

**Canterberry Crossing Metropolitan District II**  
**8390 East Crescent Parkway, Suite 300**  
**Greenwood Village, CO 80111-4974**  
**303-779-5710**

August 30, 2018

Ms. Michelle Kivela, Town Administrator  
Town of Parker  
20120 East Mainstreet  
Parker, CO 80138

Re: Canterberry Crossing Metropolitan District II 2017 Annual Report

Dear Ms Kivela:

The following documents and information are forwarded to the Town of Parker ("Town") for 2017 as required in the approved Service Plan for Canterberry Crossing Metropolitan District II (District):

- A) The District is a completely built-out residential district; thus, the District's implementation of its Service Plan is proceeding as planned and as approved by the Town. The District has received final acceptance from all appropriate parties for these improvements.
- B) The 2017 Audit (enclosed)
- C) Capital expenditures incurred by the District in development of public facilities: The District spent \$69,238 on park improvements in 2017.
- D) Financial obligations as of 12/31/2017:
  - i. On October 1, 2013 the District entered into a Loan Agreement (Loan) with Compass Mortgage Corporation. The Loan proceeds were used to pay outstanding principal and interest due on the Series 2008 Loan. The Loan had a principal balance of \$12,290,000 and an interest rate of 3.45% with payments due on June 1 and December 1 annually through December 1, 2020. The District is currently refunding this loan with a General Obligation bond, expected to close in October 2018.
  - ii. The District did not issue new debt in 2017.
  - iii. The 2017 payment of the Loan was \$ 320,000 and the existing indebtedness of the District for years after 2017 is \$11,070,000.
  - iv. Total assessed valuation of all taxable properties within the District as of December of 2017: \$24,118,780.

Canterberry Crossing Metro District II  
Annual Report 2017

- v. Current Mill Levy of the District pledged to debt retirement as certified in 2017 for collection in 2018: 35.500; total mill levy is 38.500.
- E) 2018 District Budget (enclosed)
- F) The District is a completely built-out residential community with an estimated population of 1,895. There was no commercial development in the District during 2017.
- G) A summary of fees, charges and assessments imposed by the District as of January 1, 2017: The Board of Directors of the District ratified certain homeowner recreation fees ("Recreation Center Fees") set by the Villages at Parker Master Association, Inc. d/b/a Canterberry Crossing Master Association (the "HOA"). For 2017, the Recreation Center Fees were \$150 per household per quarter (\$600 per household per year). The Recreation Fee is collected by the HOA to pay operations and maintenance costs associated with pool and recreation facilities.
- H) On behalf of the Board of Directors, I certify that no action, event or condition enumerated in Section 10.11.060 of the Parker Colorado Municipal Code, as amended, has occurred in the Report Year.
- I) A list of the names, business addresses and telephone numbers of each Board Member, as of December 31, 2017, as well as current Board Members, are enclosed. Please note that all Board Members are now homeowner-residents. Identification of the manager and general counsel is attached hereto. The District meets regularly on the third Tuesday of the month of February and at special meetings as necessary

Should you have any questions, please feel free to contact me at any time.

Sincerely,

*Chuck Reid*

Chuck Reid  
District Manager  
CliftonLarsonAllen, LLP

Enclosures (3)

e-copy: Board of Directors w/o enclosures  
Mary Jo Dougherty, w/o enclosures

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2018

To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2018 budget and budget message for CANTERBERRY CROSSING METROPOLITAN DISTRICT II n Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 7, 2017. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP  
8390 E. Crescent Pkwy., Suite 500  
Greenwood Village, CO 80111  
Telephone number: 303-779-5710

I, Chuck Reid, District Manager of the Canterbury Crossing Metropolitan District II, hereby certify that the attached is a true and correct copy of the 2018 budget.

By: \_\_\_\_\_

*cked*

Chuck Reid

**RESOLUTION NO. 2017-11-02**

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
CANTERBERRY CROSSING METROPOLITAN DISTRICT II, DOUGLAS COUNTY,  
COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING  
EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND  
APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2018**

The Recitals:

- A. The Board of Directors of Canterbury Crossing Metropolitan District II (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.
- B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body on October 13, 2017 for its consideration.
- C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 7, 2017, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.
- D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.
- E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.
- F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.
- G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
CANTERBERRY CROSSING METROPOLITAN DISTRICT II, DOUGLAS COUNTY,  
COLORADO:**

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as Exhibit A and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

**[SIGNATURE PAGE FOLLOWS]**

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND  
APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on November 7, 2017.

**CANTERBERRY CROSSING  
METROPOLITAN DISTRICT II**

By:   
President

Attest:

By:   
Secretary



**EXHIBIT A**

**Budget**

I, Joseph J. Liw, hereby certify that I am the duly appointed Secretary of the Canterbury Crossing Metropolitan District II, and that the foregoing is a true and correct copy of the budget for the budget year 2018, duly adopted at a meeting of the Board of Directors of the Canterbury Crossing Metropolitan District II held on November 7, 2017.

