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## Accountant's Compilation Report

Board of Directors  
Wildgrass at Rockrimmon Metropolitan District  
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Wildgrass At Rockrimmon Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017 and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

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

We are not independent with respect to Wildgrass At Rockrimmon Metropolitan District.

*CliftonLarsonAllen LLP*

Colorado Springs, Colorado  
January 24, 2018

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT  
SUMMARY**

**2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

01/24/18

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ (3,033)	\$ 20,376
REVENUES			
1 Property taxes	10,245	10,245	12,160
2 Specific ownership taxes	1,179	1,279	1,581
3 Developer advance	10,130	35,000	39,000
4 District services fees	-	-	2,500
Total revenues	<u>21,554</u>	<u>46,524</u>	<u>55,241</u>
Total funds available	<u>21,554</u>	<u>43,491</u>	<u>75,617</u>
EXPENDITURES			
5 General and administration			
6 Accounting	6,889	10,500	10,000
7 Contingency	-	1,069	2,279
8 County Treasurer's fees	38	38	46
9 District management	4,078	5,200	5,000
10 Dues and membership	200	255	300
11 Election	-	-	500
12 Insurance	1,051	2,738	2,875
13 Legal	12,186	3,200	10,000
14 Miscellaneous	30	-	-
15 Operations and maintenance			
16 Landscaping	-	-	10,000
17 Snow removal	-	-	2,000
18 Trash collection	-	-	500
19 Utilities	-	-	500
20 Water / Sewer	-	-	2,000
21 Debt service			
22 Contingency	-	-	863
23 County Treasurer's fees	115	115	137
Total expenditures	<u>24,587</u>	<u>23,115</u>	<u>47,000</u>
Total expenditures and transfers out requiring appropriation	<u>24,587</u>	<u>23,115</u>	<u>47,000</u>
ENDING FUND BALANCES	<u>\$ (3,033)</u>	<u>\$ 20,376</u>	<u>\$ 28,617</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 200</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 200</u>

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

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

01/24/18

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - EL PASO</b>			
Vacant Land	\$ 256,130	\$ 256,130	\$ 274,980
Certified Assessed Value	<u>\$ 256,130</u>	<u>\$ 256,130</u>	<u>\$ 274,980</u>
<b>MILL LEVY</b>			
GENERAL FUND	10.000	10.000	11.055
DEBT SERVICE FUND	30.000	30.000	33.166
Total Mill Levy	<u>40.000</u>	<u>40.000</u>	<u>44.221</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 2,561	\$ 2,561	\$ 3,040
DEBT SERVICE FUND	7,684	7,684	9,120
Budgeted Property Taxes	<u>\$ 10,245</u>	<u>\$ 10,245</u>	<u>\$ 12,160</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 2,561	\$ 2,561	\$ 3,040
DEBT SERVICE FUND	7,684	7,684	9,120
	<u>\$ 10,245</u>	<u>\$ 10,245</u>	<u>\$ 12,160</u>

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

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT  
GENERAL FUND  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

01/24/18

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ (11,486)	\$ 3,355
REVENUES			
1 Property taxes	2,561	2,561	3,040
2 Specific ownership taxes	295	280	395
3 Developer advance	10,130	35,000	39,000
4 District services fees	-	-	2,500
Total revenues	<u>12,986</u>	<u>37,841</u>	<u>44,935</u>
Total funds available	<u>12,986</u>	<u>26,355</u>	<u>48,290</u>
EXPENDITURES			
General and administration			
5 Accounting	6,889	10,500	10,000
6 Contingency	-	1,069	2,279
7 County Treasurer's fees	38	38	46
8 District management	4,078	5,200	5,000
9 Dues and membership	200	255	300
10 Election	-	-	500
11 Insurance	1,051	2,738	2,875
12 Legal	12,186	3,200	10,000
13 Miscellaneous	30	-	-
Operations and maintenance			
14 Landscaping	-	-	10,000
15 Snow removal	-	-	2,000
16 Trash collection	-	-	500
17 Utilities	-	-	500
18 Water / Sewer	-	-	2,000
Total expenditures	<u>24,472</u>	<u>23,000</u>	<u>46,000</u>
Total expenditures and transfers out requiring appropriation	<u>24,472</u>	<u>23,000</u>	<u>46,000</u>
ENDING FUND BALANCES	<u>\$ (11,486)</u>	<u>\$ 3,355</u>	<u>\$ 2,290</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 200</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 200</u>

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

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT**  
**DEBT SERVICE FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

01/24/18

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ 8,453	\$ 17,021
REVENUES			
1 Property taxes	7,684	7,684	9,120
2 Specific ownership taxes	884	999	1,186
Total revenues	8,568	8,683	10,306
Total funds available	8,568	17,136	27,327
EXPENDITURES			
Debt service			
3 Contingency	-	-	863
4 County Treasurer's fees	115	115	137
Total expenditures	115	115	1,000
Total expenditures and transfers out requiring appropriation	115	115	1,000
ENDING FUND BALANCES	\$ 8,453	\$ 17,021	\$ 26,327

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

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for El Paso County recorded on January 10, 2008, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City Council of Colorado Springs on September 11, 2007. The District's service area is located entirely in El Paso County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements including streets and safety control, landscaping, storm drainage, water, sewer, television relay, and park and recreation improvements and facilities.

On November 6, 2007, the District's voters authorized general obligation indebtedness of \$6,500,000 for street improvements, \$6,500,000 for park and recreation, \$6,500,000 water improvements; \$6,500,000 for sanitation improvements; \$2,000,000 for transportation; \$1,000,000 for mosquito control; \$1,000,000 for safety protection; \$1,000,000 for fire protection; \$1,000,000 for television and relay translation; \$1,000,000 for security services; \$2,000,000 for operations and maintenance debt and \$6,500,000 for refinancing of District debt. The election also approved an annual increase in taxes of \$1,000,000 for general operations and maintenance.

On May 6, 2014, the District's voters authorized general obligation indebtedness of \$65,000,000 representing \$6,500,000 for each of the following public improvements: streets, park and recreation, water, sanitation, transportation, mosquito control, safety protection, fire protection, television relay and translation and security services. The voters also approved general obligations indebtedness of \$6,500,000 for refinancing of District debt, \$6,500,000 for intergovernmental contracts; and \$6,500,000 for operations and maintenance debt. The election also approved an annual increase in taxes of \$1,000,000 for general operations and maintenance.

The Service Plan limits total general obligation indebtedness to \$6,500,000.

The District has no employees and all operations and 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.

**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 allows for a maximum debt mill levy of 30.000 mills for residential sub-districts and 50.000 mills for commercial sub-districts, adjusted for changes in the ratio of actual value to assessed value of property within the District.

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.20% from 7.96% for property tax years 2017-2018 on April 17, 2017 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change in assessed value calculation.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**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 13% of the property taxes collected.

**Developer Advance**

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. 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 from bond proceeds and other legally available revenue.

**District Service Fees**

The District charges each homeowner a fee to cover operations and maintenance.

**Expenditures**

**Administrative and Operating Expenses**

Administrative and operating expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, audit, managerial, insurance, and other administrative expenses.

**County Treasurer's Fees**

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

**Debt and Leases**

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

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserves**

The District has provided 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.**