for the District**

<u>Levy / Collection Year</u>	<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
	<u>Levied</u>	<u>Collected</u>	
2014/2015	\$ 1,485,731	\$ 1,485,732	100.00 %
2015/2016	1,829,420	1,820,816	99.53
2016/2017	1,850,666	1,847,527	99.83
2017/2018	2,182,463	2,169,864	99.42

Estimated for:  
2018/2019      \$ 2,121,313                      n/a

## **CONTINUING DISCLOSURE OBLIGATION**

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2018**

**2018 AND 2019 BUDGET SUMMARY AND COMPARISON  
GENERAL FUND  
(UNAUDITED)**

	Final 2018 Budget	2018 Actual	Variance	2019 Budget
<b>REVENUES</b>				
Property Taxes	\$ 345,788	\$ 343,688	\$ (2,100)	\$ 335,594
Specific Ownership Taxes	34,579	36,539	1,960	33,559
Net Investment Income	1,800	6,458	4,658	5,000
Potomac Reimbursement	14,104	14,104	-	-
Total Revenues	<u>396,271</u>	<u>400,789</u>	<u>4,518</u>	<u>374,153</u>
<b>EXPENDITURES</b>				
Accounting and Audit	36,000	46,588	(10,588)	40,000
County Treasurer's fee	5,187	5,160	27	5,034
District Management	35,000	36,917	(1,917)	35,000
Dues and Memberships	750	912	(162)	1,000
Election Expense	1,000	666	334	-
Insurance	6,800	6,718	82	6,800
Landscape Maintenance	164,000	163,376	624	140,000
Legal	30,000	20,300	9,700	30,000
Miscellaneous	2,853	7,679	(4,826)	2,466
Repairs and Maintenance	35,000	3,390	31,610	35,000
ROW/Drainage Maintenance	5,000	-	5,000	5,000
Snow Removal	10,000	8,750	1,250	10,000
Utilities - Entrance sign	200	322	(122)	200
Utilities - Irrigation	4,000	4,072	(72)	4,000
Utilities - Security Lights	1,200	1,323	(123)	1,200
Total Expenditures	<u>336,990</u>	<u>306,173</u>	<u>30,817</u>	<u>315,700</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	59,281	94,616	35,335	58,453
<b>OTHER FINANCING SOURCES (USES)</b>				
Repay Developer Advance	(166,000)	(165,952)	48	-
Total Other Financing Sources (Uses)	<u>(166,000)</u>	<u>(165,952)</u>	<u>48</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	(106,719)	(71,336)	35,383	58,453
Fund Balances - January 1	<u>166,089</u>	<u>166,089</u>	<u>-</u>	<u>64,643</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u><u>\$ 59,370</u></u>	<u><u>\$ 94,753</u></u>	<u><u>\$ 35,383</u></u>	<u><u>\$ 123,096</u></u>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2018**

**2018 AND 2019 BUDGET SUMMARY AND COMPARISON  
DEBT SERVICE FUND  
(UNAUDITED)**

	Final 2018 Budget	2018 Actual	Variance	2019 Budget
<b>REVENUES</b>				
Property Taxes	\$ 1,836,675	\$ 1,826,176	\$ (10,499)	\$ 1,785,719
Specific Ownership Taxes	183,668	194,086	10,418	178,572
Potomac D/S Revenue	284,488	316,177	31,689	-
Net Investment Income	63,000	76,297	13,297	60,000
Total Revenues	<u>2,367,831</u>	<u>2,412,736</u>	<u>44,905</u>	<u>2,024,291</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	27,550	27,418	132	26,786
Bond/Loan Interest	2,102,220	2,101,442	778	2,126,080
Bond/Loan Principal	375,000	375,000	-	245,000
Bond Issue Costs	10,000	10,000	-	-
Paying Agent Fees	10,000	8,468	8,468	10,000
Total Expenditures	<u>2,524,770</u>	<u>2,522,328</u>	<u>9,378</u>	<u>2,407,866</u>
<b>NET CHANGE IN FUND BALANCES</b>	(156,939)	(109,592)	47,347	(383,575)
Fund Balances - January 1	<u>3,716,346</u>	<u>3,716,346</u>	<u>-</u>	<u>3,590,111</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 3,559,407</u>	<u>\$ 3,606,754</u>	<u>\$ 47,347</u>	<u>\$ 3,206,536</u>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2018**