  
Secretary



CliftonLarsonAllen

CliftonLarsonAllen LLP  
CLAconnect.com

### Accountant's Compilation Report

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

Management is responsible for the accompanying budget of revenues expenditures and fund balances of Canterberry Crossing Metropolitan District II for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Canterberry Crossing Metropolitan District II.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 11, 2018

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**SUMMARY**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/11/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 824,234	\$ 1,016,905	\$ 1,156,502
<b>REVENUES</b>			
1 Property taxes	890,115	890,199	928,573
2 Specific ownership taxes	81,913	93,449	92,800
3 Conservation Trust entitlement	14,689	13,000	13,000
4 Net investment income	612	1,142	12,000
5 Other income	53	-	-
6 Users fees	159,316	171,800	171,800
7 Miscellaneous income	-	7	-
Total revenues	<u>1,146,698</u>	<u>1,169,597</u>	<u>1,218,173</u>
Total funds available	<u>1,970,932</u>	<u>2,186,502</u>	<u>2,374,675</u>
<b>EXPENDITURES</b>			
General and administration			
8 Accounting	18,378	20,000	20,000
9 Audit	4,200	4,500	4,500
10 Contingency	-	488	4,150
11 County Treasurer's fees	1,041	1,100	1,100
12 Director fees	831	2,000	2,000
13 District management	10,179	15,000	15,000
14 Dues and membership	492	929	600
15 Election	1,372	-	2,000
16 Insurance	12,071	12,278	13,000
17 Legal	7,028	8,000	10,000
18 Miscellaneous	724	555	14,500
19 Payroll tax	31	150	150
Operations and maintenance			
20 Alarm System	208	-	-
21 Chemicals and supplies	12,590	11,000	11,000
22 Contingency	-	714	15,000
23 Electricity	-	10,294	12,000
24 Gas and electric	14,002	1,000	1,200
25 Insurance	1,425	-	1,500
26 License and permits	-	510	510
27 Management contract	72,500	75,000	75,000
28 Miscellaneous	2,725	1,392	1,800
29 Office supplies	-	490	490
30 Payroll	26,898	28,500	28,500
31 Pool enhancements	1,979	2,000	2,000
32 Pool equipment	272	-	-
33 Pool security	8,817	7,800	7,800
34 Pool tags	-	2,000	2,000
35 Repair and maintenance - building	12,618	12,000	11,500
36 Storm water	1,101	1,200	1,400
37 Telephone	1,615	2,300	2,300
38 Water	7,909	8,800	9,000
Debt service			
39 Contingency	-	8,987	4,681
40 County Treasurer's fees	12,317	12,300	12,800
41 Loan interest - Series 2013	410,390	398,413	387,219
42 Loan principal - Series 2013	310,000	320,000	340,000
43 Miscellaneous	15	-	-
44 Paying agent fees	300	300	300
Capital projects			
45 Conservation Trust Project	-	60,000	25,000
Total expenditures	<u>954,028</u>	<u>1,030,000</u>	<u>1,040,000</u>
Total expenditures and transfers out requiring appropriation	<u>954,028</u>	<u>1,030,000</u>	<u>1,040,000</u>
ENDING FUND BALANCES	<u>\$ 1,016,904</u>	<u>\$ 1,156,502</u>	<u>\$ 1,334,675</u>
EMERGENCY RESERVE	\$ 2,300	\$ 2,300	\$ 2,500
DEBT SERVICE RESERVE	500,000	500,000	500,000
CONSERVATION TRUST FUND RESERVE	73,401	26,401	14,401
UNASSIGNED	5,770	5,770	5,770
TOTAL RESERVE	<u>\$ 581,471</u>	<u>\$ 534,471</u>	<u>\$ 522,671</u>

This financial information should be read only in connection with the accompanying accountant's  
compilation report and summary of significant assumptions.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**PROPERTY TAX SUMMARY INFORMATION**  
For the Years Ended and Ending December 31,

1/11/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - DOUGLAS</b>			
Residential	\$ 23,027,000	\$ 23,023,930	\$ 24,010,430
Commercial	250	250	250
Personal Property	97,500	97,200	107,400
State Assessed	700	700	700
Certified Assessed Value	\$ 23,125,450	\$ 23,122,080	\$ 24,118,780
<b>MILL LEVY</b>			
GENERAL FUND	3.000	3.000	3.000
DEBT SERVICE FUND	35.500	35.500	35.500
Total Mill Levy	38.500	38.500	38.500
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 69,376	\$ 69,366	\$ 72,356
DEBT SERVICE FUND	820,953	820,833	856,217
Levied property taxes	890,329	890,199	928,573
Adjustments to actual/rounding	(214)	-	-
Budgeted Property Taxes	\$ 890,115	\$ 890,199	\$ 928,573
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 69,340	\$ 69,366	\$ 72,356
DEBT SERVICE FUND	820,775	820,833	856,217
	\$ 890,115	\$ 890,199	\$ 928,573

