



**CliftonLarsonAllen**

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## **Accountant's Compilation Report**

Board of Directors  
Cundall Farms Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Cundall Farms Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019 and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. 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.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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 Cundall Farms Metropolitan District.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 27, 2020



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**CUNDALL FARMS METROPOLITAN DISTRICT  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 952,787	\$ 1,233,159	\$ 1,333,088
REVENUES			
Interest income	21,220	29,092	21,225
Legal Collection Fees	-	-	2,500
Operations Fees	188,739	233,802	233,802
Other Revenue	74,492	-	-
Park Fees	-	1,000	1,000
Property Taxes	602,577	714,627	912,718
Specific Ownership Taxes	50,337	56,408	73,018
Tree Replacement - KB Homes	-	20,000	-
Violations & Late Fees	-	-	2,500
Total revenues	<u>937,365</u>	<u>1,054,929</u>	<u>1,246,763</u>
TRANSFERS IN	<u>500</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,890,652</u>	<u>2,288,088</u>	<u>2,579,851</u>
EXPENDITURES			
General Fund	75,066	143,000	149,000
Operations Fund	113,732	317,000	335,000
Debt Service Fund	468,195	495,000	578,000
Total expenditures	<u>656,993</u>	<u>955,000</u>	<u>1,062,000</u>
TRANSFERS OUT	<u>500</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>657,493</u>	<u>955,000</u>	<u>1,062,000</u>
ENDING FUND BALANCES	<u>\$ 1,233,159</u>	<u>\$ 1,333,088</u>	<u>\$ 1,517,851</u>
Emergency Reserve	\$ 3,300	\$ 3,900	\$ 4,900
Debt Service Reserve Fund	743,000	743,000	743,000
Surplus Fund	101,491	270,024	530,488
Operations Fee Fund Reserve	8,000	7,900	7,300
Available for Operations	377,368	308,264	232,163
TOTAL RESERVE	<u>\$ 1,233,159</u>	<u>\$ 1,333,088</u>	<u>\$ 1,517,851</u>

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

**CUNDALL FARMS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/27/20

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
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**ASSESSED VALUATION**

Residential	\$ 5,508,350	\$ 9,001,440	\$ 13,500,670
State assessed	-	210	2,940
Vacant land	3,554,040	1,683,260	29,230
Personal property	29,570	81,360	131,170
Oil & gas	8,700	20	40
<b>Certified Assessed Value</b>	<b>\$ 9,100,660</b>	<b>\$ 10,766,290</b>	<b>\$ 13,664,050</b>

**MILL LEVY**

General	11.055	11.055	11.133
Debt Service	55.277	55.277	55.664
<b>Total mill levy</b>	<b>66.332</b>	<b>66.332</b>	<b>66.797</b>

**PROPERTY TAXES**

General	\$ 100,608	\$ 119,021	\$ 152,122
Debt Service	503,057	595,128	760,596
Levied property taxes	603,665	714,149	912,718
Adjustments to actual/rounding	(1,878)	-	-
Refunds and abatements	790	478	-
<b>Budgeted property taxes</b>	<b>\$ 602,577</b>	<b>\$ 714,627</b>	<b>\$ 912,718</b>

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 100,427</b>	<b>\$ 119,101</b>	<b>\$ 152,122</b>
<b>Debt Service</b>	<b>502,150</b>	<b>595,526</b>	<b>760,596</b>
	<b>\$ 602,577</b>	<b>\$ 714,627</b>	<b>\$ 912,718</b>

