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Accountant's Compilation Report

Board of Directors
Wildgrass at Rockrimmon Metropolitan District

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 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 Wildgrass at Rockrimmon Metropolitan District.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
January 27, 2020



An independent member of Nexia International

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 11,180	\$ 16,445	\$ 46,832
REVENUES			
Property Taxes	12,152	21,427	50,289
Specific Ownership Tax	1,536	2,495	5,532
Interest Income	-	-	2,541
District Services Fees	4,411	37,720	73,360
Developer Advance	69,683	94,000	1,590,000
Late Fees/Penalties	-	1,000	-
Series 2020A - Bond Proceeds	-	-	1,027,000
Series 2020B - Bond Proceeds	-	-	360,000
Total revenues	<u>87,782</u>	<u>156,642</u>	<u>3,108,722</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>118,889</u>
Total funds available	<u>98,962</u>	<u>173,087</u>	<u>3,274,443</u>
EXPENDITURES			
General Fund	82,380	126,014	175,000
Debt Service Fund	137	241	51,290
Capital Projects Fund	-	-	2,768,111
Total expenditures	<u>82,517</u>	<u>126,255</u>	<u>2,994,401</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>118,889</u>
Total expenditures and transfers out requiring appropriation	<u>82,517</u>	<u>126,255</u>	<u>3,113,290</u>
ENDING FUND BALANCES	<u>\$ 16,445</u>	<u>\$ 46,832</u>	<u>\$ 161,153</u>
EMERGENCY RESERVE	\$ 235	\$ 1,350	\$ 2,620
AVAILABLE FOR OPERATIONS	(10,983)	589	1,634
DEBT SERVICE RESERVE	-	-	78,950
TOTAL RESERVE	<u>\$ (10,748)</u>	<u>\$ 1,939</u>	<u>\$ 83,204</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Residential	\$ -	\$ 357,590	\$ 640,270
Vacant land	274,980	126,950	489,050
Certified Assessed Value	<u>\$ 274,980</u>	<u>\$ 484,540</u>	<u>\$ 1,129,320</u>
MILL LEVY			
General	11.055	11.055	11.132
Debt Service	33.166	33.166	33.398
Total mill levy	<u>44.221</u>	<u>44.221</u>	<u>44.530</u>
PROPERTY TAXES			
General	\$ 3,040	\$ 5,357	\$ 12,572
Debt Service	9,120	16,070	37,717
Levied property taxes	12,160	21,427	50,289
Adjustments to actual/rounding	(8)	-	-
Budgeted property taxes	<u>\$ 12,152</u>	<u>\$ 21,427</u>	<u>\$ 50,289</u>
BUDGETED PROPERTY TAXES			
General	\$ 3,038	\$ 5,357	\$ 12,572
Debt Service	9,114	16,070	37,717
	<u>\$ 12,152</u>	<u>\$ 21,427</u>	<u>\$ 50,289</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ (5,884)	\$ (10,748)	\$ 1,939
REVENUES			
Property Taxes	3,038	5,357	12,572
Specific Ownership Tax	384	624	1,383
Developer Advance	69,683	94,000	90,000
District Services Fees	4,411	37,720	73,360
Late Fees/Penalties	-	1,000	-
Total revenues	<u>77,516</u>	<u>138,701</u>	<u>177,315</u>
Total funds available	<u>71,632</u>	<u>127,953</u>	<u>179,254</u>
EXPENDITURES			
General and administrative			
Accounting	16,013	20,000	25,000
Audit	-	-	5,000
County Treasurer's Fee	46	80	189
Dues and Licenses	562	966	1,000
Insurance and Bonds	2,488	2,508	2,530
District Management	20,456	28,000	25,000
Legal	36,754	19,000	25,000
Miscellaneous	320	400	400
Billing Services	2,755	11,400	12,000
Election Expense	1,847	-	2,000
Contingency	-	-	1,745
Operations and maintenance			
Repairs and maintenance	-	-	5,000
Landscaping	210	13,860	14,136
Landscaping - Enhancements	-	-	1,000
Snow Removal	194	2,200	3,000
Water/Sewer	-	17,900	36,000
Trash Collection	735	5,500	10,000
Covenant Enforcement	-	4,200	6,000
Total expenditures	<u>82,380</u>	<u>126,014</u>	<u>175,000</u>
Total expenditures and transfers out requiring appropriation	<u>82,380</u>	<u>126,014</u>	<u>175,000</u>
ENDING FUND BALANCE	<u>\$ (10,748)</u>	<u>\$ 1,939</u>	<u>\$ 4,254</u>
EMERGENCY RESERVE	\$ 235	\$ 1,350	\$ 2,620
AVAILABLE FOR OPERATIONS	(10,983)	589	1,634
TOTAL RESERVE	<u>\$ (10,748)</u>	<u>\$ 1,939</u>	<u>\$ 4,254</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
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 17,064	\$ 27,193	\$ 44,893
REVENUES			
Property Taxes	9,114	16,070	37,717
Specific Ownership Tax	1,152	1,871	4,149
Interest Income	-	-	2,541
Total revenues	<u>10,266</u>	<u>17,941</u>	<u>44,407</u>
TRANSFERS IN			
Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>118,889</u>
Total funds available	<u>27,330</u>	<u>45,134</u>	<u>208,189</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	137	241	566
Paying Agent Fees	-	-	6,000
Contingency	-	-	4,784
Debt Service			
Bond Interest - Series 2020A	-	-	39,940
Total expenditures	<u>137</u>	<u>241</u>	<u>51,290</u>
Total expenditures and transfers out requiring appropriation	<u>137</u>	<u>241</u>	<u>51,290</u>
ENDING FUND BALANCE	<u>\$ 27,193</u>	<u>\$ 44,893</u>	<u>\$ 156,899</u>
DEBT SERVICE RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,950</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,950</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
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer Advance	-	-	1,500,000
Series 2020A - Bond Proceeds	-	-	1,027,000
Series 2020B - Bond Proceeds	-	-	360,000
Total revenues	<u>-</u>	<u>-</u>	<u>2,887,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>2,887,000</u>
EXPENDITURES			
Capital Projects			
Repay Developer Advance	-	-	1,004,811
Bond Issue Costs	-	-	263,300
Capital Outlay	-	-	1,500,000
Total expenditures	<u>-</u>	<u>-</u>	<u>2,768,111</u>
TRANSFERS OUT			
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>118,889</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>2,887,000</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.

