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Accountant's Compilation Report

Board of Directors
North Range Metropolitan District No. 1 Subdistrict No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of North Range Metropolitan District No. 1 Subdistrict No. 1 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. 1 Subdistrict No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 25, 2019

**NORTH RANGE METROPOLITAN DISTRICT NO. 1 SUBDISTRICT NO. 1
SPECIAL REVENUE FUND - SUBDISTRICT - ALLEYWAY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 76,013	\$ 82,126	\$ 89,990
REVENUES			
Property taxes	7,577	8,753	8,813
Specific ownership tax	729	743	617
Net investment income	921	1,500	1,000
Total revenues	<u>9,227</u>	<u>10,996</u>	<u>10,430</u>
Total funds available	<u>85,240</u>	<u>93,122</u>	<u>100,420</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	114	132	132
Intergov expenditure - Reunion	3,000	3,000	3,000
Total expenditures	<u>3,114</u>	<u>3,132</u>	<u>3,132</u>
Total expenditures and transfers out requiring appropriation	<u>3,114</u>	<u>3,132</u>	<u>3,132</u>
ENDING FUND BALANCE	<u>\$ 82,126</u>	<u>\$ 89,990</u>	<u>\$ 97,288</u>

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1 SUBDISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/19

ACTUAL	ESTIMATED	BUDGET
2017	2018	2019

ASSESSED VALUATION - SUBDISTRICT - ALLEYWAY

Residential	\$ 3,693,210	\$ 4,364,990	\$ 4,371,170
State assessed	50	50	140
Personal property	95,200	11,210	35,300
	3,788,460	4,376,250	4,406,610
Adjustments	-	-	-
Certified Assessed Value	\$ 3,788,460	\$ 4,376,250	\$ 4,406,610

MILL LEVY

SUBDISTRICT - ALLEYWAY	2.000	2.000	2.000
Total mill levy	2.000	2.000	2.000

PROPERTY TAXES

SUBDISTRICT - ALLEYWAY	\$ 7,577	\$ 8,753	\$ 8,813
Levied property taxes	7,577	8,753	8,813
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 7,577	\$ 8,753	\$ 8,813

BUDGETED PROPERTY TAXES

SUBDISTRICT - ALLEYWAY	\$ 7,577	\$ 8,753	\$ 8,813
	\$ 7,577	\$ 8,753	\$ 8,813

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1 SUB DISTRICT NO. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Board of Directors of North Range Metropolitan District No. 1 (the "District") by resolution allowed for the division of the District into one or more areas. North Range Metropolitan District No. 1 Subdistrict No. 1 (the "Subdistrict") was created for the purposes of maintaining the alleyways adjacent to certain residential taxpayers. The Subdistrict has entered into an intergovernmental agreement whereby Reunion Metropolitan District ("Reunion") provides the maintenance of the alleyways within the Subdistrict. The Subdistrict will provide the necessary funding to Reunion.

The Subdistrict has no employees and all administrative functions are contracted.

The Subdistrict 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 Subdistrict 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 Subdistrict'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 Subdistrict.

The calculation of the taxes levied is displayed on the Property Tax Summary 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 Subdistrict's share will be equal to approximately 7% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term the bonds are outstanding.

Net Investment Income

Interest earned on the Subdistrict's available funds has been estimated based on an average interest rate of approximately 1.5%.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1 SUB DISTRICT NO. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Intergovernmental expenditure

Pursuant to intergovernmental agreements, the Subdistrict will remit revenues to Reunion in order to pay the Subdistrict's maintenance costs.

Reserves

Emergency Reserve

The Subdistrict 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.