

**HUNTING HILL METROPOLITAN
DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2018

**HUNTING HILL METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hunting Hill Metropolitan District
Douglas County, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Hunting Hill Metropolitan District, as of December 31, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hunting Hill Metropolitan District's basic financial statements. The budget to actual schedules for the Debt Service and Capital Projects Funds (the Supplementary Information) and the schedule of assessed valuation, mill levy and property taxes collected and the schedule of debt service requirements to maturity (the Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Dassio & Associates, P.C.

July 1, 2019

BASIC FINANCIAL STATEMENTS

**HUNTING HILL METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 129,847
Cash and Investments - Restricted	959,154
Receivable from County Treasurer	3,509
Prepays	3,043
Property Taxes Receivable	322,156
Capital Assets, Not Being Depreciated	7,872
Capital Assets, Net	<u>2,575,723</u>
Total Assets	<u>\$ 4,001,304</u>
LIABILITIES	
Accounts Payable	\$ 7,390
Accrued Interest Payable	43,205
Noncurrent Liabilities:	
Due Within One Year	-
Due in More Than One Year	<u>8,047,082</u>
Total Liabilities	<u>8,097,677</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	<u>322,156</u>
Total Deferred Inflows of Resources	<u><u>322,156</u></u>
NET POSITION	
Net Investment in Capital Assets	313,494
Restricted for:	
Emergency Reserves	1,300
Debt Service	68,066
Unrestricted	<u>(4,801,389)</u>
Total Net Position	<u><u>\$ (4,418,529)</u></u>

See accompanying Notes to Basic Financial Statements.

**HUNTING HILL METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash and Investments	\$ 129,847	\$ -	\$ -	\$ 129,847
Cash and Investments - Restricted	1,300	955,644	2,210	959,154
Deferred Property Tax Receivable	118,175	203,981	-	322,156
Due from County Treasurer	349	3,160	-	3,509
Due from Other Funds	52,412	-	-	52,412
Prepaid Expense	3,043	-	-	3,043
Total Assets	<u>\$ 305,126</u>	<u>\$ 1,162,785</u>	<u>\$ 2,210</u>	<u>\$ 1,470,121</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 5,180	\$ -	\$ 2,210	\$ 7,390
Due to Other Funds	-	52,412	-	52,412
Total Liabilities	<u>5,180</u>	<u>52,412</u>	<u>2,210</u>	<u>59,802</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	118,175	203,981	-	322,156
Total Deferred Inflows or Resources	<u>118,175</u>	<u>203,981</u>	<u>-</u>	<u>322,156</u>
FUND BALANCES				
Nonspendable for:				
Prepaid Expense	3,043	-	-	3,043
Restricted for:				
Emergency Reserves	1,300	-	-	1,300
Debt Service	-	906,392	-	906,392
Unassigned	177,428	-	-	177,428
Total Fund Balances	<u>181,771</u>	<u>906,392</u>	<u>-</u>	<u>1,088,163</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 305,126</u>	<u>\$ 1,162,785</u>	<u>\$ 2,210</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

2,583,595

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

Bonds Payable	(7,090,000)
Accrued Current Interest - Bonds	(43,205)
Developer Advance Payable	(713,842)
Accrued Interest Payable - Developer Advance	<u>(243,240)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (4,418,529)

See accompanying Notes to Basic Financial Statements.

**HUNTING HILL 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
REVENUES				
Property Taxes	\$ 32,202	\$ 289,820	\$ -	\$ 322,022
Specific Ownership Taxes	3,650	33,032	-	36,682
Net Investment Income	6,337	2,000	-	8,337
Other Income	350	-	-	350
Total Revenues	<u>42,539</u>	<u>324,852</u>	<u>-</u>	<u>367,391</u>
EXPENDITURES				
Current				
Accounting	37,642	-	13,789	51,431
Audit	4,500	-	-	4,500
Banking Fees	-	5	-	5
County Treasurer's Fees	484	-	-	484
District Management	5,470	-	-	5,470
Dues and Subscriptions	467	-	-	467
Election	1,871	-	-	1,871
Insurance	2,553	-	-	2,553
Legal	20,853	4,352	756	25,961
Repairs and Maintenance:				
Snow Removal	25,174	-	-	25,174
Landscape Maintenance	31,156	-	-	31,156
Irrigation System Repairs	14,998	-	-	14,998
Other Repairs and Maintenance	11,234	-	-	11,234
Service Plan Amendment	-	-	36,284	36,284
Utilities				
Water - Irrigation	14,102	-	-	14,102
Miscellaneous	120	-	-	120
Debt Service				
Bond Interest - Series 2007	-	2,001,935	-	2,001,935
Bond Principal - Series 2007	-	4,000,000	-	4,000,000
Bond Principal - Series 2007 - Early Redemption	-	80,000	-	80,000
Bond Issuance Costs	-	376,008	-	376,008
Capital Outlay	-	-	5,940	5,940
Total Expenditures	<u>170,624</u>	<u>6,462,300</u>	<u>56,769</u>	<u>6,689,693</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(128,085)	(6,137,448)	(56,769)	(6,322,302)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	7,090,000	-	7,090,000
Transfers In	-	-	56,769	56,769
Transfers (Out)	(5,940)	(50,829)	-	(56,769)
Total Other Financing Sources (Uses)	<u>(5,940)</u>	<u>7,039,171</u>	<u>56,769</u>	<u>7,090,000</u>
NET CHANGE IN FUND BALANCES	(134,025)	901,723	-	767,698
Fund Balances - Beginning of Year	<u>315,796</u>	<u>4,669</u>	<u>-</u>	<u>320,465</u>
FUND BALANCES - END OF YEAR	<u>\$ 181,771</u>	<u>\$ 906,392</u>	<u>\$ -</u>	<u>\$ 1,088,163</u>

