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### Accountant's Compilation Report

Board of Directors  
North Range Metropolitan District No. 3  
Adams County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of North Range Metropolitan District No. 3 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, 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 North Range Metropolitan District No. 3.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 5, 2016

**NORTH RANGE METROPOLITAN DISTRICT NO. 3**  
**SUMMARY**  
**2017 BUDGET AS ADOPTED**  
**WITH 2015 ACTUAL AND 2016 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/5/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 4,169	\$ 4,887	\$ 1,408
<b>REVENUES</b>			
1 Property taxes	8,136	30,478	29,675
2 Specific ownership taxes	704	2,500	2,380
Total revenues	8,840	32,978	32,055
Total funds available	13,009	37,865	33,463
<b>EXPENDITURES</b>			
3 General and administration			
4 County Treasurer's fees	122	457	445
5 Transfer to Reunion - MLEPA	-	-	22,743
6 Transfer to Reunion - Operations	8,000	36,000	9,975
Total expenditures	8,122	36,457	33,163
Total expenditures and transfers out requiring appropriation	8,122	36,457	33,163
ENDING FUND BALANCES	\$ 4,887	\$ 1,408	\$ 300
EMERGENCY RESERVE	\$ 300	\$ 1,000	\$ 300
TOTAL RESERVE	\$ 300	\$ 1,000	\$ 300

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. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/5/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
<b>ASSESSED VALUATION - ADAMS</b>			
Agricultural	\$ 10	\$ 10	\$ 10
Personal Property	101,400	381,100	370,700
State Assessed	460	480	810
Certified Assessed Value	<u>\$ 101,870</u>	<u>\$ 381,590</u>	<u>\$ 371,520</u>
<b>MILL LEVY</b>			
GENERAL FUND	79.870	79.870	22.400
DEBT SERVICE FUND	-	-	57.475
Total Mill Levy	<u>79.870</u>	<u>79.870</u>	<u>79.875</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 8,136	\$ 30,478	\$ 8,322
DEBT SERVICE FUND	-	-	21,353
Budgeted Property Taxes	<u>\$ 8,136</u>	<u>\$ 30,478</u>	<u>\$ 29,675</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 8,136	\$ 30,478	\$ 8,322
DEBT SERVICE FUND	-	-	21,353
	<u>\$ 8,136</u>	<u>\$ 30,478</u>	<u>\$ 29,675</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. 3**  
**GENERAL FUND**  
**2017 BUDGET AS ADOPTED**  
**WITH 2015 ACTUAL AND 2016 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/5/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 4,169	\$ 4,887	\$ 1,408
<b>REVENUES</b>			
1 Property taxes	8,136	30,478	8,322
2 Specific ownership taxes	704	2,500	670
Total revenues	8,840	32,978	8,992
Total funds available	13,009	37,865	10,400
<b>EXPENDITURES</b>			
General and administration			
3 County Treasurer's fees	122	457	125
4 Transfer to Reunion - Operations	8,000	36,000	9,975
Total expenditures	8,122	36,457	10,100
Total expenditures and transfers out requiring appropriation	8,122	36,457	10,100
ENDING FUND BALANCES	\$ 4,887	\$ 1,408	\$ 300
EMERGENCY RESERVE	\$ 300	\$ 1,000	\$ 300
TOTAL RESERVE	\$ 300	\$ 1,000	\$ 300

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. 3**  
**DEBT SERVICE FUND**  
**FORECASTED 2017 BUDGET AS ADOPTED**  
**WITH 2015 ACTUAL AND 2016 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/5/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	-	21,353
2 Specific ownership taxes	-	-	1,710
Total revenues	<u>-</u>	<u>-</u>	<u>23,063</u>
Total funds available	<u>-</u>	<u>-</u>	<u>23,063</u>
EXPENDITURES			
General and administration			
3 County Treasurer's fees	-	-	320
4 Transfer to Reunion - MLEPA	-	-	22,743
Total expenditures	<u>-</u>	<u>-</u>	<u>23,063</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>23,063</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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. 3  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

North Range Metropolitan District No.3 (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. 1, 2, 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 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**

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 calculation of the taxes levied is displayed on page 3 of the Budget at the adopted total mill levy of 79.875 mills for 2017.

**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 the General Fund.

**Expenditures**

**Intergovernmental expenditure - Operations**

Pursuant to intergovernmental agreements, the District will remit revenues to Reunion in order to pay the Districts operational cost which may include legal, management, accounting, insurance, and meeting expenses.

**NORTH RANGE METROPOLITAN DISTRICT NO. 3  
2017 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**MLEPA payment to Reunion**

On June 3, 2016, the District entered into a Mill Levy Equalization and Pledge Agreement (MLEPA) with Reunion, District No. 1, District No. 2, 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.

**Debt and Leases**

The District has neither outstanding debt nor 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.

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