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**GENERAL FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/11/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 23,510	\$ 42,894	\$ 54,552
<b>REVENUES</b>			
1 Property taxes	69,340	69,366	72,356
2 Specific ownership taxes	6,381	7,280	7,200
3 Net investment income	9	12	500
4 Other income	1	-	-
Total revenues	<u>75,731</u>	<u>76,658</u>	<u>80,056</u>
Total funds available	<u>99,241</u>	<u>119,552</u>	<u>134,608</u>
<b>EXPENDITURES</b>			
General and administration			
5 Accounting	18,378	20,000	20,000
6 Audit	4,200	4,500	4,500
7 Contingency	-	488	4,150
8 County Treasurer's fees	1,041	1,100	1,100
9 Director fees	831	2,000	2,000
10 District management	10,179	15,000	15,000
11 Dues and membership	492	929	600
12 Election	1,372	-	2,000
13 Insurance	12,071	12,278	13,000
14 Legal	7,028	8,000	10,000
15 Miscellaneous	724	555	14,500
16 Payroll tax	31	150	150
Total expenditures	<u>56,347</u>	<u>65,000</u>	<u>87,000</u>
Total expenditures and transfers out requiring appropriation	<u>56,347</u>	<u>65,000</u>	<u>87,000</u>
ENDING FUND BALANCES	<u>\$ 42,894</u>	<u>\$ 54,552</u>	<u>\$ 47,608</u>
EMERGENCY RESERVE	<u>\$ 2,300</u>	<u>\$ 2,300</u>	<u>\$ 2,500</u>
TOTAL RESERVE	<u>\$ 2,300</u>	<u>\$ 2,300</u>	<u>\$ 2,500</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**DEBT SERVICE FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/11/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 719,398	\$ 883,288	\$ 1,051,420
REVENUES			
1 Property taxes	820,775	820,833	856,217
2 Specific ownership taxes	75,532	86,169	85,600
3 Net investment income	603	1,130	11,500
4 Other income	2	-	-
Total revenues	<u>896,912</u>	<u>908,132</u>	<u>953,317</u>
Total funds available	<u>1,616,310</u>	<u>1,791,420</u>	<u>2,004,737</u>
EXPENDITURES			
Debt service			
5 Contingency	-	8,987	4,681
6 County Treasurer's fees	12,317	12,300	12,800
7 Loan interest - Series 2013	410,390	398,413	387,219
8 Loan principal - Series 2013	310,000	320,000	340,000
9 Miscellaneous	15	-	-
10 Paying agent fees	300	300	300
Total expenditures	<u>733,022</u>	<u>740,000</u>	<u>745,000</u>
Total expenditures and transfers out requiring appropriation	<u>733,022</u>	<u>740,000</u>	<u>745,000</u>
ENDING FUND BALANCES	<u>\$ 883,288</u>	<u>\$ 1,051,420</u>	<u>\$ 1,259,737</u>
DEBT SERVICE RESERVE	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
TOTAL RESERVE	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**CAPITAL PROJECTS FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/11/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 64,480	\$ 79,171	\$ 32,171
REVENUES			
1 Conservation Trust entitlement	14,689	13,000	13,000
2 Other income	1	-	-
Total revenues	<u>14,690</u>	<u>13,000</u>	<u>13,000</u>
Total funds available	<u>79,170</u>	<u>92,171</u>	<u>45,171</u>
EXPENDITURES			
Capital projects			
3 Conservation Trust Project	-	60,000	25,000
Total expenditures	<u>-</u>	<u>60,000</u>	<u>25,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>60,000</u>	<u>25,000</u>
ENDING FUND BALANCES	<u>\$ 79,171</u>	<u>\$ 32,171</u>	<u>\$ 20,171</u>
CONSERVATION TRUST FUND RESERVE	\$ 73,401	\$ 26,401	\$ 14,401
UNASSIGNED	<u>5,770</u>	<u>5,770</u>	<u>5,770</u>
TOTAL RESERVE	<u>\$ 79,171</u>	<u>\$ 32,171</u>	<u>\$ 20,171</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**ENTERPRISE FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/11/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUNDS AVAILABLE	\$ 16,846	\$ 11,552	\$ 11,559
REVENUES			
1 Other income	49	-	-
2 Users fees	159,316	171,800	171,800
3 Miscellaneous income	-	7	-
Total revenues	159,365	171,807	171,800
Total funds available	176,211	183,359	183,359
EXPENDITURES			
Operations and maintenance			
4 Alarm System	208	-	-
5 Chemicals and supplies	12,590	11,000	11,000
6 Contingency	-	714	15,000
7 Electricity	-	10,294	12,000
8 Gas and electric	14,002	1,000	1,200
9 Insurance	1,425	-	1,500
10 License and permits	-	510	510
11 Management contract	72,500	75,000	75,000
12 Miscellaneous	2,725	1,392	1,800
13 Office supplies	-	490	490
14 Payroll	26,898	28,500	28,500
15 Pool enhancements	1,979	2,000	2,000
16 Pool equipment	272	-	-
17 Pool security	8,817	7,800	7,800
18 Pool tags	-	2,000	2,000
19 Repair and maintenance - building	12,618	12,000	11,500
20 Storm water	1,101	1,200	1,400
21 Telephone	1,615	2,300	2,300
22 Water	7,909	8,800	9,000
Total expenditures	164,659	171,800	183,000
Total expenditures and transfers out requiring appropriation	164,659	171,800	183,000
ENDING FUNDS AVAILABLE	\$ 11,552	\$ 11,559	\$ 359

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Canterbury Crossing Metropolitan District II (District), a quasi-municipal corporation located entirely in the Town of Parker, Douglas County, Colorado, was organized on January 9, 2001 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide for construction and financing of street, safety control, water, sanitation and park and recreation facilities and improvements. The street and safety improvements were dedicated to and are being maintained by the Town of Parker. Water and sanitation improvements were dedicated to and are being maintained by Parker Water and Sanitation District. Other improvements were dedicated to and are being maintained by the Villages at Parker Master Association, d/b/a Canterbury Crossing Master Homeowners Association.

On November 7, 2000, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$26,000,000. According to the modified Service Plan, the District is limited to issuing \$13,000,000 in debt (except for bonds issued for refunding purposes) with a maximum debt service mill levy of 35.000 mills as adjusted for changes in the method of calculating assessed valuation.

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

The District prepares its budget on the modified accrual basis of accounting.

**Revenue**

**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.

The District adopted an operations mill levy of 3.000 and a debt service mill levy of 35.500, for a total of 38.500 mills.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue (continued)**

County Treasurer to all taxing entities within the County. The forecast assumes the District's share will be equal to approximately 10% of the property taxes collected by the District.