See accompanying Notes to Basic Financial Statements.

**HUNTING HILL 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 \$ 767,698

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.

Depreciation	(67,597)
Capital Outlay	5,940
Contribution of Capital Outlay	7,872

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Proceeds	(7,090,000)
Principal Payment	4,000,000

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

Accrued Current Interest on Bonds Payable - Change in Liability	(43,205)
Accrued and Unpaid Interest on Bonds Payable - Change in Liability	1,616,153
Accrued Interest on Developer Advances Payable - Change in Liability	(57,108)

Change in Net Position of Governmental Activities \$ (860,247)

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

	Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 34,683	\$ 32,202	\$ (2,481)
Specific Ownership Taxes	3,800	3,650	(150)
Net Investment Income	4,000	6,337	2,337
Capital Recovery Fees	125,280	-	(125,280)
Other Income	-	350	350
Total Revenues	<u>167,763</u>	<u>42,539</u>	<u>(125,224)</u>
EXPENDITURES			
Current:			
Accounting	30,000	37,642	(7,642)
Audit	4,500	4,500	-
County Treasurer's Fees	520	484	36
District Management	6,000	5,470	530
Dues and Subscriptions	500	467	33
Election	20,000	1,871	18,129
Insurance	3,000	2,553	447
Legal	30,000	20,853	9,147
Repairs and Maintenance:			
Snow Removal	70,000	25,174	44,826
Landscape Maintenance	25,000	31,156	(6,156)
Irrigation System Repairs	9,000	14,998	(5,998)
Other Repairs and Maintenance	4,000	11,234	(7,234)
Utilities:			
Water - Irrigation	20,000	14,102	5,898
Miscellaneous	500	120	380
Contingency	4,982	-	4,982
Total Expenditures	<u>228,002</u>	<u>170,624</u>	<u>57,378</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			
	(60,239)	(128,085)	(67,846)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	<u>(175,000)</u>	<u>(5,940)</u>	<u>169,060</u>
Total Other Financing Sources (Uses)	<u>(175,000)</u>	<u>(5,940)</u>	<u>169,060</u>
NET CHANGE IN FUND BALANCE			
	(235,239)	(134,025)	101,214
Fund Balance - Beginning of Year	<u>263,926</u>	<u>315,796</u>	<u>51,870</u>
FUND BALANCE - END OF YEAR			
	<u>\$ 28,687</u>	<u>\$ 181,771</u>	<u>\$ 153,084</u>

See accompanying Notes to Basic Financial Statements.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 DEFINITION OF REPORTING ENTITY

The Hunting Hill Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court on November 20, 2007, and is governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by Douglas County on September 12, 2007, as amended by Douglas County on July 30, 2013 and October 9, 2018. The District's service area is located in Douglas County, Colorado. The District was established to provide the financing, acquisition, design, construction, relocation, installation, completion and/or operation and maintenance of street improvements, water and irrigation systems, sanitary sewage system, storm sewer and drainage system, traffic and safety controls, and mosquito control.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO 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 and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 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 inflows of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

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

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO 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 following estimated economic useful lives:

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

The District conveyed its construction in progress that it was not going to own and maintain to the Highlands Ranch Metropolitan District and other governmental entities in prior years.