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT
2020 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 May 22, 2018. The District Amended and Restated 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 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.

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

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 11% 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.

Bond Issuance

The District anticipates issuing general obligation bonds. Bond proceeds will be used to pay infrastructure costs, bond issue costs and capitalized interest. Significant terms of the bond issuance will be determined at the time of issuance.

Interest Income

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

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

Repay Developer Advances

The District anticipates repaying capital developer advances as noted in the Capital Projects fund.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt Service

Interest payments are estimated based on the anticipated issuance of the 2020A Bonds (discussed under Debt and Leases).

Debt and Leases

The district anticipates issuing Senior General Obligation Bonds, Series 2020A, for \$1,027,000 and Subordinate General Obligation Bonds, Series 2020B, for \$360,000.

Interest on the Series 2020A bonds is due June 1st and December 1st, beginning on 06/01/2020 at an anticipated rate of 5%. Principal on the Series 2020A bonds are due December 1st. The Series 2020A bonds are expected to mature in 2049.

The Series 2020B bonds are cash flow bonds and interest and principal payments are not scheduled. The bonds bear interest at an anticipated rate of 8%. The Series 2020B bonds are expected to mature in 2049.

Significant terms of the bond issuance will be determined at the time of issuance.

The District has no operating or capital leases.

**WILDGRASS AT ROCKRIMMON METROPOLITAN DISTRICT
2020 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.

Debt Service Reserves

The District anticipates a Debt Service Reserve will be required with the issuance of the Series 2020A Bonds.

This information is an integral part of the accompanying budget.