**Interest**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.00%.

**Users Fees**

The District has budgeted \$171,800 in user fees to be collected from users of the pool at the community center.

**Conservation Trust (Lottery Proceeds)**

The District receives revenue from the State Lottery on a per capita basis ratio. The revenue is restricted for recreation purposes under State statues.

**Expenditures**

**Administrative and Operating Expenses**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and other administrative expenses.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Debt Service**

On October 1, 2013 the District entered into a loan agreement (Loan) with BBVA Compass Bank for an amount of \$12,290,000. The Loan proceeds were used to pay the outstanding principal and interest due on the Series 2008 Loan. The Loan has a rate of 3.45% with payments due on June 1 and December 1 annually through December 1, 2020.

The District is required to levy a minimum of 35.500 mills for debt service beginning in 2013 and throughout the term of the Loan. The Reserve Fund is required to maintain a minimum balance of \$500,000 (the "Debt Service Reserve"). If the amount in the Reserve Fund is less

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (continued)**

than the Reserve Requirement, the District shall levy an amount sufficient to replenish the Reserve Requirement.

**Capital Projects**

The District anticipates capital expenditures for eligible Conservation Trust Fund projects as outlined on the Enterprise Fund page of the Budget.

**Debt and Leases**

The District's current debt service schedule is attached. The District has no operating or capital leases.

**Reserve Funds**

**Debt Service Reserve**

The District has a minimum Reserve Requirement of \$500,000 in connection with the 2013 Loan.

**Emergency Reserve**

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2018, as defined under TABOR.

**This information is an integral part of the accompanying forecasted budget.**

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

<b>Loan and Interest Maturing in the Year Ending December 31,</b>	<b>\$12,290,000 Tax Free Loan Dated October 1, 2013 Principal Due Annually December 1 Interest at 3.45% Due June 1 and December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	340,000	387,219	727,219
2019	355,000	375,326	730,326
2020	10,375,000	363,903	10,738,903
	<b>\$ 11,070,000</b>	<b>\$ 1,126,448</b>	<b>\$ 12,196,448</b>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**RESOLUTION NO. 2017-11-03**

**RESOLUTION TO SET MILL LEVIES**

**RESOLUTION OF THE CANTERBERRY CROSSING METROPOLITAN DISTRICT II  
LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111,  
C.R.S., FOR THE YEAR 2017, TO HELP DEFRAY THE COSTS OF GOVERNMENT  
FOR THE 2018 BUDGET YEAR**

The Recitals:

A. The Board of Directors of the Canterbury Crossing Metropolitan District II (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 7, 2017.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for General Fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for Debt Service Fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Canterbury Crossing Metropolitan District II, Douglas County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2018 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2018 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2017 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and

incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

**[SIGNATURE PAGE FOLLOWS]**

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on November 7, 2017.

CANTERBERRY CROSSING  
METROPOLITAN DISTRICT II

By:   
President

Attest:

By:   
Secretary



**EXHIBIT 1**  
Certification of Tax Levies

I, Joseph J. Liew, hereby certify that I am the duly appointed Secretary of the Canterbury Crossing Metropolitan District II, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2018, duly adopted at a meeting of the Board of Directors of the Canterbury Crossing Metropolitan District II held on November 7, 2017.

  
Secretary

### CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of DOUGLAS COUNTY, Colorado.

On behalf of the CANTERBERRY CROSSING METROPOLITAN DSTRCT II,  
(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
(governing body)<sup>B</sup>

of the CANTERBERRY CROSSING METROPOLITAN DSTRCT II  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 24,118,780 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 24,118,780 (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 11/30/17 for budget/fiscal year 2018.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <sup>H</sup> (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	3.000 mills	\$ 72,356
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	3.000 mills	\$ 72,356
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
4. Contractual Obligations <sup>K</sup>	35.500 mills	\$ 856,217
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	38.500 mills	\$ 928,573

Contact person: Jason Carroll Daytime phone: (303) 779-5710  
(print)  
Signed:  Title: Accountant for the District

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.  
<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- 1. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
  
- 2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

- 3. Purpose of Contract: Refinancing of the Series 2008 Tax Exempt Loan  
Title: Series 2013 Tax Exempt Loan  
Date: October 1, 2013  
Principal Amount: \$12,290,000  
Maturity Date: December 1, 2020  
Levy: 35.500  
Revenue: \$856,217
  
- 4. Purpose of Contract: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Colorado Community Media  
9137 Ridgeline Blvd., Suite 210  
Highlands Ranch CO, 80129

Public Notice

NOTICE AS TO PROPOSED 2018 BUDGET  
AND AMENDMENT OF 2017 BUDGET

CANTERBERRY CROSSING  
METROPOLITAN DISTRICT II  
DOUGLAS COUNTY, COLORADO

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that a proposed budget has been submitted to the Board of Directors of the Canterbury Crossing Metropolitan District II (the "District") for the ensuing year of 2018. The necessity may also arise for the amendment of the 2017 budget of the District. Copies of the proposed 2018 budget and 2017 amended budget (if appropriate) are on file in the office of the District's Accountant, Clifton-LarsonAllen LLP, 8390 E. Crescent Pkwy., Ste. 500, Greenwood Village, CO 80111, where same are available for public inspection. Such proposed 2018 budget and 2017 amended budget will be considered at a special meeting to be held on Tuesday, November 7, 2017 at McCloud & Associates, 18690 E. Plaza Drive, Parker, CO 80134 at 6:00 p.m. Any interested elector within the District may, at any time prior to the final adoption of the 2018 budget or the 2017 amended budget, inspect the 2018 budget and the 2017 amended budget and file or register any objections thereto.

