

NORTH RANGE METROPOLITAN DISTRICT NO. 1
Adams County, Colorado

FINANCIAL STATEMENTS
December 31, 2017

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**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities and the major funds of North Range Metropolitan District No. 1 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies 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 and the major funds of North Range Metropolitan District No. 1, as of December 31, 2017 and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. This 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise North Range Metropolitan District No. 1's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Littleton, Colorado
May 22, 2018

BASIC FINANCIAL STATEMENTS

NORTH RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Investments	\$ 123,361
Investments - Restricted	2,081,509
Receivables - County Treasurer	30,039
Property taxes receivable	5,065,900
Due from other governments	246,701
Total assets	<u>7,547,510</u>
DEFERRED OUTFLOWS OF RESOURCES	
Cost of refunding	463,296
Total deferred outflows of resources	<u>463,296</u>
LIABILITIES	
Accrued interest payable	105,267
Due to other governments	116,684
Noncurrent liabilities:	
Due within one year	1,035,066
Due in more than one year	35,815,800
Total liabilities	<u>37,072,817</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	5,065,900
Total deferred inflows of resources	<u>5,065,900</u>
NET POSITION	
Restricted for:	
Emergency reserve	35,300
Debt service	1,894,733
HOA Fund	246,701
Unrestricted	(36,304,645)
Total net position	<u>\$ (34,127,911)</u>

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

NORTH RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges</u> <u>for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Primary government:					
Government activities:					
General government	\$ 30,165	\$ -	\$ 10,133,160	\$ -	\$ 10,102,995
Intergovernmental	2,520,218	275,183	-	-	(2,245,035)
Interest on long-term debt and related costs	1,585,522	-	-	-	(1,585,522)
	<u>\$ 4,135,905</u>	<u>\$ 275,183</u>	<u>\$ 10,133,160</u>	<u>\$ -</u>	<u>6,272,438</u>
General revenues:					
Property taxes					3,817,696
Specific ownership taxes					368,407
Net investment income					43,129
Total general revenues					<u>4,229,232</u>
Change in net position					10,501,670
Net position - Beginning					<u>(44,629,581)</u>
Net position - Ending					<u>\$ (34,127,911)</u>

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

NORTH RANGE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Special Revenue</u>		<u>Total Governmental Funds</u>
			<u>HOA</u>	<u>Subdistrict</u>	
ASSETS					
Investments	\$ 38,294	\$ -	\$ -	\$ 85,067	\$ 123,361
Investments - Restricted	35,300	2,046,209	-	-	2,081,509
Receivables - County Treasurer	8,407	21,573	-	59	30,039
Property taxes receivable	1,418,212	3,638,935	-	8,753	5,065,900
Due from other governments	-	-	246,701	-	246,701
TOTAL ASSETS	<u>\$ 1,500,213</u>	<u>\$ 5,706,717</u>	<u>\$ 246,701</u>	<u>\$ 93,879</u>	<u>\$ 7,547,510</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Due to other governments	\$ 45,902	\$ 67,782	\$ -	\$ 3,000	\$ 116,684
Total liabilities	<u>45,902</u>	<u>67,782</u>	<u>-</u>	<u>3,000</u>	<u>116,684</u>
DEFERRED INFLOWS OF RESOURCES					
Property tax revenue	1,418,212	3,638,935	-	8,753	5,065,900
Total deferred inflows of resources	<u>1,418,212</u>	<u>3,638,935</u>	<u>-</u>	<u>8,753</u>	<u>5,065,900</u>
FUND BALANCES					
Restricted for:					
Emergency reserve (TABOR)	35,300	-	-	-	35,300
Debt service	-	2,000,000	-	-	2,000,000
Assigned	-	-	246,701	82,126	328,827
Unassigned	799	-	-	-	799
Total fund balance	<u>36,099</u>	<u>2,000,000</u>	<u>246,701</u>	<u>82,126</u>	<u>2,364,926</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,500,213</u>	<u>\$ 5,706,717</u>	<u>\$ 246,701</u>	<u>\$ 93,879</u>	

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.