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**CUNDALL FARMS METROPOLITAN DISTRICT  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ (11,421)	\$ 23,242	\$ 9,332
REVENUES			
Interest Income	413	588	255
Property Taxes	100,427	119,101	152,122
Specific Ownership Taxes	8,389	9,401	12,170
Total revenues	<u>109,229</u>	<u>129,090</u>	<u>164,547</u>
TRANSFERS IN			
Transfers from Other Funds	<u>500</u>	<u>-</u>	<u>-</u>
Total funds available	<u>98,308</u>	<u>152,332</u>	<u>173,879</u>
EXPENDITURES			
Accounting	23,941	35,000	26,250
Audit	4,700	4,700	4,700
County Treasurer's Fee	1,507	1,786	2,282
Dues	441	543	600
Director & Meeting Expenses	-	-	3,000
Election	651	-	15,000
Insurance	3,981	4,040	8,490
Legal	39,736	56,000	45,000
Miscellaneous	109	931	1,178
Repay Developer Advance	-	40,000	40,000
Website	-	-	2,500
Total expenditures	<u>75,066</u>	<u>143,000</u>	<u>149,000</u>
Total expenditures and transfers out requiring appropriation	<u>75,066</u>	<u>143,000</u>	<u>149,000</u>
ENDING FUND BALANCE	<u>\$ 23,242</u>	<u>\$ 9,332</u>	<u>\$ 24,879</u>
Emergency Reserve	\$ 3,300	\$ 3,900	\$ 4,900
Available for Operations	19,942	5,432	19,979
TOTAL RESERVE	<u>\$ 23,242</u>	<u>\$ 9,332</u>	<u>\$ 24,879</u>

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

**CUNDALL FARMS METROPOLITAN DISTRICT  
OPERATIONS FEE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 212,974	\$ 365,426	\$ 310,732
<b>REVENUES</b>			
Interest Income	2,953	7,504	3,950
Legal Collection Fees	-	-	2,500
Operations Fees	188,739	233,802	233,802
Other Revenue	74,492	-	-
Park Fees	-	1,000	1,000
Tree Replacement - KB Homes	-	20,000	-
Violations & Late Fees	-	-	2,500
Total revenues	<u>266,184</u>	<u>262,306</u>	<u>243,752</u>
Total funds available	<u>479,158</u>	<u>627,732</u>	<u>554,484</u>
<b>EXPENDITURES</b>			
General and Administrative			
Community Activities	8,182	12,000	12,000
District Management - Contract	18,180	20,600	21,630
District Management - Costs	-	-	5,000
Insurance	-	18,643	20,000
Legal	3,730	15,000	10,000
Miscellaneous	361	1,117	1,370
Postage and Delivery	6,198	4,000	-
Transfer Fees	21,600	10,000	-
Landscape Maintenance			
Irrigation Repairs & Improvements	3,785	5,000	8,000
Landscape Maintenance - Contract	35,570	79,740	80,000
Landscape Replacements & Improvements	-	40,000	40,000
Tree Replacements	-	-	10,000
Grounds and Park Maintenance			
Backflow Testing	-	1,200	-
Basketball Court Maintenance	-	-	5,000
Grounds Maintenance	1,326	1,000	10,000
Holiday Lighting	-	5,000	5,000
Lighting	-	6,000	5,000
Playground Inspection & Repairs	-	-	5,000
Snow Removal	-	26,000	20,000
Utilities			
Electricity	92	1,700	2,000
Water - Irrigation	14,708	70,000	75,000
Total expenditures	<u>113,732</u>	<u>317,000</u>	<u>335,000</u>
Total expenditures and transfers out requiring appropriation	<u>113,732</u>	<u>317,000</u>	<u>335,000</u>
ENDING FUND BALANCE	<u>\$ 365,426</u>	<u>\$ 310,732</u>	<u>\$ 219,484</u>
Operations Fee Fund Reserve	\$ 8,000	\$ 7,900	\$ 7,300
Available for Operations	<u>357,426</u>	<u>302,832</u>	<u>212,184</u>
TOTAL RESERVE	<u>\$ 365,426</u>	<u>\$ 310,732</u>	<u>\$ 219,484</u>