CANTERBERRY CROSSING  
METROPOLITAN DISTRICT II  
/s/ Chuck Reid, District Manager

Legal Notice No.: 931937  
First Publication: November 2, 2017  
Last Publication: November 2, 2017  
Publisher: Douglas County News-Press

# AFFIDAVIT OF PUBLICATION

State of Colorado }  
County of Douglas } ss

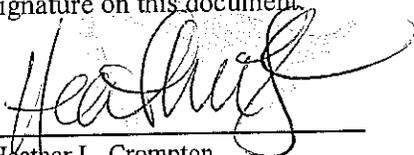
This Affidavit of Publication for the DOUGLAS COUNTY NEWS PRESS , a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, --1-- successive week(s), the last of which publication was made 2nd day November A.D., 2017, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



For the Douglas County News-Press

State of Colorado }  
County of Douglas } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before by the above named Gerard Healey, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on the 2nd day of November A.D., 2017. Gerard Healey has verified to me that he has adopted an electronic signature to function as his signature on this document.



Heather L. Crompton  
Notary Public

My commission ends December 18, 2019

HEATHER L. CROMPTON  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20154048391  
Commission expiration date:  
December 18, 2019

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

**FINANCIAL STATEMENTS  
December 31, 2017**

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

### Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Canterbury Crossing Metropolitan District II, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Canterbury Crossing Metropolitan District II as of December 31, 2017, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other-Matters***

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Canterbury Crossing Metropolitan District II's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

*Simmons & Wheeler P.C.*

Englewood, CO  
July 18, 2018

## **BASIC FINANCIAL STATEMENTS**

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**STATEMENT OF NET POSITION**  
December 31, 2017

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 32,294	\$ 10,162	\$ 42,456
Cash - Restricted	1,067,512	-	1,067,512
Receivable - County Treasurer	6,532	-	6,532
Receivable from other Districts	27,170	-	27,170
Prepaid expense	12,260	784	13,044
Property taxes receivable	928,573	-	928,573
Community Center, pool and equipment	-	646,750	646,750
Total assets	<u>2,074,341</u>	<u>657,696</u>	<u>2,732,037</u>
<b>LIABILITIES</b>			
Accounts payable	3,013	412	3,425
Payroll taxes payable	46	-	46
Loan interest payable	32,268	-	32,268
Directors fees payable	300	-	300
Due to other districts	9,836	-	9,836
Noncurrent liabilities			
Due within one year	340,000	-	340,000
Due in more than one year	10,730,000	-	10,730,000
Total liabilities	<u>11,115,463</u>	<u>412</u>	<u>11,115,875</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax revenue	928,573	-	928,573
Total deferred inflows of resources	<u>928,573</u>	<u>-</u>	<u>928,573</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	646,750	646,750
Restricted for:			
Emergency reserve	2,400	-	2,400
Debt service	1,032,861	-	1,032,861
Conservation Trust	17,571	-	17,571
Unrestricted	(11,022,527)	10,534	(11,011,993)
Total net position	<u>\$ (9,969,695)</u>	<u>\$ 657,284</u>	<u>\$ (9,312,411)</u>

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary government:							
Government activities:							
General government	\$ 145,020	\$ -	\$ -	\$ 13,408	\$ (131,612)	\$ -	\$ (131,612)
Interest and related costs on long-term debt	409,798	-	-	-	(409,798)	-	(409,798)
	<u>\$ 554,818</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,408</u>	<u>(541,410)</u>	<u>-</u>	<u>(541,410)</u>
Business-type activities:							
Community Center and pool	\$ 220,997	\$ 171,514		\$ -	-	(49,483)	(49,483)
	<u>\$ 220,997</u>	<u>\$ 171,514</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(49,483)</u>	<u>(49,483)</u>
General revenues:							
Property taxes					890,201	-	890,201
Specific ownership taxes					97,519	-	97,519
Net investment income					1,844	-	1,844
Total general revenues					<u>989,564</u>	<u>-</u>	<u>989,564</u>
Change in net position					448,154	(49,483)	398,671
Net position - Beginning					(10,417,849)	706,767	(9,711,082)
Net position - Ending					<u>\$ (9,969,695)</u>	<u>\$ 657,284</u>	<u>\$ (9,312,411)</u>

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 32,294	\$ -	\$ -	\$ 32,294
Cash - Restricted	2,400	1,059,106	6,006	1,067,512
Receivable from other Districts	-	-	27,170	27,170
Receivable - County Treasurer	509	6,023	-	6,532
Prepaid Insurance	12,260	-	-	12,260
Property taxes receivable	72,356	856,217	-	928,573
<b>TOTAL ASSETS</b>	<u>\$ 119,819</u>	<u>\$ 1,921,346</u>	<u>\$ 33,176</u>	<u>\$ 2,074,341</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 3,013	\$ -	\$ -	\$ 3,013
Payroll taxes payable	46	-	-	46
Due to other districts	-	-	9,836	9,836
Director fees payable	300	-	-	300
Total liabilities	<u>3,359</u>	<u>-</u>	<u>9,836</u>	<u>13,195</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	72,356	856,217	-	928,573
Total deferred inflows of resources	<u>72,356</u>	<u>856,217</u>	<u>-</u>	<u>928,573</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid expenses	12,260	-	-	12,260
Restricted, for:				
Emergencies (TABOR)	2,400	-	-	2,400
Loan reserve fund	-	501,335	-	501,335
Debt service	-	563,794	-	563,794
Conservation Trust	-	-	17,571	17,571
Assigned to:				
Capital projects	-	-	5,769	5,769
Unassigned	29,444	-	-	29,444
Total fund balances	<u>44,104</u>	<u>1,065,129</u>	<u>23,340</u>	<u>1,132,573</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 119,819</u>	<u>\$ 1,921,346</u>	<u>\$ 33,176</u>	

