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Accountant's Compilation Report

Board of Directors
North Range Metropolitan District No. 4
Adams County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of North Range Metropolitan District No. 4 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. 4.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 5, 2016

NORTH RANGE METROPOLITAN DISTRICT NO. 4
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	\$ 4,169	\$ 1,169
REVENUES			
1 Property taxes	-	-	17
2 Developer advance	4,000	4,000	-
Total revenues	4,000	4,000	17
Total funds available	8,169	8,169	1,186
EXPENDITURES			
3 General and administration			
4 Transfer to Reunion - MLEPA	-	-	12
5 Transfer to Reunion - Operations	4,000	7,000	1,000
Total expenditures	4,000	7,000	1,012
Total expenditures and transfers out requiring appropriation	4,000	7,000	1,012
ENDING FUND BALANCES	\$ 4,169	\$ 1,169	\$ 174
EMERGENCY RESERVE	\$ -	\$ -	\$ 10
TOTAL RESERVE	\$ -	\$ -	\$ 10

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. 4
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/5/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
ASSESSED VALUATION - ADAMS			
Agricultural	\$ 10	\$ 10	\$ 10
Personal Property	170	180	200
Certified Assessed Value	\$ 180	\$ 190	\$ 210
MILL LEVY			
GENERAL FUND	-	-	22.400
DEBT SERVICE FUND	-	-	57.475
Total Mill Levy	-	-	79.875
PROPERTY TAXES			
GENERAL FUND	\$ -	\$ -	\$ 5
DEBT SERVICE FUND	-	-	12
Budgeted Property Taxes	\$ -	\$ -	\$ 17
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ -	\$ -	\$ 5
DEBT SERVICE FUND	-	-	12
	\$ -	\$ -	\$ 17

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. 4
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	\$ 4,169	\$ 1,169
REVENUES			
1 Property taxes	-	-	5
2 Developer advance	4,000	4,000	-
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>5</u>
Total funds available	<u>8,169</u>	<u>8,169</u>	<u>1,174</u>
EXPENDITURES			
General and administration			
3 Transfer to Reunion - Operations	4,000	7,000	1,000
Total expenditures	<u>4,000</u>	<u>7,000</u>	<u>1,000</u>
Total expenditures and transfers out requiring appropriation	<u>4,000</u>	<u>7,000</u>	<u>1,000</u>
ENDING FUND BALANCES	<u>\$ 4,169</u>	<u>\$ 1,169</u>	<u>\$ 174</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</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. 4
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	-	-	12
Total revenues	<u>-</u>	<u>-</u>	<u>12</u>
Total funds available	<u>-</u>	<u>-</u>	<u>12</u>
EXPENDITURES			
General and administration			
2 Transfer to Reunion - MLEPA	-	-	12
Total expenditures	<u>-</u>	<u>-</u>	<u>12</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>12</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. 4
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

North Range Metropolitan District No.4 (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, 3, 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 and in accordance with the requirements of Colorado Revised Statutes C.R.S 29-1-105.

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 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.

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.

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. 3 (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.

**NORTH RANGE METROPOLITAN DISTRICT NO. 4
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - Continued

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, 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 any 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.