

**CUNDALL FARMS METROPOLITAN DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2018

**CUNDALL FARMS METROPOLITAN DISTRICT
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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cundall Farms Metropolitan District
Adams County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cundall Farms Metropolitan District as of and for the year December 31, 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 Cundall Farms 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 Cundall Farms Metropolitan District's basic financial statements. The budget to actual schedules for the Debt Service and Capital Projects Funds (Supplementary Information), the Schedule of Debt Service Requirements to Maturity and the Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected (Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Duggio & Associates, P.C.

August 8, 2019

BASIC FINANCIAL STATEMENTS

**CUNDALL FARMS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 397,376
Cash and Investments - Restricted	852,098
Accounts Receivable	12,248
Receivable from County Treasurer	4,432
Prepaid Expenses	2,470
Property Taxes Receivable	714,149
Capital Assets	12,344,699
Total Assets	14,327,472
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	977,050
Total Deferred Outflows of Resources	977,050
LIABILITIES	
Accounts Payable	35,465
Bond Interest Payable	39,823
Noncurrent Liabilities:	
Due in More Than One Year	18,208,733
Total Liabilities	18,284,021
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	714,149
Total Deferred Inflows of Resources	714,149
NET POSITION	
Restricted For:	
Emergency Reserves	11,300
Unrestricted	(3,704,948)
Total Net Position	\$ (3,693,648)

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Government Activities:					
General Government	\$ 188,798	\$ 263,231	\$ -	\$ -	\$ 74,433
Interest and Related Costs on Long-Term Debt	1,099,460	-	-	-	(1,099,460)
Total Government Activities	\$ 1,288,258	\$ 263,231	\$ -	\$ -	(1,025,027)
 GENERAL REVENUES					
Property Taxes					602,577
Specific Ownership Taxes					50,337
Interest Income					21,220
Total General Revenues					674,134
 CHANGE IN NET POSITION					
					(350,893)
Net Position - Beginning of Year as Restated					(3,342,755)
 NET POSITION - END OF YEAR					
					\$ (3,693,648)

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 397,376	\$ -	\$ -	\$ 397,376
Cash and Investments - Restricted	11,300	840,798	-	852,098
Accounts Receivable	12,248	-	-	12,248
Receivable from County Treasurer	739	3,693	-	4,432
Prepaid Expenses	2,470	-	-	2,470
Property Taxes Receivable	119,021	595,128	-	714,149
	<u>\$ 543,154</u>	<u>\$ 1,439,619</u>	<u>\$ -</u>	<u>\$ 1,982,773</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 35,465	\$ -	\$ -	\$ 35,465
Total Liabilities	35,465	-	-	35,465
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	119,021	595,128	-	714,149
Total Deferred Inflows of Resources	119,021	595,128	-	714,149
FUND BALANCES				
Nonspendable	2,470	-	-	2,470
Restricted:				
Emergency Reserves	11,300	-	-	11,300
Debt Service	-	844,491	-	844,491
Committed:				
Operations - Fees	365,426	-	-	365,426
Unassigned	9,472	-	-	9,472
Total Fund Balances	<u>388,668</u>	<u>844,491</u>	<u>-</u>	<u>1,233,159</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 543,154</u>	<u>\$ 1,439,619</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets are reported as assets on the statement of net position but are recorded as expenditures in the funds.				
Capital Assets, Not Being Depreciated				12,344,699
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(12,012,000)
Bond Interest Payable				(255,447)
Cost of Refunding				977,050
Original Issue Premium				(118,318)
Developer Advances Payable				(4,573,559)
Accrued Interest on Developer Advances				(1,289,232)
Net Position of Governmental Activities				<u>\$ (3,693,648)</u>

