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**Accountant's Compilation Report**

Board of Directors  
North Range Metropolitan District No. 1  
Adams County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of North Range Metropolitan District No. 1 for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015. 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. A compilation is limited to presenting, in the form prescribed by CRS 29-1-105, information that is the representation of management. 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 Colorado Revised Statutes 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 North Range Metropolitan District No. 1.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 15, 2016

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**2017 BUDGET AS ADOPTED**  
**WITH 2015 ACTUAL AND 2016 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/15/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 2,512,512	\$ 2,515,153	\$ 2,589,437
<b>REVENUES</b>			
1 Property taxes	2,983,867	3,697,650	3,827,218
2 Specific ownership taxes	258,183	306,700	306,200
3 Developer advance	250,000	250,000	-
4 Net investment income	6,271	15,350	12,650
5 Bond issuance	-	37,925,000	-
6 System Development Fees	383,061	-	-
7 Bond Premium	-	239,952	-
Total revenues	<u>3,881,382</u>	<u>42,434,652</u>	<u>4,146,068</u>
Total funds available	<u>6,393,894</u>	<u>44,949,805</u>	<u>6,735,505</u>
<b>EXPENDITURES</b>			
8 General and administration			
9 Audit	4,100	4,200	4,400
10 Contingency	-	-	1,900
11 County Treasurer's fees	12,630	15,610	16,200
12 Director fees	-	1,000	1,000
13 Dues and membership	1,131	1,147	1,250
14 Insurance	2,147	4,485	4,750
15 Legal	-	7,000	5,000
16 Miscellaneous	-	1,000	1,000
17 Transfer to Reunion	1,134,203	1,340,800	1,122,600
18 Debt service			
19 Bond interest 2007	1,300,850	-	-
20 Bond interest 2016A	-	586,829	821,551
21 Bond interest 2016B	-	234,181	473,625
22 Bond principal 2007	1,100,000	-	-
23 Bond principal 2016A	-	310,000	990,000
24 Contingency	-	-	-
25 Cost of Issuance	-	360,407	-
26 County Treasurer's fees	32,195	39,800	41,200
27 Developer advance repayment	283,785	2,175,050	-
28 Intergovernmental - Reunion Operations	-	9,324,951	-
29 MLEPA Payment to Reunion	-	-	1,125,283
30 Paying agent fees	7,700	7,700	7,700
31 Refunding Escrow Payment	-	27,885,308	-
32 Transfer to Reunion	-	-	-
33 Underwriters Discount	-	60,900	-
Total expenditures	<u>3,878,741</u>	<u>42,360,368</u>	<u>4,617,459</u>
Total expenditures and transfers out requiring appropriation	<u>3,878,741</u>	<u>42,360,368</u>	<u>4,617,459</u>
ENDING FUND BALANCES	<u>\$ 2,515,153</u>	<u>\$ 2,589,437</u>	<u>\$ 2,118,046</u>
EMERGENCY RESERVE	\$ 27,300	\$ 33,800	\$ 34,800
DEBT SERVICE RESERVE REQUIREMENT	2,400,893	-	-
RESTRICTED	-	56,000	58,000
SURPLUS FUND BALANCE	-	-	-
2016A SURPLUS FUND BALANCE	-	1,280,000	1,280,000
2016B SURPLUS FUND BALANCE	-	720,000	720,000
TOTAL RESERVE	<u>\$ 2,428,193</u>	<u>\$ 2,089,800</u>	<u>\$ 2,092,800</u>