Deferred cost on refunding	463,296
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not in the funds.	
Accrued interest payable	(105,267)
Bonds payable	(36,625,000)
Bonds premium	(225,866)
Net position of governmental activities	<u>\$ (34,127,911)</u>

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

NORTH RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	General Fund	Debt Service	Special Revenue		Total Governmental Funds
			HOA	Subdistrict	
REVENUES					
Property taxes	\$ 1,068,503	\$ 2,741,616	\$ -	\$ 7,577	\$ 3,817,696
Specific ownership taxes	103,108	264,570	-	729	368,407
Intergovernmental	-	-	275,183	-	275,183
Net investment income	4,123	38,085	-	921	43,129
Total revenues	<u>1,175,734</u>	<u>3,044,271</u>	<u>275,183</u>	<u>9,227</u>	<u>4,504,415</u>
EXPENDITURES					
County Treasurer's fees	16,036	41,147	-	114	57,297
Transfer to Reunion General Fund	1,151,195	-	-	3,000	1,154,195
Audit	4,400	-	-	-	4,400
Directors' fees	400	-	-	-	400
Insurance and bonds	4,929	-	-	-	4,929
Legal services	2,303	-	-	-	2,303
Elections	966	-	-	-	966
Memberships	1,017	-	-	-	1,017
HOA operations	-	-	194,457	-	194,457
Debt service					
Principal - Bonds	-	990,000	-	-	990,000
Interest - Bonds	-	1,295,175	-	-	1,295,175
MLEPA Payment to Reunion	-	1,171,566	-	-	1,171,566
Paying agent fees	-	6,000	-	-	6,000
Total expenditures	<u>1,181,246</u>	<u>3,503,888</u>	<u>194,457</u>	<u>3,114</u>	<u>4,882,705</u>
NET CHANGE IN FUND BALANCE	(5,512)	(459,617)	80,726	6,113	(378,290)
FUND BALANCES - BEGINNING OF YEAR	<u>41,611</u>	<u>2,459,617</u>	<u>165,975</u>	<u>76,013</u>	<u>2,743,216</u>
FUND BALANCES - END OF YEAR	<u>\$ 36,099</u>	<u>\$ 2,000,000</u>	<u>\$ 246,701</u>	<u>\$ 82,126</u>	<u>\$ 2,364,926</u>

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1
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	\$ (378,290)
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The issuance of long-term debt (e.g., Bonds, Developer advances) 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.

Bond principal payment	990,000
Foregiveness of Developer advances - interest	3,363,371
Foregiveness of Developer advances - principal	6,769,789

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.

Amortization of bond premium - 2016 Bonds	10,066
Amortization of loss on refunding - 2016 Bonds	(49,942)
Accrued bond interest - Change in liability	2,664
Interest on Developer advance	<u>(205,988)</u>

Changes in net position of governmental activities	<u><u>\$ 10,501,670</u></u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT 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>	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,071,173	\$ 1,071,173	\$ 1,068,503	\$ (2,670)
Specific ownership taxes	85,700	110,000	103,108	(6,892)
Net investment income	<u>1,200</u>	<u>10,000</u>	<u>4,123</u>	<u>(5,877)</u>
Total revenues	<u>1,158,073</u>	<u>1,191,173</u>	<u>1,175,734</u>	<u>(15,439)</u>
EXPENDITURES				
County Treasurer's fees	16,100	16,100	16,036	64
Audit	4,400	4,400	4,400	-
Directors' fees	1,000	1,000	400	600
Elections	-	-	966	(966)
Insurance and bonds	4,750	4,750	4,929	(179)
Legal services	5,000	5,000	2,303	2,697
Contingency	1,900	1,900	-	1,900
Memberships	1,250	1,250	1,017	233
Miscellaneous expense	1,000	1,000	-	1,000
Intergovernmental funding	<u>1,119,600</u>	<u>1,164,600</u>	<u>1,151,195</u>	<u>13,405</u>
Total expenditures	<u>1,155,000</u>	<u>1,200,000</u>	<u>1,181,246</u>	<u>18,754</u>
NET CHANGE IN FUND BALANCE	3,073	(8,827)	(5,512)	3,315
FUND BALANCES - BEGINNING OF YEAR	<u>36,782</u>	<u>41,611</u>	<u>41,611</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 39,855</u>	<u>\$ 32,784</u>	<u>\$ 36,099</u>	<u>\$ 3,315</u>

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

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - DEFINITION OF REPORTING ENTITY

North Range Metropolitan District No. 1 (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 1, Colorado Revised Statutes. The District's service area is located within the City of Commerce City, Adams County, Colorado. The District was organized in conjunction with North Range Metropolitan District 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, water and wastewater improvements, sanitation, park and recreation, transportation and mosquito control. 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 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 contracts for all of its management and professional services.