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

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

Loan payable	(11,070,000)
Accrued loan interest payable	(32,268)
Net position of governmental activities	<u>\$ (9,969,695)</u>

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 69,347	\$ 820,854	\$ -	\$ 890,201
Specific ownership taxes	7,597	89,922	-	97,519
Interest and other income	31	1,813	-	1,844
Conservation trust entitlement	-	-	13,408	13,408
Total revenues	<u>76,975</u>	<u>912,589</u>	<u>13,408</u>	<u>1,002,972</u>
<b>EXPENDITURES</b>				
Accounting	28,093	-	-	28,093
Audit	4,300	-	-	4,300
County Treasurer's fees	1,041	12,318	-	13,359
Directors' fees	700	-	-	700
District management	17,022	-	-	17,022
Dues and subscriptions	319	-	-	319
Paying agent fees	-	-	-	-
Insurance	12,278	-	-	12,278
Legal	10,468	-	-	10,468
Miscellaneous	1,452	17	-	1,469
Payroll tax	92	-	-	92
Debt service	-	718,413	-	718,413
Conservation Trust Project	-	-	69,238	69,238
Total expenditures	<u>75,765</u>	<u>730,748</u>	<u>69,238</u>	<u>875,751</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,210	181,841	(55,830)	127,221
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>42,894</u>	<u>883,288</u>	<u>79,170</u>	<u>1,005,352</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 44,104</u>	<u>\$ 1,065,129</u>	<u>\$ 23,340</u>	<u>\$ 1,132,573</u>

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2017**

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

Net change in fund balances - Total governmental funds	\$ 127,221
--	------------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Loan principal payment	320,000
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 interest on loan - Change in liability	933
Changes in net position of governmental activities	\$ 448,154

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

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

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Property taxes	\$ 69,366	\$ 69,347	\$ (19)
Specific ownership taxes	6,200	7,597	1,397
Interest income	50	31	(19)
Total revenues	<u>75,616</u>	<u>76,975</u>	<u>1,359</u>
<b>EXPENDITURES</b>			
Accounting	17,000	28,093	(11,093)
Audit	4,500	4,300	200
County Treasurer's fees	1,100	1,041	59
Directors' fees	2,000	700	1,300
District management	15,000	17,022	(2,022)
Dues and subscriptions	600	319	281
Insurance	14,000	12,278	1,722
Legal	10,000	10,468	(468)
Payroll tax	150	92	58
Miscellaneous expense	15,000	1,452	13,548
Contingency	4,150	-	4,150
Total expenditures	<u>83,500</u>	<u>75,765</u>	<u>7,735</u>
<b>NET CHANGE IN FUND BALANCES</b>	(7,884)	1,210	9,094
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>37,190</u>	<u>42,894</u>	<u>5,704</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 29,306</u>	<u>\$ 44,104</u>	<u>\$ 14,798</u>

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash - Insurance escrow account	10,162
Prepaid expenses	784
Total current assets	10,946

**CAPITAL ASSETS, NET**

Community Center	607,568
HOA furniture, fixtures and equipment	39,182
Total capital assets	646,750
Total assets	657,696

**LIABILITIES**

Accounts payable	412
Total liabilities	412

**NET POSITION**

Net investment in capital assets	646,750
Unrestricted	10,534
Total net position	\$ 657,284

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2017**

**OPERATING REVENUES**

HOA fees	\$ 171,500
Other fee income	14
Total operating revenues	171,514

**OPERATING EXPENSES**

Chemicals	12,925
District Management	73,950
Electricity	8,905
Gas	5,520
Miscellaneous	3,317
Payroll	23,602
Pool security	9,223
Pool tags	1,718
Repair and maintenance - building	11,500
Water	8,842
Depreciation	58,731
Telephone	1,629
Storm water	1,135
Total operating expenses	220,997

**CHANGE IN NET POSITION** (49,483)

**TOTAL NET POSITION - BEGINNING OF YEAR** 706,767

**TOTAL NET POSITION - END OF YEAR** \$ 657,284

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended December 31, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 171,514
Payments to suppliers	<u>(162,747)</u>
Net cash (used) by operating activities	<u>8,767</u>

**NET (DECREASE) IN CASH AND CASH EQUIVALENTS** 8,767

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR** 1,395

**CASH AND CASH EQUIVALENTS - END OF YEAR** \$ 10,162

**Reconciliation of operating income to net cash provided by operating activities**

Operating (loss)	\$ (49,483)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	58,731
Increase in prepaid expenses	(784)
Increase in accounts payable	<u>303</u>

Net cash (used) by operating activities \$ 8,767

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements and Proprietary Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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

The District reports the following major proprietary fund:

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

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

**Budgets**

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

The District has amended its annual debt service fund budget for the year ended December 31, 2017.

