



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
North Range Metropolitan District No. 3

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, 2019, including the estimate of comparative information for the year ending December 31, 2018 and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

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

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to North Range Metropolitan District No. 3.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 11, 2019

**NORTH RANGE METROPOLITAN DISTRICT NO. 3
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

10/8/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 4,888	\$ 5,082	\$ 5,234
REVENUES			
Property taxes	29,675	36,122	1,755
Specific ownership tax	2,869	2,900	122
Other income	-	-	200
Interest income	195	-	-
Total revenues	<u>32,739</u>	<u>39,022</u>	<u>2,077</u>
Total funds available	<u>37,627</u>	<u>44,104</u>	<u>7,311</u>
EXPENDITURES			
General Fund	9,130	10,778	783
Debt Service Fund	23,415	28,092	1,451
Total expenditures	<u>32,545</u>	<u>38,870</u>	<u>2,234</u>
Total expenditures and transfers out requiring appropriation	<u>32,545</u>	<u>38,870</u>	<u>2,234</u>
ENDING FUND BALANCES	<u>\$ 5,082</u>	<u>\$ 5,234</u>	<u>\$ 5,077</u>
EMERGENCY RESERVE	\$ 300	\$ 400	\$ 100
AVAILABLE FOR OPERATIONS	4,782	4,834	4,977
TOTAL RESERVE	<u>\$ 5,082</u>	<u>\$ 5,234</u>	<u>\$ 5,077</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
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

10/8/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Agricultural	\$ 10	\$ 20	\$ 20
State assessed	810	5,390	4,920
Personal property	370,700	403,650	14,930
Certified Assessed Value	\$ 371,520	\$ 409,060	\$ 19,870
 MILL LEVY			
General	22.400	24.764	24.764
Debt Service	57.475	63.541	63.541
Total mill levy	79.875	88.305	88.305
 PROPERTY TAXES			
General	\$ 8,322	\$ 10,130	\$ 492
Debt Service	21,353	25,992	1,263
Levied property taxes	29,675	36,122	1,755
Budgeted property taxes	\$ 29,675	\$ 36,122	\$ 1,755
 BUDGETED PROPERTY TAXES			
General	\$ 8,322	\$ 10,130	\$ 492
Debt Service	21,353	25,992	1,263
	\$ 29,675	\$ 36,122	\$ 1,755

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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

10/8/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 4,888	\$ 5,082	\$ 5,234
REVENUES			
Property taxes	8,322	10,130	492
Specific ownership tax	807	800	34
Interest income	195	-	-
Other Income	-	-	100
Total revenues	9,324	10,930	626
Total funds available	14,212	16,012	5,860
EXPENDITURES			
General and administrative			
County Treasurer's fees	125	152	7
Transfer to Reunion	9,005	10,626	676
Contingency	-	-	100
Total expenditures	9,130	10,778	783
Total expenditures and transfers out requiring appropriation	9,130	10,778	783
ENDING FUND BALANCE	\$ 5,082	\$ 5,234	\$ 5,077
EMERGENCY RESERVE	\$ 300	\$ 400	\$ 100
AVAILABLE FOR OPERATIONS	4,782	4,834	4,977
TOTAL RESERVE	\$ 5,082	\$ 5,234	\$ 5,077

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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

10/8/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	21,353	25,992	1,263
Specific ownership tax	2,062	2,100	88
Other Income	-	-	100
Total revenues	<u>23,415</u>	<u>28,092</u>	<u>1,451</u>
Total funds available	<u>23,415</u>	<u>28,092</u>	<u>1,451</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	320	390	19
MLEPA payment to Reunion	23,095	27,702	1,332
Contingency	-	-	100
Total expenditures	<u>23,415</u>	<u>28,092</u>	<u>1,451</u>
Total expenditures and transfers out requiring appropriation	<u>23,415</u>	<u>28,092</u>	<u>1,451</u>
ENDING FUND BALANCE	<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
2019 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 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally 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 Property Tax Summary page of the Budget at the adopted total mill levy.

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 7% of the property taxes collected by the General Fund and the Debt Service Fund.

**NORTH RANGE METROPOLITAN DISTRICT NO. 3
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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, and as amended on May 1, 2017, 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, 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 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 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.

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.

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, as defined under TABOR.

This information is an integral part of the accompanying budget.