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. Governmental activities are normally supported by taxes and intergovernmental revenues.

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.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
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 the governmental funds. Major individual governmental 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. 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 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 year. 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 Special Revenue Fund - HOA accounts for all financial resources directly related to the operation of Reunion's HOA as the result of an intergovernmental agreement. HOA fees and expenditures are booked in detail in the financial statements of Reunion. The District only records corresponding intergovernmental revenues and expenditures equal to the total amount recorded by Reunion.

The Special Revenue Fund - Subdistrict is used to account for the accumulation of resources for, and the payment of expenditures related to the maintenance of property located within the subdistrict.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 budget for the year ended December 31, 2017.

Pooled Cash

The District follows the practice of pooling cash and investments of all funds to maximize interest 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.

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.

Amortization

Original Issue Premium and Original Issue Discount

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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.

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.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *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.

NOTE 3 - CASH AND INVESTMENTS

Investments as of December 31, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:

Investments	\$ 123,361
Investments - Restricted	<u>2,081,509</u>
Total cash and investments	<u>\$ 2,204,870</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 did not have any cash deposits.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows 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.

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 the following investments:

Investment	Maturity	Amount
Colorado Local Government Liquid Asset Trust (Colotrust)	Weighted average under 60 days	\$ 194,765
Colorado Surplus Asset Fund Trusts (CSAFE)	Weighted average under 60 days	2,009,704
Community Bank of Colorado – Public Funds Money Market Fund	Weighted average under 60 days	401
		<u>\$ 2,204,870</u>

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 - 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:

The details of the District's long-term obligations are as follows:

	Balance at December 31, 2016	Additions	Retirements/ Refunding	Balance at December 31, 2017	Current Portion	Final Maturity Date
Governmental Activities:						
General obligation bonds payable:						
Series 2016A	\$ 25,435,000	\$ -	\$ 990,000	\$ 24,445,000	\$ 1,025,000	
Series 2016B	12,180,000	-	-	12,180,000	-	
Premium	235,932	-	10,066	225,866	10,066	
Total bonds payable	<u>37,850,932</u>	<u>-</u>	<u>1,000,066</u>	<u>36,850,866</u>	<u>1,035,066</u>	
Developer advance payable:						
Series 2001	366,457	7,604	374,061	-	-	12/31/2031
Series 2002	343,327	7,124	350,451	-	-	12/31/2032
Series 2003	848,830	17,613	866,443	-	-	12/31/2033
Series 2004	1,247,088	25,877	1,272,965	-	-	12/31/2034
Series 2005	1,283,999	26,643	1,310,642	-	-	12/31/2035
Series 2006	1,295,788	26,888	1,322,676	-	-	12/31/2036
Series 2007	852,409	17,688	870,097	-	-	12/31/2037
Series 2008	911,093	18,905	929,998	-	-	12/31/2038
Series 2009	850,441	17,646	868,087	-	-	12/31/2039
Series 2011	443,631	9,205	452,836	-	-	12/31/2041
Series 2012	428,343	8,888	437,231	-	-	12/31/2042
Series 2013	276,991	5,747	282,738	-	-	12/31/2043
Series 2014	268,155	5,564	273,719	-	-	12/31/2044
Series 2015	259,826	5,392	265,218	-	-	12/31/2045
Series 2016	250,794	5,204	255,998	-	-	12/31/2046
Total Developer advance payable	<u>9,927,172</u>	<u>205,988</u>	<u>10,133,160</u>	<u>-</u>	<u>-</u>	
	<u>\$ 47,778,104</u>	<u>\$ 205,988</u>	<u>\$ 11,133,226</u>	<u>\$ 36,850,866</u>	<u>\$ 1,035,066</u>	

Series 2016A - Taxable /Tax Exempt Refunding Bonds

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 subject to mandatory sinking fund payments prior to their final maturity date. The Series 2016A Bonds were issued as taxable bonds bearing interest at a rate of 4.61% and converted to tax exempt on December 1, 2016, and bears 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 are secured by the Series 2016A Debt Service Surplus Fund which has a maximum Surplus amount of \$1,280,000 and was fully funded as of December 31, 2017.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 – LONG TERM OBLIGATIONS (CONTINUED)

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 were 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 are secured by the Series 2016B Debt Service Surplus Fund which has a maximum Surplus amount of \$720,000 and was fully funded as of December 31, 2017.