**Pooled Cash and Investments**

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

**Cash Equivalents**

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**Capital Assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Infrastructure:

Community Center and pool	25 years
Pool and park structures	25 years
Electronic equipment	10 years
Computers	5 years

**Deferred Inflows of Resources**

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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

**Equity**

**Net Position**

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

**Fund Balance**

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

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

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 3 - CASH AND INVESTMENTS**

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

Statement of net position:

Cash	\$ 42,456
Cash - Restricted	<u>1,067,512</u>
Total cash	<u>\$ 1,109,968</u>

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

Deposits with financial institutions	\$ 1,109,968
Total cash	<u>\$ 1,109,968</u>

**Deposits with Financial Institutions**

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

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

At December 31, 2017, the District's cash deposits had a bank balance of \$1,126,508 and a carrying balance of \$1,109,968. The District has \$260,162 in FDIC insured deposits and \$849,806 in collateralized PDPA deposits.

**Investments**

The District's formal investment policy is to follow state statutes regarding investments.

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

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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

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

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

As of December 31, 2017, the District had no investments.

**NOTE 4 - CAPITAL ASSETS**

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

	<u>Balance at December 31, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2017</u>
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
HOA furniture and fixtures	\$ 6,532	\$ -	\$ -	\$ 6,532
Total capital assets, not being depreciated	<u>6,532</u>	<u>-</u>	<u>-</u>	<u>6,532</u>
Capital assets, being depreciated:				
Community Center and pool	1,368,072	-	-	1,368,072
HOA equipment	63,801	-	-	63,801
Total capital assets, being depreciated	<u>1,431,873</u>	<u>-</u>	<u>-</u>	<u>1,431,873</u>
Less accumulated depreciation for:				
Community Center and pool	(705,826)	(54,678)	-	(760,504)
HOA equipment	(27,098)	(4,053)	-	(31,151)
Total accumulated depreciation	<u>(732,924)</u>	<u>(58,731)</u>	<u>-</u>	<u>(791,655)</u>
Business-type activities capital assets, net	<u>\$ 705,481</u>	<u>\$ (58,731)</u>	<u>\$ -</u>	<u>\$ 646,750</u>

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

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

**NOTE 5 - LONG-TERM OBLIGATIONS**

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

	<u>Balance December 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>	<u>Due Within One Year</u>
Refunding Tax Free Loan - Series 2013	\$ 11,390,000	\$ -	\$ 320,000	\$ 11,070,000	\$340,000
Total long-term obligations	<u>\$ 11,390,000</u>	<u>\$ -</u>	<u>\$ 320,000</u>	<u>\$ 11,070,000</u>	<u>\$340,000</u>

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

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

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

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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

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

As of December 31, 2017, the debt to assessed ratio of the District was 46%.

The Reserve Fund is required to maintain a minimum balance of \$500,000 (the "Reserve Requirement"). If the amount in the Reserve Fund is less than the Reserve Requirement, the District shall levy an amount sufficient to replenish the Reserve Requirement, subject to the Required Mill Levy. The balance in the Reserve Fund at December 31, 2017 is \$501,335.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	340,000	387,219	727,219
2019	355,000	375,326	730,326
2020	10,375,000	363,903	10,738,903
	<u>\$ 11,070,000</u>	<u>\$ 1,126,448</u>	<u>\$ 12,196,448</u>

**Authorized Debt**

On November 7, 2000, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$26,000,000 at an interest rate not to exceed 12% per annum. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	<b>Amount Authorized on November 7, 2000</b>	<b>Authorization Used</b>			<b>Authorized But Unissued</b>
		<b>Series 2002 and 2005 Bonds</b>	<b>2008 Loan</b>	<b>2013 Loan</b>	
Streets and safety protection	\$ 7,047,000	\$ 7,014,075	\$ 32,925	\$ -	\$ -
Parks and recreation	1,553,000	1,418,850	134,150	-	-
Water supply	1,445,000	1,205,780	239,220	-	-
Sanitary sewer and storm drainage	2,955,000	1,711,295	1,243,705	-	-
Debt refunding	13,000,000	-	195,000	12,290,000	515,000
Total	<u>\$26,000,000</u>	<u>\$11,350,000</u>	<u>\$1,845,000</u>	<u>\$12,290,000</u>	<u>\$ 515,000</u>

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

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

According to the Modified Service Plan, the District is limited to issuing \$13,000,000 in debt (except for bonds issued for refunding purposes). The Modified Service Plan limits the District's debt service mill levy to 35 mills, provided, however, such mill levy may be adjusted for changes in the methodology for determining valuation of taxable property, for so long as the ratio of the District's debt to assessed valuation exceeds fifty percent (50%) reduced by the number of mills necessary to pay unlimited mill levy general obligation debt, if any, and any amount necessary to pay operation and maintenance expenses. The adjusted maximum debt service mill levy as of December 31, 2017, is 42.827 mills. The debt service mill levy imposed by the District for collection in 2017 is 35.500 mills.

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

**NOTE 6 - NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2017, the District had a net investment in capital assets of \$646,750.

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2017, as follows:

	<b>Governmental Activities</b>
Restricted net position:	
Emergency reserve	\$ 2,400
Debt service	1,032,861
Conservation Trust	17,571
Total restricted net position	<b>\$ 1,052,832</b>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 7 - AGREEMENTS**

**Management Agreement**

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

**Intergovernmental Agreement with Parker Properties Metropolitan District**

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

**NOTE 8 - RELATED PARTY**

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

**NOTE 9 - RISK MANAGEMENT**

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

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

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS**

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

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

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

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

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

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

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

This information is an integral part of the accompanying financial statements.