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS 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	\$ 100,427	\$ 502,150	\$ -	\$ 602,577
Specific Ownership Taxes	8,389	41,948	-	50,337
Other Revenue	74,492	-	-	74,492
Interest Income	3,366	17,854	-	21,220
Operations Fee	188,739	-	-	188,739
Total Revenues	<u>375,413</u>	<u>561,952</u>	<u>-</u>	<u>937,365</u>
EXPENDITURES				
General, Administrative and Operations:				
Accounting	23,941	-	-	23,941
Audit	4,700	-	-	4,700
County Treasurer's Fees	1,507	7,534	-	9,041
Election	651	-	-	651
Insurance and Bonds	3,981	-	-	3,981
Dues and Subscriptions	441	-	-	441
Legal	43,466	-	-	43,466
Miscellaneous	470	-	-	470
Grounds Cleanup	1,326	-	-	1,326
Landscape Maintenance - Contract	35,570	-	-	35,570
District Management	18,180	-	-	18,180
Facilities Management - Transfer Fee	21,600	-	-	21,600
Postage and Delivery	6,198	-	-	6,198
Community Activities	8,182	-	-	8,182
Sprinkler Repair	3,785	-	-	3,785
Water and Sewer	14,708	-	-	14,708
Electric	92	-	-	92
Debt Service:				
Paying Agent Fees	-	37	-	37
Bond Interest	-	460,624	-	460,624
Total Expenditures	<u>188,798</u>	<u>468,195</u>	<u>-</u>	<u>656,993</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	186,615	93,757	-	280,372
OTHER FINANCING SOURCES (USES)				
Transfer (To) From Other Funds	500	-	(500)	-
Total Other Financing Sources (Uses)	<u>500</u>	<u>-</u>	<u>(500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	187,115	93,757	(500)	280,372
Fund Balances - Beginning of Year	<u>201,553</u>	<u>750,734</u>	<u>500</u>	<u>952,787</u>
FUND BALANCES - END OF YEAR	<u>\$ 388,668</u>	<u>\$ 844,491</u>	<u>\$ -</u>	<u>\$ 1,233,159</u>

See accompanying Notes to Basic Financial Statements.

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 280,372
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Amounts reported for governmental activities in the statement of activities are different because:

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

Accrued Interest on Developer Advances - Change in Liability	(365,884)
Accrued Interest on Bonds - Change in Liability	(225,401)
Amortization of Bond Premium	5,508
Amortization of Deferred Cost of Refunding	(45,488)
	(350,893)

Change in Net Position of Governmental Activities	\$ (350,893)
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**CUNDALL FARMS METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual	Variance -
	Original	Final		Positive (Negative)
REVENUES				
Property Taxes	\$ 100,608	\$ 100,608	\$ 100,427	\$ (181)
Specific Ownership Taxes	11,067	11,067	8,389	(2,678)
Interest Income	1,850	1,950	3,366	1,416
Other Revenue	-	-	74,492	74,492
Operations Fee	149,742	149,742	188,739	38,997
Total Revenues	<u>263,267</u>	<u>263,367</u>	<u>375,413</u>	<u>112,046</u>
EXPENDITURES				
Accounting	20,000	25,000	23,941	1,059
Audit	5,000	4,700	4,700	-
County Treasurer's Fees	1,509	1,509	1,507	2
Election	1,750	651	651	-
Insurance and Bonds	4,500	3,981	3,981	-
Dues and Subscriptions	500	441	441	-
Legal	25,000	40,000	43,466	(3,466)
Miscellaneous	100	109	470	(361)
Contingency	1,785	3,609	-	3,609
Grounds Cleanup	3,200	3,200	1,326	1,874
Landscape Maintenance - Contract	48,870	48,870	35,570	13,300
Landscape Replacements	1,200	1,200	-	1,200
District Management	20,640	20,640	18,180	2,460
Facilities Management - Transfer Fee	21,000	21,000	21,600	(600)
Postage and Delivery	700	700	6,198	(5,498)
Community Activities	3,000	3,000	8,182	(5,182)
Sprinkler Repair	5,300	5,300	3,785	1,515
Snow Removal	7,800	7,800	-	7,800
Water and Sewer	25,000	25,000	14,708	10,292
Tract Conveyance	1,200	1,200	-	1,200
Backflow Testing	1,200	1,200	-	1,200
Lighting	50	50	-	50
Electric	1,200	1,200	92	1,108
Total Expenditures	<u>200,504</u>	<u>220,360</u>	<u>188,798</u>	<u>31,562</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	62,763	43,007	186,615	143,608
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	500	500	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	62,763	43,507	187,115	143,608
Fund Balance - Beginning of Year	<u>178,626</u>	<u>166,257</u>	<u>201,553</u>	<u>35,296</u>
FUND BALANCE - END OF YEAR	<u>\$ 241,389</u>	<u>\$ 209,764</u>	<u>\$ 388,668</u>	<u>\$ 178,904</u>

See accompanying Notes to Basic Financial Statements.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 DEFINITION OF REPORTING ENTITY

Cundall Farms Metropolitan District (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for the County of Adams, Colorado on December 16, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the City of Thornton, Colorado.

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Operations Fees

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums 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, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows and Outflows 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) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, cost of refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:	
Cash and Investments	\$ 397,376
Cash and Investments - Restricted	852,098
Total Cash and Investments	<u>\$ 1,249,474</u>

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

Deposits with Financial Institutions	\$ 150,002
Investments	1,099,472
Total	<u>\$ 1,249,474</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.