**2018 AND 2019 BUDGET SUMMARY AND COMPARISON  
CAPITAL PROJECTS FUND  
(UNAUDITED)**

	Final 2018 Budget	2018 Actual	Variance	2019 Budget
<b>REVENUES</b>				
System Development Fees	\$ 80,000	\$ -	\$ (80,000)	\$ 80,000
System Operations Fee	160,000	170,721	10,721	175,000
Tap Fees	200,000	-	(200,000)	238,600
Miscellaneous Income	51,000	4,656	(46,344)	1,000
Reimbursed Expenditures	-	-	-	50,000
Net Investment Income	25,000	54,766	29,766	50,000
Total Revenues	<u>516,000</u>	<u>230,143</u>	<u>(285,857)</u>	<u>594,600</u>
<b>EXPENDITURES</b>				
Accounting	4,000	1,269	2,731	4,000
District Management	35,000	18,520	16,480	35,000
Engineering Expense	15,000	16,510	(1,510)	35,000
Legal	15,000	14,230	770	15,000
Contingency	250,000	-	250,000	50,000
Capital Expenditures	300,000	445,284	(145,284)	500,000
Total Expenditures	<u>619,000</u>	<u>495,813</u>	<u>123,187</u>	<u>639,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(103,000)	(265,670)	(162,670)	(44,400)
Fund Balances - January 1	<u>3,499,579</u>	<u>3,496,177</u>	<u>(3,402)</u>	<u>3,423,833</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u><u>\$ 3,396,579</u></u>	<u><u>\$ 3,230,507</u></u>	<u><u>\$ (166,072)</u></u>	<u><u>\$ 3,379,433</u></u>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2018**

**GENERAL FUND – HISTORY OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
(UNAUDITED)**

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Property Taxes	\$ 230,333	\$ 238,647	\$ 289,125	\$ 293,347	\$ 343,688
Specific Ownership Taxes	20,760	22,946	26,732	32,190	36,539
Net Investment Income	288	659	812	2,090	6,458
Miscellaneous	401	-	-	35,377	14,104
Total Revenues	<u>251,782</u>	<u>262,252</u>	<u>316,669</u>	<u>363,004</u>	<u>400,789</u>
<b>EXPENDITURES</b>					
Accounting and Audit	31,964	31,613	27,894	38,786	46,588
Legal	30,240	25,660	19,961	22,524	20,300
District Management	31,918	31,610	30,759	33,578	36,917
Insurance and Bonds	3,191	3,651	6,248	6,443	6,718
Landscape Maintenance	110,179	192,787	116,467	127,274	163,376
County Treasurer's Fees	3,454	3,586	4,338	4,403	5,160
Elections	1,960	-	550	-	666
Repairs and Maintenance	-	16,316	33,307	34,205	3,390
Dues and Memberships	750	768	584	1,092	912
Miscellaneous	2,003	1,050	740	900	7,679
Snow Removal	8,750	8,750	9,050	8,750	8,750
ROW/Drainage Maintenance	-	3,908	-	-	-
Utilities - Entrance Sign	84	144	132	48	322
Utilities - Irrigation	3,737	4,780	5,703	5,678	4,072
Utilities - Street Lights	567	1,040	1,134	1,122	1,323
Total Expenditures	<u>228,797</u>	<u>325,663</u>	<u>256,867</u>	<u>284,803</u>	<u>306,173</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	22,985	(63,411)	59,802	78,201	94,616
<b>OTHER FINANCING SOURCES (USES)</b>					
Repay Developer Advance	(83,000)	(13,000)	-	-	(165,952)
Total Other Financing Sources (Uses)	<u>(83,000)</u>	<u>(13,000)</u>	<u>-</u>	<u>-</u>	<u>(165,952)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(60,015)	(76,411)	59,802	78,201	(71,336)
Fund Balances - January 1	<u>164,512</u>	<u>104,497</u>	<u>28,086</u>	<u>87,888</u>	<u>166,089</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 104,497</u>	<u>\$ 28,086</u>	<u>\$ 87,888</u>	<u>\$ 166,089</u>	<u>\$ 94,753</u>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2018**

**DEBT SERVICE FUND – HISTORY OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
(UNAUDITED)**

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Property Taxes	\$ 1,195,975	\$ 1,247,085	\$ 1,531,691	\$ 1,554,180	\$ 1,826,176
Specific Ownership Taxes	107,808	119,908	141,580	170,527	194,086
Intergovernmental Revenue	221,937	223,278	256,348	260,517	316,177
Net Investment Income	249,467	254,406	270,517	238,719	76,297
Total Revenues	<u>1,775,187</u>	<u>1,844,677</u>	<u>2,200,136</u>	<u>2,223,943</u>	<u>2,412,736</u>
<b>EXPENDITURES</b>					
Current:					
County Treasurer's Fees	17,950	18,738	22,982	23,329	27,418
Debt Service:					
Bond/Loan Interest	1,441,976	1,441,701	1,447,938	2,589,158	2,101,442
Bond/Loan Principal	-	-	-	1,015,000	375,000
Bond Issue Costs	-	-	-	718,379	10,000
Paying Agent Fees	6,500	6,500	6,500	9,250	8,468
Total Expenditures	<u>1,466,426</u>	<u>1,466,939</u>	<u>1,477,420</u>	<u>4,355,116</u>	<u>2,522,328</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	308,761	377,738	722,716	(2,131,173)	(109,592)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond Issuance	-	-	-	33,512,000	-
Payment to Escrow Agent	-	-	-	(35,326,907)	-
Transfers Out	-	-	-	(1,000,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,814,907)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	308,761	377,738	722,716	(4,946,080)	(109,592)
Fund Balances - January 1	<u>7,253,211</u>	<u>7,561,972</u>	<u>7,939,710</u>	<u>8,662,426</u>	<u>3,716,346</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 7,561,972</u>	<u>\$ 7,939,710</u>	<u>\$ 8,662,426</u>	<u>\$ 3,716,346</u>	<u>\$ 3,606,754</u>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2018**