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

**CUNDALL FARMS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 750,734	\$ 844,491	\$ 1,013,024
REVENUES			
Property Taxes	502,150	595,526	760,596
Specific Ownership Taxes	41,948	47,007	60,848
Interest Income	17,854	21,000	17,020
Total revenues	<u>561,952</u>	<u>663,533</u>	<u>838,464</u>
Total funds available	<u>1,312,686</u>	<u>1,508,024</u>	<u>1,851,488</u>
EXPENDITURES			
General and Administrative			
County Treasurer's Fee	7,534	8,930	11,409
Paying Agent Fees	37	8,000	8,000
Contingency	-	189	5,710
Debt Service			
Bond Interest	460,624	477,881	477,881
Bond Principal Senior Bonds	-	-	75,000
Total expenditures	<u>468,195</u>	<u>495,000</u>	<u>578,000</u>
Total expenditures and transfers out requiring appropriation	<u>468,195</u>	<u>495,000</u>	<u>578,000</u>
ENDING FUND BALANCE	<u>\$ 844,491</u>	<u>\$ 1,013,024</u>	<u>\$ 1,273,488</u>
Debt Service Reserve Fund	<u>\$ 743,000</u>	<u>\$ 743,000</u>	<u>\$ 743,000</u>
Surplus Fund	<u>101,491</u>	<u>270,024</u>	<u>530,488</u>
TOTAL RESERVE	<u>\$ 844,491</u>	<u>\$ 1,013,024</u>	<u>\$ 1,273,488</u>

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

**CUNDALL FARMS METROPOLITAN DISTRICT  
 CAPITAL PROJECTS FUND  
 2020 BUDGET  
 WITH 2018 ACTUAL AND 2019 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 500	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	500	-	-
EXPENDITURES			
Total expenditures	-	-	-
TRANSFERS OUT			
Transfers to Other Fund	500	-	-
Total expenditures and transfers out requiring appropriation	500	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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

**CUNDALL FARMS METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court of Adams County, Colorado on December 1, 2009, 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 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 is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City of Thornton. The District is not authorized to plan for, design acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City of Thornton.

On November 3, 2009, the District's voters authorized total indebtedness of \$130,000,000 for each of the above listed facilities, \$20,000,000 for both 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, 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 the debt has been voted upon. The election also approved an annual increase in property taxes of \$5,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**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.



**CUNDALL FARMS METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

**Specific Ownership**

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 County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 8.0% of the property taxes collected.

**Operations Fee**

The District collects a fee of \$47.00 per month from homeowners and a transfer fee of \$500 from each new homeowner at closing. The fees are used to cover the landscaping and maintenance costs of the District.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**Expenditures**

**Administrative Expenditures**

Administration expenses include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, dues and other administrative expenses.

**Maintenance Expenditures**

Anticipated maintenance expenditures are shown on the Operations Fee Fund page of the budget. Homeowners will contract separately with the City for trash removal.

**Debt and Leases**

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 were used to pay for the construction or reimbursement of public improvements and paying the costs of issuing the 2017B Bonds. The proceeds from the sale of the 2017C Bonds were used to pay for the construction or reimbursement of public improvements and paying certain costs of issuing the 2017C Bonds.

**CUNDALL FARMS METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

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 discharged on December 16, 2055, regardless of the amount of principal and interest paid on the 2017B Bonds prior to such Subordinate Termination Date.

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 16, 2055, regardless of the amount of principal and interest paid on the 2017C Bonds prior to such Termination Date.

A debt service schedule for the 2017A Bonds is attached.

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under the TABOR Amendment. Such Emergency Reserve is an integral part of Ending Fund Balance for the Government operations.

**Debt Service Reserve**

The Senior Debt Service Reserve Requirement on the 2017 Bonds is \$743,000.

**Operations Fee Fund Reserve**

The District has provided a reserve for operations contingencies. This reserve is included as part of the District's Special Operations Fee Fund Balance.

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

**CUNDALL FARMS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$9,720,000</b>		
	<b>General Obligation Bonds (Limited Tax Convertible to Unlimited Tax)</b>		
	<b>Series 2017A, Dated December 14, 2017</b>		
	<b>\$2,165,000 4.625% Term Bonds Due December 1, 2032</b>		
	<b>\$7,555,000 5.000% Term Bonds Due December 1, 2047</b>		
	<b>Interest Due June 1 and December 1</b>		
	<b>Principal Due December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
	<b>\$ 9,720,000</b>	<b>\$ 9,415,976</b>	<b>\$ 19,135,976</b>

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