Deferred Inflow/Outflow of Resources

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

Equity

Net Position

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

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.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

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 and Investments	\$ 129,847
Cash and Investments - Restricted	959,154
Total Cash and Investments	\$ 1,089,001

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

Deposits with Financial Institutions	\$ 3,042
Investments	1,085,959
Total Cash and Investments	\$ 1,089,001

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.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

At December 31, 2018, the District's cash deposits had a bank balance of \$5,257 and a carrying balance of \$3,042.

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

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 (CSAFE)	Weighted Average Under 60 Days	<u>\$ 1,085,959</u>

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

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

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:				
Land	\$ -	\$ 7,872	\$ -	\$ 7,872
Total Capital Assets, Not Being Depreciated	-	7,872	-	7,872
Capital Assets, Being Depreciated:				
Streets, Roads, and Walking Path	2,545,031	5,940	-	2,550,971
Landscaping	158,864	-	-	158,864
Total Capital Assets, Being Depreciated	2,703,895	5,940	-	2,709,835
Less Accumulated Depreciation For:				
Streets, Roads, Parking Lots	62,543	63,626	-	126,169
Landscaping & Walking Path	3,972	3,972	-	7,944
Total Accumulated Depreciation	66,515	67,597	-	134,112
Total Capital Assets, Being Depreciated, Net	2,637,380	(61,657)	-	2,575,723
Total Capital Assets	<u>\$ 2,637,380</u>	<u>\$ (53,785)</u>	<u>\$ -</u>	<u>\$ 2,583,595</u>

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	<u>\$ 67,597</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 67,597</u></u>

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2017	Additions	Retirements	Balance - December 31, 2018	Due Within One Year
General Obligation Limited					
Tax Bonds - Series 2007					
Principal	\$ 4,000,000	\$ -	\$ (4,000,000)	\$ -	\$ -
Unpaid & Compounded Interest	1,592,820	409,115	(2,001,935)	-	-
General Obligation Limited					
Tax Refunding Bonds - Series 2018					
Principal	-	7,090,000	-	7,090,000	-
Developer Advances					
Principal	713,842	-	-	713,842	-
Accrued Interest	186,132	57,108	-	243,240	-
	<u>\$ 6,492,794</u>	<u>\$ 7,556,223</u>	<u>\$ (6,001,935)</u>	<u>\$ 8,047,082</u>	<u>\$ -</u>

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

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

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

The Series 2007 Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy; (2) the Capital Fees (including Facilities Fees, and excluding Capital Recovery Fees); (3) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (4) any other legally available monies which the District determines to be treated as Pledged Revenue. The Bonds are also secured by amounts held by the Trustee in the Reserve Fund, which is to be \$55,000 per the Bond Indenture and which has been depleted. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable and to make up any deficiencies in the Reserve Fund. The maximum Required Mill Levy is 45.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District but in no event shall the Required Mill Levy, as adjusted, ever exceed 50.000 mills. Unless the Surplus Fund balance exceeds \$350,000, the minimum Required Mill Levy is 35.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District.

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

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Due to economic conditions beyond the District’s control, development within the District has occurred slower than anticipated and the pledged revenues have not been sufficient for the District to make the required debt service payments on the Series 2007 Bonds. As a result, on November 21, 2018, the District currently refunded \$4,000,000 of outstanding principal of Series 2007 Bonds with an average interest rate of 7% by the issuance of \$7,090,000 Limited Tax General Obligation Refunding Bonds, Series 2018, dated November 21, 2018, with an average interest rate of 5.625%. Proceeds from the Series 2018 Bonds in the amount of \$5,921,940, which included \$1,841,940 accrued and unpaid interest, and optional redemption premium, were deposited into an irrevocable escrow account with a trustee. The Series 2007 Bonds were redeemed on December 1, 2018, and the liability for these bonds has been removed from the District’s financial statements. The District refunded the Series 2007 Bonds to restructure its debt by extending the debt repayment term by 11 years and increased its total debt service payments by \$6,986,701.

\$7,090,000 Limited Tax General Obligation Refunding Bonds, Series 2018, dated November 21, 2018, with interest of 5.625% per annum, payable semi-annually on June 1 and December 1, beginning June 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning December 1, 2023. The Bonds mature on December 1, 2048, and are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2023, to November 30, 2024	3.00%
December 1, 2024, to November 30, 2025	2.00
December 1, 2025, to November 30, 2026	1.00
December 1, 2026, and thereafter	0.00

The proceeds from the sale of the Bonds were used for the purposes of: (i) refunding the outstanding principal and interest due on the District’s Series 2007 General Obligation Limited Tax Bonds; (ii) funding capitalized interest on the Bonds; (iii) funding the Reserve Fund for the Bonds; and, (iv) paying other costs in connection with the issuance of the Bonds.