As of December 31, 2018, the District had a bank and a carrying balance of \$150,002.

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.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 1,099,472

CSAFE

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in property for the period ended December 31, 2018, follows:

	Balance - December 31, 2017	Additions	Deletions / Reclassifications	Balance - December 31, 2018
<u>Governmental Type Activities</u>				
Capital Assets Not Being Depreciated:				
<i>Public improvements to be conveyed and/or awaiting formal acceptance from other governmental entities</i>	\$ 12,344,699	\$ -	\$ -	\$ 12,344,699
Total Capital Assets, Not Being Depreciated	<u>\$ 12,344,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,344,699</u>

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2017	Additions	Retirement of Long-Term Obligations	Balance - December 31, 2018	Due Within One Year
G.O. Bonds - Series 2017A	\$ 9,720,000	\$ -	\$ -	\$ 9,720,000	\$ -
G.O. Bonds - Series 2017B	1,500,000	-	-	1,500,000	-
G.O. Bonds - Series 2017C	792,000	-	-	792,000	-
Accrued and Unpaid Interest - 2017B	4,621	111,262	-	115,883	-
Accrued and Unpaid Interest - 2017C	3,971	95,770	-	99,741	-
Bond Premium	123,826	-	5,508	118,318	-
Developer Advances - Operations	164,941	-	-	164,941	-
Developer Advances - Capital *	4,408,618	-	-	4,408,618	-
Accrued Interest - Developer Advances - Operations	31,307	13,195	-	44,502	-
Accrued Interest - Developer Advances - Capital *	892,041	352,689	-	1,244,730	-
Total	<u>\$ 17,641,325</u>	<u>\$ 572,916</u>	<u>\$ 5,508</u>	<u>\$ 18,208,733</u>	<u>\$ -</u>

* December 31, 2017 amounts were restated

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG TERM OBLIGATIONS (CONTINUED)

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

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

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

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

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

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

On December 14, 2017, the District advance refunded and defeased \$6,835,000 of General Obligation Bonds (Series 2014) with an average interest rate of 6.875% and \$1,575,000 of General Obligation Bonds (Series 2016) with an average interest rate of 7.75% by the issuance of \$9,720,000 General Obligation Refunding Bonds dated December 14, 2017 with an average interest rate of 4.96%. The District advance refunded the Series 2014 and Series 2016 bonds to reduce its total debt service payments over the next 30 years by almost \$1,234,000 and achieve an economic gain of \$1,021,674. Restrictions on the monies restricted for interest payments and the reserve account pertaining to the defeased bonds were removed under the new refunding. The defeased bonds are not considered a liability of the District since sufficient funds in the amount of \$8,685,814 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 until the call date, at which point the bonds will be repaid in their entirety from the remaining funds in the escrow account. The Series 2014 Bonds will be redeemed on December 1, 2019 and the Series 2016 Bonds will be redeemed on December 15, 2019. As of December 31, 2018, the outstanding principal balance of the Series 2014 bonds is \$6,835,000 and the outstanding balance of the Series 2016 Bonds is \$1,575,000.

\$9,720,000 Series 2017A General Obligation Refunding Bonds, \$1,500,000 Series 2017B Subordinate Limited Tax General Obligation Improvement Bonds, \$792,000 Series 2017C Limited Tax Junior Lien Subordinate General Obligation Bonds

On December 14, 2017, the District issued its \$9,720,000 General Obligation Refunding Bonds, Series 2017A (2017A Bonds), its \$1,500,000 Subordinate Limited Tax General Obligation Improvement Bonds, Series 2017B (2017B Bonds) and its \$792,000 Limited Tax Junior Lien Subordinate General Obligation Bonds (2017C Bonds). The proceeds from the sale of the 2017A Bonds were applied to refunding the 2014 and 2016 Bonds of the District, paying the costs of issuing the 2017 Bonds and establishing a Reserve Fund in the amount of \$743,000. The proceeds from the sale of the 2017B Bonds will be applied to public improvements and paying the costs of issuing the 2017B Bonds. The proceeds from the sale of the 2017C Bonds will be applied to public improvements for the District and paying certain costs of issuing the 2017C Bonds.

The 2017A Bonds bear interest at 4.625% to 5.000%, payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2020. The 2017A Bonds mature on December 1, 2032 and December 1, 2047. The maximum amount of the Senior Surplus Fund is \$972,000.