The District's long-term obligations will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,025,000	\$ 1,263,199	\$ 2,288,199
2019	1,055,000	1,230,091	2,285,091
2020	1,090,000	1,196,015	2,286,015
2021	1,125,000	1,160,808	2,285,808
2022	1,160,000	1,124,470	2,284,470
2023 - 2027	6,400,000	5,034,490	11,434,490
2028 - 2032	7,490,000	3,932,900	11,422,900
2033 - 2037	7,150,000	2,651,135	9,801,135
2038 - 2042	5,995,000	1,385,250	7,380,250
2043 - 2045	4,135,000	292,775	4,427,775
	<u>\$ 36,625,000</u>	<u>\$ 19,271,133</u>	<u>\$ 55,896,133</u>

Operations Funding Agreement

The District has entered into annual Operations Funding Agreements with Reunion and the Developer. The agreements provide that the Developer will advance to the District funds required to be paid to Reunion for the District's share of budgeted operations and maintenance expense that cannot otherwise be paid from other available funding, including property taxes.

The Operations Funding Agreement advances are obligations approved on an annual basis as identified in the table due on December 31, thirty years after the year of issuance. Interest accrues at variable rates based on LIBOR plus 3% with a maximum interest rate of 18% due semi-annually June 1 and December 1. Cumulative interest that could not be paid as of the above dates was, pursuant to terms of the Agreement, added to the principal. The advances on the Operations Funding Agreements may be prepaid at any date at the par amount plus any accrued interest. On June 22, 2017, the Developer forgave outstanding principal and interest amounts due under the Agreement and the Agreement was terminated.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 – LONG TERM OBLIGATIONS (CONTINUED)

Debt Authorization

On November 7, 2000, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,036,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts for the following purposes:

	Authorized November 7, 2000 Election	Authorization Used, Series 2001 Bonds	Authorization Used, Series 2007 Bonds	Authorization Used, Series 2016A Bonds	Authorization Used, Series 2016B Bonds	Remaining at December 31, 2017
Streets	\$ 110,168,085	\$ 27,955,000	\$ -	\$ -	\$ 11,147,000	\$ 71,066,085
Parks and recreation	39,221,657	2,590,000	-	-	1,033,000	35,598,657
Water	35,963,127	-	-	-	-	35,963,127
Sewer	94,647,131	-	-	-	-	94,647,131
Transportation	20,000,000	-	-	-	-	20,000,000
Television relay	20,000,000	-	-	-	-	20,000,000
Mosquito control	2,000,000	-	-	-	-	2,000,000
Fire protection	20,000,000	-	-	-	-	20,000,000
Refunding	342,000,000	-	4,755,000	25,745,000	-	311,500,000
Intergovernmental	342,000,000	-	-	-	-	342,000,000
Reimbursement	10,000,000	-	-	-	-	10,000,000
	<u>\$ 1,036,000,000</u>	<u>\$ 30,545,000</u>	<u>\$ 4,755,000</u>	<u>\$ 25,745,000</u>	<u>\$ 12,180,000</u>	<u>\$ 962,775,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$280,000,000.

In the future, the District may issue a portion of all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2017**

NOTE 5 - NET POSITION

The District has net position consisting of two components - restricted and unrestricted.

Restricted net position includes assets that are 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 a net position as of December 31, 2017, as follows:

	Governmental Activities
Restricted net position:	
Emergency reserve	\$ 35,300
Debt service	1,894,733
HOA Fund	246,701
Total restricted net position	\$ 2,176,734

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.

NOTE 6 - RELATED PARTIES

Developer

The Developer of the property which constitutes the District is Shea Homes Limited Partnership. During 2017, Shea Homes sold the majority of the project interest to Clayton Properties Group II, Inc. (the New Developer). The members of the Board of Directors are employees, owners, or otherwise associated with the Developer or New Developer and may have conflicts of interest in dealing with the District.

NOTE 7 - INTERGOVERNMENTAL AGREEMENTS

Mill Levy Equalization and Pledge Agreement and the District Operating Services Agreement.

Mill Levy Equalization and Pledge Agreement payment to Reunion

On June 3, 2016, and as amended on June 30, 2017, 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.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 7 - INTERGOVERNMENTAL AGREEMENTS (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, the Reunion Debt, 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 obligation 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 generally defines the term “Senior Bonds” as all bonds issued by the North Range Districts, now or in the future, which bonds shall be senior to any obligations of the North Range Districts under the MLEPA. The term “Reunion Debt” generally means all bonds, agreements or other financial obligations issued or incurred by Reunion or assumed by Reunion from any North Range District, specifically including the 2017 Reunion Bonds.