The Bonds are secured by and payable solely from Pledged Revenue, consisting of monies derived by the District from the following sources, net of any costs of collections: (i) Property Taxes derived from imposition of the Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as the result of imposition of the Required Mill Levy; (iii) Capital Fees, which include Facilities Fees, but not Capital Recovery Fees; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The Indenture requires that a Required Mill Levy be imposed in an amount sufficient to pay the principal of and interest on the Bonds and to replenish the Reserve Fund to the Reserve Requirement, but not in excess of 31.659 mills (subject to adjustment) and, if the Surplus Fund is less than the Maximum Surplus Amount, the Required Mill Levy is to be 31.659 mills (subject to adjustment). Such maximum and minimum mill levies are subject to adjustment for changes occurring in the method of calculating assessed valuation after September 12, 2007. As of December 31, 2018, the maximum and minimum mill levies have been adjusted to 35.000 mills. For collection year 2019, the District levied 35.000 mills for the Bonds.

The Bonds are also secured by amounts held in the Reserve Fund in the amount of the Reserve Requirement of \$593,688 and by amounts in the Surplus Fund, if any. Pledged Revenue that is not needed to pay debt service on the Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$709,000. The Surplus Fund is to be maintained for so long as any Bonds are outstanding. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the Bonds shall be applied to the payment of the Bonds. The availability of such amount shall be taken into account in calculating the Required Mill Levy to be imposed in 2047 for collection in 2048. The District has acknowledged that State Law places certain restrictions on the use of money derived from the Required Mill Levy.

Outstanding bond principal and interest mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 409,891	\$ 409,891
2020	-	398,813	398,813
2021	-	398,813	398,813
2022	-	398,813	398,813
2023	15,000	398,813	413,813
2024-2028	485,000	1,941,469	2,426,469
2029-2033	770,000	1,774,406	2,544,406
2034-2038	1,165,000	1,515,938	2,680,938
2039-2043	1,690,000	1,132,594	2,822,594
2044-2048	2,965,000	584,719	3,549,719
	<u>\$ 7,090,000</u>	<u>\$ 8,954,266</u>	<u>\$ 16,044,266</u>

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 6, 2007, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$37,000,000 at an interest rate not to exceed 12% per annum, and authorized the issuance of indebtedness for the purpose of refunding existing debt in an amount not to exceed \$6,000,000 at an interest rate to be determined by the District and may be higher than the interest rate borne by the debt being refunded. On October 9, 2018, the District amended the Service Plan to allow for the increase of the issuance of indebtedness for the purpose of refunding existing debt in an amount not to exceed \$7,500,000. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2007 Election	Authorization Used		Remaining at December 31, 2018
		Series 2007 and 2013 Bonds	Series 2018 Bonds	
Street Improvements	\$ 6,000,000	\$ 3,954,100	\$ -	\$ 2,045,900
Water Supply	6,000,000	795,000	-	5,205,000
Sanitary Sewer	6,000,000	488,300	-	5,511,700
Storm Drainage	6,000,000	762,600	-	5,237,400
Traffic and Safety	6,000,000	-	-	6,000,000
Mosquito Control	6,000,000	-	-	6,000,000
Operations and Maintenance	1,000,000	-	-	1,000,000
Refunding of Debt	6,000,000	-	3,090,000	2,910,000
	<u>\$ 43,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 3,090,000</u>	<u>\$ 33,910,000</u>

Pursuant to the Service Plan, the District has no remaining authorized by unissued indebtedness.

Developer Advances

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

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 2,583,595
Noncurrent Portion of Long-Term Obligations	<u>(2,270,101)</u>
Net Investment in Capital Assets	<u><u>\$ 313,494</u></u>

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2018, as follows:

Restricted Net Position	
Emergencies	\$ 1,300
Debt Service	<u>68,066</u>
Total Restricted Net Position	<u><u>\$ 69,366</u></u>

The District had a deficit unrestricted net position as of December 31, 2018. This deficit amount is a result of the District being responsible for the repayment of debt issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District’s financial records.

NOTE 7 RELATED PARTIES

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

In 2018 the Trustee entity, GGF, LLC, was paid \$19,947 in fees related to the refunding of the District’s 2007 bonds.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 AGREEMENTS

Advance and Reimbursement and Facilities Acquisition Agreement

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

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

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

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

As of December 31, 2018, outstanding advances under the agreement totaled \$713,842 and accrued interest totaled \$243,240.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 9 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Capital Projects Fund was used to fund 2018 capital outlay. The transfer from the Debt Service Fund to the Capital Projects Fund was to reimburse for the service plan amendment and bond issuance costs paid by the District.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

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

NOTE 11 TAX, SPENDING AND DEBT LIMITATIONS

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

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

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.