The 2017B Bonds bear interest at 7.375% per annum, are payable annually from Subordinate Pledged Revenue, if any, on December 15, beginning on December 15, 2018, and mature on December 15, 2047. The 2017B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017B Bonds compounds annually on each December 15. The 2017B Bonds mature on December 15, 2047 and discharge on December 15, 2055, regardless of the amount of principal and interest paid on the 2017B Bonds prior to such Subordinate Termination Date.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The 2017C Bonds bear interest at the rate of 12.00% per annum, and are payable annually from Junior Subordinate Pledged Revenue, if any available, on each December 15, commencing on the first December 15 occurring after the 2017B Bonds have been paid in full or are no longer outstanding, and mature on December 15, 2049. The 2017C Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2017C Bonds compounds annually on each December 15. All of the 2017C Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 15, 2055, regardless of the amount of principal and interest paid on the 2017C Bonds prior to such Termination Date.

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 477,881	\$ 477,881
2020	75,000	477,881	552,881
2021	100,000	474,413	574,413
2022	120,000	469,788	589,788
2023	125,000	464,238	589,238
2024-2028	820,000	2,222,906	3,042,906
2029-2033	1,195,000	1,999,750	3,194,750
2034-2038	1,700,000	1,662,750	3,362,750
2039-2043	2,355,000	1,175,750	3,530,750
2044-2047	3,230,000	468,500	3,698,500
Total	<u>\$ 9,720,000</u>	<u>\$ 9,893,857</u>	<u>\$ 19,613,857</u>

Debt Authorization

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

At December 31, 2018, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized November 3, 2009 Election	Authorization Used Series 2014	Authorization Used Series 2016	Authorization Used Series 2017	Remaining at December 31, 2018
Streets	\$ 20,000,000	\$ 3,192,000	\$ 736,000	\$ 1,071,000	\$ 15,001,000
Parks and Recreation	20,000,000	307,000	70,000	102,000	19,521,000
Water	20,000,000	643,000	148,000	215,000	18,994,000
Sanitation/Storm Sewer	20,000,000	2,693,000	621,000	904,000	15,782,000
Transportation	5,000,000	-	-	-	5,000,000
Mosquito Control	5,000,000	-	-	-	5,000,000
Safety Protection	20,000,000	-	-	-	20,000,000
Fire Protection	5,000,000	-	-	-	5,000,000
Television and Relay	5,000,000	-	-	-	5,000,000
Security	5,000,000	-	-	-	5,000,000
Operations and Maintenance	5,000,000	-	-	-	5,000,000
Refunding of Debt	20,000,000	-	-	9,720,000	10,280,000
Governmental IGA's	20,000,000	-	-	-	20,000,000
Private IGA's	20,000,000	-	-	-	20,000,000
Total	<u>\$ 190,000,000</u>	<u>\$ 6,835,000</u>	<u>\$ 1,575,000</u>	<u>\$ 12,012,000</u>	<u>\$ 169,578,000</u>

NOTE 6 NET POSITION

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

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position of \$11,300 for emergencies as of December 31, 2018.

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, and accrued interest, issued for public improvements.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 AGREEMENTS

Funding and Reimbursement Agreement

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

As of December 31, 2018, \$164,941 was outstanding with accrued interest of \$44,502.

Operations Shortfall Funding Agreement

On March 3, 2016, the District and KB Homes Colorado Inc. (the Homebuilder) entered into an Operations Shortfall Funding Agreement (the Operations Shortfall Funding Agreement). Pursuant to the Operations Shortfall Funding Agreement, the Homebuilder agrees to pay to the District, in the time and manner set forth in the Operations Shortfall Funding Agreement, amounts sufficient to pay the Operations Costs Shortfall (defined generally as the difference between the District's operations revenue available to pay operations costs and the actual operations costs) for calendar years 2015 through 2019. The Operations Shortfall Funding Agreement provides that all amounts funded by the Homebuilder to pay Operations Costs Shortfalls are deemed to be a contribution to the District by the Homebuilder, and there will be no obligation, present or future, of the District to pay or reimburse the Homebuilder. No amounts have been contributed by the Homebuilder as of December 31, 2018.

Infrastructure Acquisition and Reimbursement Agreement

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

As of December 31, 2018, \$4,408,618 was outstanding with accrued interest of \$1,244,730.

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 AGREEMENTS (CONTINUED)

Intergovernmental Agreement with the City of Thornton

On June 7, 2012, the Intergovernmental Agreement (IGA) was made, and entered into, between the District and the City of Thornton. The IGA defines and clarifies the services that the District may provide, as well as those services that the District is prohibited from providing. The IGA defines and clarifies the limits on revenue sources for the District. Under the IGA, the District shall not exercise its City sales and use tax exemption.

