



**CliftonLarsonAllen**

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## **Accountant's Compilation Report**

Board of Directors  
Crowfoot Valley Ranch Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Crowfoot Valley Ranch Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019 and the actual comparative information for the year ended December 31, 2018, 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 the Crowfoot Valley Ranch Metropolitan District No. 1.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 15, 2020

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/15/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 29,089	\$ 2,834	\$ 1,097
REVENUES			
Property taxes	658	659	632
Specific ownership tax	76	66	62
Interest income	620	74	10
Fire protection tax	64	64	61
Developer advance	-	26,000	32,000
Transfer from district No.2	52,740	15,575	15,142
Intergovernmental Revenue - District No. 2	-	723,049	26,258,839
Total revenues	<u>54,158</u>	<u>765,487</u>	<u>26,306,746</u>
Total funds available	<u>83,247</u>	<u>768,321</u>	<u>26,307,843</u>
EXPENDITURES			
General and administrative	80,413	44,175	47,000
Capital projects	-	723,049	26,258,839
Total expenditures	<u>80,413</u>	<u>767,224</u>	<u>26,305,839</u>
Total expenditures and transfers out requiring appropriation	<u>80,413</u>	<u>767,224</u>	<u>26,305,839</u>
ENDING FUND BALANCES	<u>\$ 2,834</u>	<u>\$ 1,097</u>	<u>\$ 2,004</u>
EMERGENCY RESERVE	<u>\$ 1,700</u>	<u>\$ 500</u>	<u>\$ 500</u>
TOTAL RESERVE	<u>\$ 1,700</u>	<u>\$ 500</u>	<u>\$ 500</u>

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/15/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Agricultural	10	10	10
State assessed	200	200	200
Personal property	8,300	8,300	7,900
Certified Assessed Value	<u>\$ 8,510</u>	<u>\$ 8,510</u>	<u>\$ 8,110</u>
<b>MILL LEVY</b>			
General	77.388	77.388	77.929
Fire Protection	7.462	7.462	7.514
Total mill levy	<u>84.850</u>	<u>84.850</u>	<u>85.443</u>
<b>PROPERTY TAXES</b>			
General	\$ 659	\$ 659	\$ 632
Fire Protection	64	64	61
Levied property taxes	<u>723</u>	<u>723</u>	<u>693</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 723</u>	<u>\$ 723</u>	<u>\$ 693</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 659</u>	<u>\$ 659</u>	<u>\$ 632</u>
Fire Protection	<u>64</u>	<u>64</u>	<u>61</u>
	<u>\$ 723</u>	<u>\$ 723</u>	<u>\$ 693</u>

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/15/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 29,089	\$ 2,834	\$ 1,097
<b>REVENUES</b>			
Property taxes	658	659	632
Specific ownership tax	76	66	62
Interest income	620	74	10
Developer advance	-	26,000	32,000
Fire Protection Tax	64	64	61
Transfer from District No.2	52,740	15,575	15,142
Total revenues	54,158	42,438	47,907
Total funds available	83,247	45,272	49,004
<b>EXPENDITURES</b>			
General and administrative			
Accounting	20,969	9,760	10,500
Auditing	-	5,250	5,500
County Treasurer's fee	11	10	9
Dues and licenses	-	639	1,000
Insurance and bonds	6,774	5,017	7,500
District management	22,537	5,367	6,250
Legal services	26,775	11,834	10,000
Miscellaneous	2,013	235	-
Payment to Town	64	63	60
Election expense	1,270	-	-
Paying agent fees	-	6,000	6,000
Contingency	-	-	181
Total expenditures	80,413	44,175	47,000
Total expenditures and transfers out requiring appropriation	80,413	44,175	47,000
ENDING FUND BALANCE	\$ 2,834	\$ 1,097	\$ 2,004
EMERGENCY RESERVE	\$ 1,700	\$ 500	\$ 500
TOTAL RESERVE	\$ 1,700	\$ 500	\$ 500

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
 CAPITAL PROJECTS FUND  
 2020 BUDGET  
 WITH 2018 ACTUAL AND 2019 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/15/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Intergovernmental Revenue - District No. 2	-	723,049	26,258,839
Total revenues	-	723,049	26,258,839
Total funds available	-	723,049	26,258,839
EXPENDITURES			
Capital Projects			
Accounting	-	29,280	31,500
District management	-	16,102	18,750
Legal services	-	35,504	30,000
Repay developer advance	-	642,163	-
Capital outlay	-	-	26,178,589
Total expenditures	-	723,049	26,258,839
Total expenditures and transfers out requiring appropriation	-	723,049	26,258,839
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**2020 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, 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 in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Service District related to Crowfoot Valley Ranch Metropolitan District No. 2, the Financing District ("District No. 2").

On November 4, 2014, the District's voters authorized general obligation indebtedness of \$53,000,000 for street improvements, \$53,000,000 for parks and recreation, \$53,000,000 for water supply system, \$53,000,000 for sanitary sewer system, \$53,000,000 for traffic and safety control, \$53,000,000 for public transport, \$53,000,000 for fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of December 3, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution. Emergency reserves, required under TABOR have been provided.

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

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 District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.00 mills for operating costs. Additionally 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on June 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

The property taxes levied are as shown on the Property Tax Summary Page.

**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 9.0% of the total property taxes collected by the General Fund.

**Developer Advances**

The District is in the development stage. As such, the Developer will fund expenditures necessary for the District's general operations and capital infrastructure development for 2020. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer under agreements approved by the Board.

**Net Investment Income**

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

**Expenditures**

**General and Administrative Expenditures**

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

**Payment to Town**

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 7.514 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures - (continued)**

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Capital Outlay**

The District anticipates infrastructure improvements during 2020 as displayed in the Capital Projects Fund.

**Debt and Leases**

The District has no outstanding indebtedness, nor any operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

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



**Crowfoot Valley Ranch Metropolitan District No. 1  
Schedule of Developer Advances**

	<b>Balance at December 31, 2018</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance at December 31, 2019</b>
Developer advance payable	\$ 571,232	\$ 20,000	\$ 339,540	\$ 251,692
Accrued interest on advances	481,465	35,178	302,623	214,020
	<u>\$ 1,052,697</u>	<u>\$ 55,178</u>	<u>\$ 642,163</u>	<u>\$ 465,712</u>
	<b>Balance at December 31, 2019*</b>	<b>Additions*</b>	<b>Payments*</b>	<b>Balance at December 31, 2020*</b>
Developer advance payable	\$ 251,692	\$ 32,000	-	\$ 283,692
Accrued interest on advances	214,020	21,638	-	235,658
	<u>\$ 465,712</u>	<u>\$ 53,638</u>	<u>\$ -</u>	<u>\$ 519,350</u>

\*Estimated amounts

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