District Operating Services Agreement

On June 3, 2016 the District entered into the (the “District Operating Services Agreement”) with all Districts that are a party to the MLEPA as previously described. While the MLEPA sets forth the terms on which the District imposes the Equalization Mill Levy and transfers specified proceeds thereof to the Reunion District, the District Operating Services sets forth the obligations of Reunion with respect to such proceeds and with respect to its role as the “Service District”, as contemplated by the MLEPA Districts Service Plan. The District Operating Services Agreement states that, pursuant to the MLEPA Districts Service Plan, the MLEPA Districts are intended to coordinate their efforts with respect to all activities authorized by the MLEPA Districts Service Plan, including, without limitation, management and administration, structuring of financing, construction, and operations and maintenance of the Regional Public Improvements necessary and appropriate for the development of Reunion (defined as the “Public Improvements” for purposes of the District Operating Services Agreement), with Reunion acting on behalf of the applicable North Range Districts to lead such coordination.

In order to facilitate such coordination, the District Operating Services Agreement requires that Reunion provide Administrative Services and O&M Services to the applicable North Range Districts on the condition that the applicable North Range Districts observe and perform certain covenants and agreements, and are not otherwise in default under the District Operating Services Agreement. “Administrative Services” as defined by the District Operating Services Agreement, includes, among other services, coordination of board meetings and financial reporting, insurance and election administration, budget preparation, supervision of contractors, investment oversight, coordination of professional services, and obtaining any and all governmental and/or administrative approvals necessary to the provision of the Public Improvements. “O&M Services” as defined by the District Operating Services Agreement

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 7 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

includes the provision of the administrative services, and ownership, operation and maintenance of certain Public Improvements along with the Covenant Services. The District Operating Service Agreement also states that the Reunion District may provide architectural review and covenant enforcement services to property within the MLEPA Districts for the benefit of the MLEPA Districts through an agreement with an owners association, or as set forth in a declaration of covenants, conditions or restrictions, or similar instrument, as otherwise permitted by Title 32, C.R.S.

The District Operating Services Agreement further authorizes the Reunion District to establish from time to time a fair and equitable fee to provide a source of funding to pay for the O&M Services. Each applicable North Range District acknowledges in the District Operating Services Agreement that the Reunion District will make determinations as to the appropriate User Fees on an annual basis, taking into account mill levy revenues received under the MLEPA in each fiscal year. They further acknowledge that they shall be responsible for any and all costs, fees, charges and expenses incurred by the Reunion District in providing the Administrative Services and O&M Services through the imposition of the Operations and Maintenance Mill Levy, as well as the Debt Service Mill Levy to the extent the Reunion District borrows revenues to pay the Operating Services. In the event revenues from the Operations and Maintenance Mill Levy received by the Reunion District under the MLEPA are not appropriated by the applicable North

Range Districts or are otherwise insufficient to pay the Costs for whatever reason, the Reunion District may impose User Fees to pay all such Costs in accordance with the District Operating Services Agreement. The Reunion District agrees to apply revenues from the Operations and Maintenance Mill Levy received by it under the MLEPA to pay the Costs of the Operating Services in accordance with the MLEPA and the District Operating Services Agreement.

NOTE 8 - 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 and public officials' liability 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.

NORTH RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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.