**HUNTING HILL METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 11 TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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

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

SUPPLEMENTARY INFORMATION

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

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 312,188	\$ 289,820	\$ 289,820	\$ -
Specific Ownership Taxes	34,400	33,032	33,032	-
System Development Fees	27,000	-	-	-
Net Investment Income	234	2,001	2,000	(1)
Total Revenues	<u>373,822</u>	<u>324,853</u>	<u>324,852</u>	<u>(1)</u>
EXPENDITURES				
Current:				
County Treasurer's Fees	4,683	4,352	4,352	-
Banking Fees	-	5	5	-
Contingency	734	20,000	-	20,000
Debt Service:				
Bond Interest - Series 2007	368,602	2,001,935	2,001,935	-
Bond Principal - Series 2007	-	4,000,000	4,000,000	-
Bond Principal - Series 2007 - Early Redemption	-	80,000	80,000	-
Bond Issuance Costs - Series 2018	400,000	376,008	376,008	-
Total Expenditures	<u>774,019</u>	<u>6,482,300</u>	<u>6,462,300</u>	<u>20,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(400,197)	(6,157,447)	(6,137,448)	-
OTHER FINANCING SOURCES (USES)				
Bond Proceeds - Series 2018	7,090,000	7,090,000	7,090,000	-
Transfers (In)	-	-	-	-
Transfers (Out)	-	(50,829)	(50,829)	-
Total Other Financing Sources (Uses)	<u>7,090,000</u>	<u>7,039,171</u>	<u>7,039,171</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	6,689,803	881,724	901,723	-
Fund Balance - Beginning of Year	<u>1,508</u>	<u>4,669</u>	<u>4,669</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 6,691,311</u></u>	<u><u>\$ 886,393</u></u>	<u><u>\$ 906,392</u></u>	<u><u>\$ -</u></u>

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

	Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
Accounting	-	13,789	(13,789)
Legal	-	756	244
Service Plan Amendment	35,000	36,284	(1,284)
Capital Outlay:			
Entry Monumentation and Landscaping	1,000	-	-
Lighting	89,590	-	89,590
Traffic Signal	35,000	-	35,000
Walkway	-	5,940	(5,940)
Contingency	14,410	-	14,410
Total Expenditures	<u>175,000</u>	<u>56,769</u>	<u>118,231</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(175,000)	(56,769)	118,231
OTHER FINANCING SOURCES (USES)			
Transfers In	175,000	56,769	(118,231)
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	<u>175,000</u>	<u>56,769</u>	<u>(118,231)</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**HUNTING HILL METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2018**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2014	\$ 2,089,860	50.000	\$ 104,493	\$ 104,494	100.00 %
2015	2,787,260	50.000	139,363	139,364	100.00
2016	4,831,550	50.000	241,578	241,578	100.00
2017	5,742,610	50.000	287,130	287,131	100.00
2018	6,275,140	55.277	346,871	322,022	92.84
Year Ending December 31, 2019	\$ 5,828,030	55.277	\$ 322,156		

NOTE:

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

In 2018, an abatement was issued in relation to the agricultural designation of commercial land by the State of Colorado.

**HUNTING HILL METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2018**

Bonds and Interest Maturing in the Year Ending December 31,	\$7,090,000 General Obligation Limited Tax Refunding Bonds Series 2018 Interest 5.625% Dated November 21, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2019	\$ -	\$ 409,891	\$ 409,891
2020	-	398,813	398,813
2021	-	398,813	398,813
2022	-	398,813	398,813
2023	15,000	398,813	413,813
2024	75,000	397,969	472,969
2025	85,000	393,750	478,750
2026	100,000	388,969	488,969
2027	105,000	383,344	488,344
2028	120,000	377,438	497,438
2029	125,000	370,688	495,688
2030	145,000	363,656	508,656
2031	150,000	355,500	505,500
2032	170,000	347,063	517,063
2033	180,000	337,500	517,500
2034	200,000	327,375	527,375
2035	210,000	316,125	526,125
2036	235,000	304,313	539,313
2037	250,000	291,094	541,094
2038	270,000	277,031	547,031
2039	290,000	261,844	551,844
2040	315,000	245,531	560,531
2041	335,000	227,813	562,813
2042	365,000	208,969	573,969
2043	385,000	188,438	573,438
2044	415,000	166,781	581,781
2045	440,000	143,438	583,438
2046	475,000	118,688	593,688
2047	500,000	91,969	591,969
2048	1,135,000	63,844	1,198,844
	\$ 7,090,000	\$ 8,954,266	\$ 16,044,266