**CAPITAL PROJECTS FUND – HISTORY OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
(UNAUDITED)**

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
System Development Fees	\$ 330,000	\$ 290,000	\$ 140,000	\$ -	\$ -
System Operations Fee	140,897	152,719	158,932	163,073	170,721
Tap Fees	760,466	499,821	208,793	-	-
Miscellaneous Income	-	40,632	2,527	162,000	4,656
Net Investment Income	2,578	2,047	10,012	23,033	54,766
Total Revenues	<u>1,233,941</u>	<u>985,219</u>	<u>520,264</u>	<u>348,106</u>	<u>230,143</u>
<b>EXPENDITURES</b>					
Current:					
Accounting and Auditing	3,317	3,187	1,547	1,039	1,269
District Management	24,615	27,385	28,061	20,168	18,520
Engineering Expense	-	7,249	21,426	40,467	16,510
Legal	5,542	8,940	5,683	5,020	14,230
Miscellaneous	4,048	-	-	-	-
Median Landscaping	-	-	-	33,692	-
Contingency	-	-	-	4,550	-
Capital Outlay	641,982	166,523	458,954	51,572	445,284
Total Expenditures	<u>679,504</u>	<u>213,284</u>	<u>515,671</u>	<u>156,508</u>	<u>495,813</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	554,437	771,935	4,593	191,598	(265,670)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	1,000,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	554,437	771,935	4,593	1,191,598	(265,670)
Fund Balances - January 1	<u>973,614</u>	<u>1,528,051</u>	<u>2,299,986</u>	<u>2,304,579</u>	<u>3,496,177</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 1,528,051</u>	<u>\$ 2,299,986</u>	<u>\$ 2,304,579</u>	<u>\$ 3,496,177</u>	<u>\$ 3,230,507</u>

**COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE OBLIGATION  
YEAR ENDED DECEMBER 31, 2018**

**HISTORY OF ASSESSED VALUATION AND MILL LEVIES  
(UNAUDITED)**

Levy/ Collection Year	Assessed Valuation					Mill Levy	
	Property Tax Within the District	Trimark Exclusion Property (1)	Second Exclusion Property	Total Assessed Value	Percent Change	Property Tax Within the District	Excluded Properties
2013/2014	\$ 32,066,920	\$ 2,194,121	\$ 211,110	\$ 34,472,151	(0.73)%	43.293	35.000
2014/2015	34,092,400	2,457,320	471,160	37,020,880	7.39	42.000	35.000
2015/2016	41,350,960	3,594,970	1,139,130	46,085,060	24.48	42.160	35.000
2016/2017	41,781,480	3,647,270	1,163,730	46,592,480	1.10	42.201	35.000
2017/2018	49,195,660	4,111,910	1,246,280	54,553,850	17.09	42.173	38.669
2018/2019	47,630,150	4,112,510	1,246,380	52,989,040	(2.87)	42.275	38.669

(1) The Trimark Exclusion property currently is subject to the District's debt service mill levy for the purpose of paying a portion of the debt service on the 2007 Bonds (i.e., the 1999 Bonds refunded by the 2007 Bonds). The District re-included a portion of the Trimark Exclusion property back into the District. The re-included property will be subject to taxation for the payment of debt service on the 2007 Bonds. However, the Excluded Property remaining after the re-inclusion will not be subject to taxation to pay debt service on all of the Bonds; the Bonds attributable to the the Improvement Project and a portion of the Bonds used to refund the 2004 Bonds cannot be paid from property taxes levied on the Excluded Property.

2018 Assessed Valuation of Classes of Property in the District

Class	Total Assessed Value (a)	Percent of Total Assessed Valuation
Commercial	\$ 16,481,190	31.10 %
Personal	8,647,740	16.31
Industrial	19,350,030	36.51
Vacant	1,988,860	3.75
Residential	6,508,080	12.28
State assessed	12,200	0.03
Agricultural	920	0.01
Natural resources	20	0.01
	<u>\$ 52,989,040</u>	<u>100.00 %</u>

(a) Includes the assessed valuation attributable to the Trimark Exclusion.

Largest Taxpayers in the District for 2019

Taxpayer Name	2018 Assessed Valuation	Percentage of Total Assessed Valuation
American Furniture Warehouse	\$ 7,527,180	14.21%
Azul Holdings LLC	6,493,880	12.26%
Hendricks Commercial Properties	6,437,070	12.15%
Denver Springs LLC	4,502,190	8.50%
Charter Communications Inc	3,213,160	6.06%
Woodspear Prairie Trail LLC	3,074,000	5.80%
Spectrum Grasslands LLC	2,406,520	4.54%
Abmar Grasslands LLC	1,838,330	3.47%
M&P Enterprises LLC	1,800,320	3.40%
12364 Osborne Holdings LLC	1,417,380	2.67%
	<u>\$ 38,710,030</u>	<u>73.06%</u>