NOTE 8 RELATED PARTIES

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

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

NOTE 9 RISK MANAGEMENT

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

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

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

**CUNDALL FARMS METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 10 TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

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

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

NOTE 11 RESTATEMENT OF PRIOR YEAR ITEMS

Certain items from prior year have been adjusted, impacting beginning net position. In the government-wide financial statements, the total capital assets amount was reduced to reflect that certain capital assets were in fact not acquired (costs not accepted) by the District. The corresponding amount was removed from the Developer Advances-Capital and the associated accrued interest.

The nature and impact of those adjustments is reflected as follows:

Net Position - December 31, 2017 as Originally Stated	\$ (3,464,288)
Restatement to Developer Advance Payable - Capital	997,303
Restatement to Capital Assets, Not Being Depreciated	(997,303)
Restatement to Accrued Interest - Developer Advances	121,533
Net Position - December 31, 2017 as Restated	<u>\$ (3,342,755)</u>

SUPPLEMENTARY INFORMATION

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

	Original and Final Budget	Actual	Variance - Positive (Negative)
REVENUES			
Property Taxes	\$ 503,057	\$ 502,150	\$ (907)
Specific Ownership Taxes	55,336	41,948	(13,388)
Interest Income	8,500	17,854	9,354
Total Revenues	<u>566,893</u>	<u>561,952</u>	<u>(4,941)</u>
EXPENDITURES			
Paying Agent Fees	3,000	37	2,963
County Treasurer's Fees	7,546	7,534	12
Bond Interest	460,224	460,624	(400)
Contingency	20,230	-	20,230
Total Expenditures	<u>491,000</u>	<u>468,195</u>	<u>22,805</u>
NET CHANGE IN FUND BALANCE	75,893	93,757	17,864
Fund Balance - Beginning of Year	<u>750,000</u>	<u>750,734</u>	<u>734</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 825,893</u></u>	<u><u>\$ 844,491</u></u>	<u><u>\$ 18,598</u></u>

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

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers to Other Fund	-	(500)	(500)	-
Total Other Financing Sources (Uses)	-	(500)	(500)	-
NET CHANGE IN FUND BALANCE	-	(500)	(500)	-
Fund Balance - Beginning of Year	-	500	500	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**CUNDALL FARMS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2018**

<u>Bonds and Interest Maturing in the Year Ending December 31.</u>	\$9,720,000 General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) Series 2017A, Dated December 14, 2017 \$2,165,000 4.625% Term Bonds Due December 1, 2032 \$7,555,000 5.000% Term Bonds Due December 1, 2047 Interest Due June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total
2019	\$ -	\$ 477,881	\$ 477,881
2020	75,000	477,881	552,881
2021	100,000	474,413	574,413
2022	120,000	469,788	589,788
2023	125,000	464,238	589,238
2024	140,000	458,456	598,456
2025	145,000	451,981	596,981
2026	165,000	445,275	610,275
2027	175,000	437,644	612,644
2028	195,000	429,550	624,550
2029	205,000	420,531	625,531
2030	225,000	411,050	636,050
2031	235,000	400,644	635,644
2032	260,000	389,775	649,775
2033	270,000	377,750	647,750
2034	300,000	364,250	664,250
2035	310,000	349,250	659,250
2036	340,000	333,750	673,750
2037	360,000	316,750	676,750
2038	390,000	298,750	688,750
2039	410,000	279,250	689,250
2040	445,000	258,750	703,750
2041	465,000	236,500	701,500
2042	505,000	213,250	718,250
2043	530,000	188,000	718,000
2044	570,000	161,500	731,500
2045	600,000	133,000	733,000
2046	640,000	103,000	743,000
2047	1,420,000	71,000	1,491,000
Total	\$ 9,720,000	\$ 9,893,857	\$ 19,613,857

**CUNDALL FARMS 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		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2013	\$ 117,620	60.000	0.000	\$ 7,057	\$ 7,057	100.00 %
2014	41,690	60.000	0.000	2,501	2,501	100.00
2015	47,800	10.000	50.000	2,868	2,556	89.12
2016	768,070	10.000	50.000	46,085	46,084	100.00
2017	2,926,660	10.000	50.000	175,600	175,600	100.00
2018	9,100,660	11.055	55.277	603,665	602,577	99.82
Estimated for the Year Ending December 31, 2019	\$ 10,766,290	11.055	55.277	\$ 714,149		

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