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/15/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
<b>ASSESSED VALUATION - ADAMS</b>			
Residential	\$ 30,098,660	\$ 38,479,510	\$ 41,163,560
Commercial	3,653,690	3,548,670	3,548,670
Industrial	-	-	91,860
Agricultural	1,000	1,200	1,200
Vacant Land	2,400,170	2,949,960	1,848,660
Personal Property	1,048,180	1,105,040	1,065,420
State Assessed	86,470	92,070	89,340
Oil & gas	-	29,460	11,530
Certified Assessed Value	<u>\$ 37,288,170</u>	<u>\$ 46,205,910</u>	<u>\$ 47,820,240</u>
<b>MILL LEVY</b>			
GENERAL FUND	22.400	22.400	22.400
DEBT SERVICE FUND	57.470	57.470	57.475
Total Mill Levy	<u>79.870</u>	<u>79.870</u>	<u>79.875</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 835,255	\$ 1,035,012	\$ 1,071,173
DEBT SERVICE FUND	2,142,951	2,655,454	2,748,468
Levied property taxes	2,978,206	3,690,466	3,819,641
Adjustments to actual/rounding	235	-	-
Refund and abatements	-	(112)	-
Budgeted Property Taxes	<u>\$ 2,978,441</u>	<u>\$ 3,690,354</u>	<u>\$ 3,819,641</u>
<b>ASSESSED VALUATION - SUBDISTRICT</b>			
Residential	\$ 2,269,780	\$ 3,176,760	\$ 3,693,210
Vacant Land	340,110	371,490	-
Personal Property	102,910	99,740	95,200
State Assessed	40	50	50
Certified Assessed Value	<u>\$ 2,712,840</u>	<u>\$ 3,648,040</u>	<u>\$ 3,788,460</u>
<b>MILL LEVY</b>			
SUBDISTRICT - ALLEWAY	2.000	2.000	2.000
Total Mill Levy	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>
<b>PROPERTY TAXES</b>			
SUBDISTRICT - ALLEWAY	\$ 5,426	\$ 7,296	\$ 7,577
Levied property taxes	5,426	7,296	7,577
Adjustments to actual/rounding	-	-	-
Budgeted Property Taxes	<u>\$ 5,426</u>	<u>\$ 7,296</u>	<u>\$ 7,577</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 835,321	\$ 1,034,981	\$ 1,071,173
DEBT SERVICE FUND	2,143,120	2,655,373	2,748,468
SUBDISTRICT - ALLEWAY	5,426	7,296	7,577
	<u>\$ 2,983,867</u>	<u>\$ 3,697,650</u>	<u>\$ 3,827,218</u>

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2017 BUDGET AS ADOPTED**  
**WITH 2015 ACTUAL AND 2016 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/15/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 30,429	\$ 35,133	\$ 36,782
<b>REVENUES</b>			
1 Property taxes	835,321	1,034,981	1,071,173
2 Specific ownership taxes	72,308	85,800	85,700
3 Developer advance	250,000	250,000	-
4 Net investment income	1,204	3,000	1,200
Total revenues	<u>1,158,833</u>	<u>1,373,781</u>	<u>1,158,073</u>
Total funds available	<u>1,189,262</u>	<u>1,408,914</u>	<u>1,194,855</u>
<b>EXPENDITURES</b>			
General and administration			
5 Audit	4,100	4,200	4,400
6 Contingency	-	-	1,900
7 County Treasurer's fees	12,548	15,500	16,100
8 Director fees	-	1,000	1,000
9 Dues and membership	1,131	1,147	1,250
10 Insurance	2,147	4,485	4,750
11 Legal	-	7,000	5,000
12 Miscellaneous	-	1,000	1,000
13 Transfer to Reunion	1,134,203	1,337,800	1,119,600
Total expenditures	<u>1,154,129</u>	<u>1,372,132</u>	<u>1,155,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,154,129</u>	<u>1,372,132</u>	<u>1,155,000</u>
ENDING FUND BALANCES	<u>\$ 35,133</u>	<u>\$ 36,782</u>	<u>\$ 39,855</u>
EMERGENCY RESERVE	<u>\$ 27,300</u>	<u>\$ 33,800</u>	<u>\$ 34,800</u>
TOTAL RESERVE	<u>\$ 27,300</u>	<u>\$ 33,800</u>	<u>\$ 34,800</u>