## **SUPPLEMENTAL INFORMATION**

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 820,833	\$ 820,833	\$ 820,854	\$ 21
Specific ownership taxes	73,900	73,900	89,922	16,022
Interest and other income	770	770	1,813	1,043
Total revenues	<u>895,503</u>	<u>895,503</u>	<u>912,589</u>	<u>17,086</u>
<b>EXPENDITURES</b>				
County Treasurer's fees	12,300	12,300	12,318	(18)
Loan interest payment	392,955	398,413	398,413	-
Loan principal payment	320,000	320,000	320,000	-
Paying agent fees	300	300	-	300
Miscellaneous	-	-	17	(17)
Contingency	4,445	8,987	-	8,987
Total expenditures	<u>730,000</u>	<u>740,000</u>	<u>730,748</u>	<u>9,252</u>
<b>NET CHANGE IN FUND BALANCES</b>	165,503	155,503	181,841	26,338
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>889,407</u>	<u>889,407</u>	<u>883,288</u>	<u>(6,119)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,054,910</u>	<u>\$ 1,044,910</u>	<u>\$ 1,065,129</u>	<u>\$ 20,219</u>

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

	<u>Original &amp; Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Conservation Trust entitlement	\$ 13,000	\$ 13,408	\$ 408
Total revenues	<u>13,000</u>	<u>13,408</u>	<u>408</u>
<b>EXPENDITURES</b>			
Conservation Trust Project	<u>85,000</u>	<u>69,238</u>	<u>15,762</u>
Total expenditures	<u>85,000</u>	<u>69,238</u>	<u>15,762</u>
<b>NET CHANGE IN FUND BALANCES</b>	(72,000)	(55,830)	16,170
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>76,480</u>	<u>79,170</u>	<u>2,690</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 4,480</u></u>	<u><u>\$ 23,340</u></u>	<u><u>\$ 18,860</u></u>

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Year Ended December 31, 2017**

	<u>Original &amp; Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
HOA fees	\$ 171,800	\$ 171,500	\$ (300)
Other fee income	-	14	14
Total revenues	<u>171,800</u>	<u>171,514</u>	<u>(286)</u>
<b>EXPENDITURES</b>			
Operating			
Chemicals	11,000	12,925	(1,925)
Dues and licenses	510	-	510
Insurance	500	-	500
District Management	75,000	73,950	1,050
Miscellaneous	3,700	3,317	383
Office supplies	490	-	490
Water	9,000	8,842	158
Payroll	28,500	23,602	4,898
Pool enhancements	2,000	-	2,000
Pool security	7,800	9,223	(1,423)
Pool tags	2,000	1,718	282
Repair and maintenance - building	12,000	11,500	500
Telephone	2,300	1,629	671
Electricity	-	8,905	(8,905)
Gas	18,000	5,520	12,480
Storm water	1,400	1,135	265
Total expenditures	<u>174,200</u>	<u>162,266</u>	<u>11,934</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES - BUDGET BASIS</b>	<u>\$ (2,400)</u>	<u>9,248</u>	<u>\$ 11,648</u>
<b>ADJUSTMENTS TO RECONCILE BUDGET BASIS</b>			
<b>TO GAAP BASIS</b>			
Depreciation expense		<u>(58,731)</u>	
<b>CHANGE IN NET ASSETS</b>		(49,483)	
<b>NET POSITION - BEGINNING OF YEAR</b>		<u>706,767</u>	
<b>NET POSITION - END OF YEAR</b>		<u>\$ 657,284</u>	

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2017**

<b>Loan and Interest Maturing in the Year Ending December 31,</b>	<b>\$12,290,000 Tax Free Loan Dated October 1, 2013 Principal Due Annually December 1 Interest at 3.45% Due June 1 and December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	340,000	387,219	727,219
2019	355,000	375,326	730,326
2020	10,375,000	363,903	10,738,903
	<u>\$ 11,070,000</u>	<u>\$ 1,126,448</u>	<u>\$ 12,196,448</u>

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II  
 FIVE YEAR SUMMARY OF ASSESSED VALUATION,  
 MILL LEVY AND PROPERTY TAXES COLLECTED  
 December 31, 2017**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied for</u>		<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2013	\$ 19,010,470	3.000	35.500	\$ 731,903	\$ 731,886	100.0%
2014	\$ 19,852,302	3.000	35.500	\$ 764,314	\$ 764,336	100.0%
2015	\$ 19,739,840	3.000	35.500	\$ 759,983	\$ 759,441	99.9%
2016	\$ 23,125,450	3.000	35.500	\$ 890,329	\$ 890,115	100.0%
2017	\$ 23,122,080	3.000	35.500	\$ 890,200	\$ 890,201	100.0%
Estimated for calendar year ending December 31,						
2018	\$ 24,118,780	3.000	35.500	\$ 928,573		

**Note:**

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

**CANTERBERRY CROSSING METROPOLITAN DISTRICT II**  
**8390 E. CRESCENT PKWY., SUITE 500**  
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Secretary:	Joe Blahovec 11993 Singing Winds Street Parker, CO 80138 <a href="mailto:jersey_joe@comcast.net">jersey_joe@comcast.net</a> 720-440-9945	Term Exp: 5/2022 4 yr term Elected 5/2018
Treasurer:	C Robert Morris 23403 Song Bird Hills Place Parker, CO 80137 <a href="mailto:crobertmorris@msn.com">crobertmorris@msn.com</a> 303-809-3504	Term Exp: 5/2020 2 yr term Elected 5/2018
Asst.Sec/Treas:	Sarah Lewis 12110 Blackwell Way Parker, CO 80137 <a href="mailto:brsalewis@comcast.net">brsalewis@comcast.net</a> 720-514-9170	Term Exp: 5/2022 4 yr term Elected 5/2018
Asst. Secretary:	vacant	Term Exp. 5/2020