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, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District 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.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTH RANGE METROPOLITAN DISTRICT NO. 1
SPECIAL REVENUE FUND - HOA
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>
REVENUES				
Intergovernmental	\$ -	\$222,300	\$ 275,183	\$ 52,883
Total revenues	<u>-</u>	<u>222,300</u>	<u>275,183</u>	<u>52,883</u>
EXPENDITURES				
HOA operations	-	250,000	194,457	55,543
Total expenditures	<u>-</u>	<u>250,000</u>	<u>194,457</u>	<u>55,543</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(27,700)	80,726	108,426
FUND BALANCES - BEGINNING OF YEAR	<u>-</u>	<u>165,975</u>	<u>165,975</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$138,275</u>	<u>\$ 246,701</u>	<u>\$ 108,426</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 1
SPECIAL REVENUE FUND - SUBDISTRICT
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>
REVENUES				
Property taxes	\$ 7,577	\$ 7,577	\$ 7,577	\$ -
Specific ownership taxes	600	750	729	(21)
Net investment income	200	1,000	921	(79)
Total revenues	<u>8,377</u>	<u>9,327</u>	<u>9,227</u>	<u>(100)</u>
EXPENDITURES				
County Treasurer's fees	100	100	114	(14)
Intergovernmental funding	3,000	3,200	3,000	200
Total expenditures	<u>3,100</u>	<u>3,300</u>	<u>3,114</u>	<u>186</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,277	6,027	6,113	86
FUND BALANCES - BEGINNING OF YEAR	<u>72,914</u>	<u>76,013</u>	<u>76,013</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 78,191</u>	<u>\$ 82,040</u>	<u>\$ 82,126</u>	<u>\$ 86</u>

SUPPLEMENTARY INFORMATION

NORTH RANGE METROPOLITAN DISTRICT NO. 1
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>Amended Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 2,748,468	\$ 2,748,468	\$ 2,741,616	\$ (6,852)
Specific ownership tax	219,900	265,000	264,570	(430)
Net investment income	11,250	36,915	38,085	1,170
Total revenues	<u>2,979,618</u>	<u>3,050,383</u>	<u>3,044,271</u>	<u>(6,112)</u>
EXPENDITURES				
County Treasurer's fees	41,200	41,200	41,147	53
Bond principal - Series 2016A	990,000	990,000	990,000	-
Bond interest - Series 2016A	821,551	821,551	821,550	1
Bond interest - Series 2016B	473,625	473,625	473,625	-
MLEPA Payment to Reunion	1,125,283	1,175,924	1,171,566	4,358
Paying agent fees	7,700	7,700	6,000	1,700
Total expenditures	<u>3,459,359</u>	<u>3,510,000</u>	<u>3,503,888</u>	<u>6,112</u>
NET CHANGE IN FUND BALANCE	(479,741)	(459,617)	(459,617)	-
FUND BALANCES - BEGINNING OF YEAR	<u>2,479,741</u>	<u>2,459,617</u>	<u>2,459,617</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>

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

Year	Principal	Interest	Total
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	56,683	1,811,683
	\$ 24,445,000	\$ 8,170,608	\$ 32,615,608

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

Year	Principal	Interest	Total
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
	\$ 12,180,000	\$ 11,100,525	\$ 23,280,525

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,025,000	\$ 1,263,199	\$ 2,288,199
2019	1,055,000	1,230,091	2,285,091
2020	1,090,000	1,196,015	2,286,015
2021	1,125,000	1,160,808	2,285,808
2022	1,160,000	1,124,470	2,284,470
2023	1,200,000	1,087,002	2,287,002
2024	1,240,000	1,048,242	2,288,242
2025	1,280,000	1,008,190	2,288,190
2026	1,320,000	966,846	2,286,846
2027	1,360,000	924,210	2,284,210
2028	1,405,000	880,282	2,285,282
2029	1,450,000	834,901	2,284,901
2030	1,495,000	788,066	2,283,066
2031	1,545,000	739,777	2,284,777
2032	1,595,000	689,874	2,284,874
2033	1,645,000	638,355	2,283,355
2034	1,700,000	585,222	2,285,222
2035	1,755,000	530,308	2,285,308
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>\$ 36,625,000</u>	<u>\$ 19,271,133</u>	<u>\$ 55,896,133</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2017**

<u>Year Ended December 31</u> <u>Assessment</u> <u>Year</u>	<u>Collection</u> <u>Year</u>	Assessed Valuation for Property Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
				<u>Levied</u>	<u>Collected</u>	
2012	2013	\$ 37,563,640	73.400	\$ 2,757,171	\$ 2,755,983	99.96%
2013	2014	\$ 36,324,600	77.400	\$ 2,811,524	\$ 2,784,786	99.05%
2014	2015	\$ 37,288,170	79.870	\$ 2,978,206	\$ 2,978,441	100.01%
2015	2016	\$ 46,205,910	79.870	\$ 3,690,466	\$ 3,685,482	99.86%
2016	2017	\$ 47,820,240	79.875	\$ 3,819,641	\$ 3,810,119	99.75%
Estimated 2017	2018	\$ 57,269,090	88.305	\$ 5,057,147		

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

Property taxes collected from the Subdistrict are not included in the above analysis.