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2017 BUDGET AS ADOPTED**  
**WITH 2015 ACTUAL AND 2016 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/15/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 2,420,236	\$ 2,412,242	\$ 2,479,741
REVENUES			
1 Property taxes	2,143,120	2,655,373	2,748,468
2 Specific ownership taxes	185,406	220,300	219,900
3 Net investment income	4,949	12,000	11,250
4 Bond issuance	-	37,925,000	-
5 System Development Fees	383,061	-	-
6 Bond Premium	-	239,952	-
Total revenues	<u>2,716,536</u>	<u>41,052,625</u>	<u>2,979,618</u>
Total funds available	<u>5,136,772</u>	<u>43,464,867</u>	<u>5,459,359</u>
EXPENDITURES			
Debt service			
7 Bond interest 2007	1,300,850	-	-
8 Bond interest 2016A	-	586,829	821,551
9 Bond interest 2016B	-	234,181	473,625
10 Bond principal 2007	1,100,000	-	-
11 Bond principal 2016A	-	310,000	990,000
12 Contingency	-	-	-
13 Cost of Issuance	-	360,407	-
14 County Treasurer's fees	32,195	39,800	41,200
15 Developer advance repayment	283,785	2,175,050	-
16 Intergovernmental - Reunion Operations	-	9,324,951	-
17 MLEPA Payment to Reunion	-	-	1,125,283
18 Paying agent fees	7,700	7,700	7,700
19 Refunding Escrow Payment	-	27,885,308	-
20 Transfer to Reunion	-	-	-
21 Underwriters Discount	-	60,900	-
Total expenditures	<u>2,724,530</u>	<u>40,985,126</u>	<u>3,459,359</u>
Total expenditures and transfers out requiring appropriation	<u>2,724,530</u>	<u>40,985,126</u>	<u>3,459,359</u>
ENDING FUND BALANCES	<u>\$ 2,412,242</u>	<u>\$ 2,479,741</u>	<u>\$ 2,000,000</u>
DEBT SERVICE RESERVE REQUIREMENT	\$ 2,400,893	\$ -	\$ -
SURPLUS FUND BALANCE	-	-	-
2016A SURPLUS FUND BALANCE	-	1,280,000	1,280,000
2016B SURPLUS FUND BALANCE	-	720,000	720,000
TOTAL RESERVE	<u>\$ 2,400,893</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**SUBDISTRICT - ALLEWAY**  
**2017 BUDGET AS ADOPTED**  
**WITH 2015 ACTUAL AND 2016 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/15/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 61,847	\$ 67,778	\$ 72,914
<b>REVENUES</b>			
1 Property taxes	5,426	7,296	7,577
2 Specific ownership taxes	469	600	600
3 Net investment income	118	350	200
Total revenues	6,013	8,246	8,377
Total funds available	67,860	76,024	81,291
<b>EXPENDITURES</b>			
General and administration			
4 County Treasurer's fees	82	110	100
5 Transfer to Reunion	-	3,000	3,000
Total expenditures	82	3,110	3,100
Total expenditures and transfers out requiring appropriation	82	3,110	3,100
ENDING FUND BALANCES	\$ 67,778	\$ 72,914	\$ 78,191
RESTRICTED	\$ -	\$ 56,000	\$ 58,000
TOTAL RESERVE	\$ -	\$ 56,000	\$ 58,000

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**2017 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

North Range Metropolitan District No.1 (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by Court Order and Decree of the District Court on December 27, 2000 and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District was organized in conjunction with North Range Metropolitan Districts Nos. 2, 3, 4 and 5 (collectively “NRMD’s”), and the Reunion Metropolitan District (“Reunion”). Reunion and the NRMD’s have entered into intergovernmental agreements whereby Reunion provides the construction for street improvements, storm drainage improvements, safety protection facilities, parks and recreation facilities and water and wastewater improvements. The service plan anticipates that Reunion will be responsible for managing the construction, operation, and maintenance of such improvements and facilities and that the NRMD’s will provide the necessary funding to Reunion.

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.

**Revenues**

**Property Taxes**

The calculation of the taxes levied is displayed on page 3 of the Budget at the adopted mill levy of 79.875 mills for 2017. Additionally, the District levies 2.000 mills to provide for alleyway maintenance for its sub-district.

**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 County Treasurer to all taxing entities within the County. The budget assumes that the District’s share will be equal to approximately 8% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term bonds are outstanding.

**Interest**

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 0.50%.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**2017 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General Government**

General government expenditures included the estimated services necessary to maintain the District's administrative viability, such as legal, management, accounting, insurance, and meeting expenses.

**Intergovernmental expenditure**

Pursuant to intergovernmental agreements, the District will remit revenues to Reunion in order to pay the District's operational cost which may include legal, management, accounting, insurance, and meeting expenses as well as fund the operations of Reunion.

**Debt Service**

Principal and interest payments in 2017 are provided based on the debt amortization schedule from the Series 2016 Bonds.

**MLEPA payment to Reunion**

On June 3, 2016, the District entered into a Mill Levy Equalization and Pledge Agreement (MLEPA) with Reunion, District No. 2, District No. 3, and District No. 4 (collectively, the "MLEPA Districts" and individually, a "MLEPA District") in order to promote the integrated plan of development set forth in the Service Plans for the MLEPA Districts. The MLEPA is intended to ensure an equitable allocation among the MLEPA Districts of the costs of acquiring, installing, constructing, designing, administering, financing, operating, and maintaining streets, water, sanitation and various other public improvements (collectively, the "Public Improvements") and services, as well as covenant enforcement services within Reunion.

Pursuant to the MLEPA, each applicable North Range District agrees to impose an Equalization Mill Levy consisting of the Debt Service Mill Levy plus the Operations and Maintenance Mill Levy in order to pay the Developer Debt, the Senior Bonds (Series 2016A and 2016B), and the operations and maintenance costs of the Districts. The MLEPA generally defines the term "Developer Debt" as (i) amounts owed to the Developer by any applicable North Range District for advancing of guaranty payments on the Senior Bonds, for the provision of Public Improvements or for advancing of amounts to fund operations shortfalls and (ii) any other repayment obligations incurred by the MLEPA Districts in connection with advances made by the Developer to the MLEPA Districts for the purpose of paying the costs of designing, acquiring, installing, and constructing the Public Improvements or paying the operations and maintenance costs of the MLEPA Districts. The MLEPA defines the term "Senior Bonds" as all bonds issued by the applicable North Range Districts (now or in the future) which bonds shall be senior to any obligations of the applicable North Range District under the MLEPA as to the Developer Debt.

The District has levied the required operations and debt services mill levies under the MLEPA and will transfer Surplus Debt Mill Levy Revenues to Reunion to administer payment on Developer Debt accordingly.



**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Series 2016A – Taxable Loan Refunding Issue**

On June 3, 2016, the District issued its Series 2016A Bonds in the principal amount of \$25,745,000. The proceeds of which were used to advance refund the Series 2007 Bonds and pay the costs of issuance of the Series 2016A Bonds. The Series 2016A Bonds have a final maturity date of December 1, 2035. The principal amount of the Series 2016A Bonds is expected to fully amortize and be subject to mandatory sinking fund payments prior to their final maturity date. The Series 2016A Bonds were issued as taxable bonds bearing interest at the rate of 4.61% and will convert to tax exempt on December 1, 2016, and will bear a rate of 3.23% thereafter. The Series 2016A Bonds are secured by a pledge of the District's unlimited debt service mill levy, specific ownership taxes collected as a result of the imposition of such unlimited debt service mill levy, and any other legally available funds. The Series 2016A Bonds will also be secured by the Series 2016A Debt Service Surplus Fund which has a maximum Surplus amount of \$1,280,000.

**Series 2016B – General Obligation Bonds**

On June 3, 2016, the District issued its Series 2016B Bonds in the principal amount of \$12,800,000. The proceeds from the sale of the Series 2016B Bonds will be used to prepay and cancel the 2007 Repayment Obligation incurred under the 2007 Advance and Reimbursement Agreement, finance the costs of certain public improvements, fund the Debt Service Surplus Fund, and pay the costs of issuing the Series 2016B Bonds. The Series 2016B Bonds are term bonds with the first term due December 1, 2038, and bearing interest of 3.50% and the second term bonds due December 1, 2045 and bearing and interest rate of 5.00%. The Series 2016B Bonds are secured by a pledge of the District's unlimited debt service mill levy, specific ownership taxes collected as a result of the imposition of such unlimited debt service mill levy, and any other legally available funds. The Series 2016B Bonds will also be secured by the Series 2016B Debt Service Surplus Fund which has a maximum Surplus amount of \$720,000.

The District has no leases.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2017, as defined under TABOR.

**Surplus Fund Reserve**

The District maintains a surplus fund reserve as required with the issuance of the Series 2016 Bonds.

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2017**

**\$27,745,000 G.O. Refunding Bonds**

**Series 2016A**

**Dated June 3, 2016**

**Principal due December 1**

**Interest Rate 3.23% to 4.61% Payable**

**June 1 and December 1**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	990,000	821,551	1,811,551
2018	1,025,000	789,574	1,814,574
2019	1,055,000	756,466	1,811,466
2020	1,090,000	722,390	1,812,390
2021	1,125,000	687,183	1,812,183
2022	1,160,000	650,845	1,810,845
2023	1,200,000	613,377	1,813,377
2024	1,240,000	574,617	1,814,617
2025	1,280,000	534,565	1,814,565
2026	1,320,000	493,221	1,813,221
2027	1,360,000	450,585	1,810,585
2028	1,405,000	406,657	1,811,657
2029	1,450,000	361,276	1,811,276
2030	1,495,000	314,441	1,809,441
2031	1,545,000	266,152	1,811,152
2032	1,595,000	216,249	1,811,249
2033	1,645,000	164,730	1,809,730
2034	1,700,000	111,597	1,811,597
2035	1,755,000	56,687	1,811,687
	<u>\$ 25,435,000</u>	<u>\$ 8,992,159</u>	<u>\$ 34,427,159</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2017**

**\$12,180,000 G.O. Bonds**  
**Series 2016B**  
**Dated June 3, 2016**  
**Principal due December 1**  
**Interest Rate 3.50% to 5.00% Payable**  
**June 1 and December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	-	473,625	473,625
2018	-	473,625	473,625
2019	-	473,625	473,625
2020	-	473,625	473,625
2021	-	473,625	473,625
2022	-	473,625	473,625
2023	-	473,625	473,625
2024	-	473,625	473,625
2025	-	473,625	473,625
2026	-	473,625	473,625
2027	-	473,625	473,625
2028	-	473,625	473,625
2029	-	473,625	473,625
2030	-	473,625	473,625
2031	-	473,625	473,625
2032	-	473,625	473,625
2033	-	473,625	473,625
2034	-	473,625	473,625
2035	-	473,625	473,625
2036	1,000,000	473,625	1,473,625
2037	1,050,000	423,625	1,473,625
2038	1,105,000	371,125	1,476,125
2039	1,160,000	315,875	1,475,875
2040	1,200,000	275,275	1,475,275
2041	1,245,000	233,275	1,478,275
2042	1,285,000	189,700	1,474,700
2043	1,330,000	144,725	1,474,725
2044	1,380,000	98,175	1,478,175
2045	1,425,000	49,875	1,474,875
	<u>\$ 12,180,000</u>	<u>\$ 11,574,150</u>	<u>\$ 23,754,150</u>