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Accountant's Compilation Report

Board of Directors
Lake of the Rockies Metropolitan District
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Lake of the Rockies Metropolitan District for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015 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 Lake of the Rockies Metropolitan District.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
January 17, 2017



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**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
SUMMARY
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 490	\$ -	\$ 2,422
REVENUES			
1 Property taxes	2,687	6,399	43,650
2 Specific ownership taxes	269	701	4,802
3 Developer advance	38,902	50,539	3,017,000
4 Net investment income	-	3	10
5 Other income	-	56	-
6 Operations and Maintenance fee	-	3,720	18,960
7 Homeowner initial set-up fee	164	-	-
Total revenues	42,022	61,418	3,084,422
Total funds available	42,512	61,418	3,086,844
EXPENDITURES			
8 General and administration			
9 Accounting	2,794	12,000	12,000
10 Billing Services	-	2,000	3,500
11 Contingency	-	1,531	9,045
12 County Treasurer's fees	41	96	655
13 District management	4,084	12,000	12,000
14 Dues and membership	-	-	-
15 Election	-	305	-
16 Insurance	2,252	3,164	3,300
17 Legal	33,311	9,000	10,000
18 Miscellaneous	30	1,000	1,000
19 Operations and maintenance			
20 Emergency Reserve (3%)	-	-	-
21 Landscape Maintenance	-	15,000	20,000
22 Snow Removal	-	2,500	5,000
23 Trash collection	-	400	4,725
24 Utilities	-	-	-
25 Water usage	-	-	775
26 Capital projects			
27 Capital expenditures	-	-	3,000,000
Total expenditures	42,512	58,996	3,082,000
Total expenditures and transfers out requiring appropriation	42,512	58,996	3,082,000
ENDING FUND BALANCES	\$ -	\$ 2,422	\$ 4,844
EMERGENCY RESERVE	\$ 100	\$ 400	\$ 2,100
TOTAL RESERVE	\$ 100	\$ 400	\$ 2,100

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

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

1/17/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
ASSESSED VALUATION - EL PASO			
Residential	\$ -	\$ -	\$ 213,360
Commercial	-	-	61,530
Agricultural	200	210	210
Vacant Land	48,440	127,760	557,030
State Assessed	6,460	-	40,870
Certified Assessed Value	<u>\$ 55,100</u>	<u>\$ 127,970</u>	<u>\$ 873,000</u>
MILL LEVY			
GENERAL FUND	50.000	50.000	50.000
Total Mill Levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>
PROPERTY TAXES			
GENERAL FUND	\$ 2,755	\$ 6,399	\$ 43,650
Levied property taxes	2,755	6,399	43,650
Adjustments to actual/rounding	(68)	-	-
Budgeted Property Taxes	<u>\$ 2,687</u>	<u>\$ 6,399</u>	<u>\$ 43,650</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 2,687	\$ 6,399	\$ 43,650
	<u>\$ 2,687</u>	<u>\$ 6,399</u>	<u>\$ 43,650</u>

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

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
GENERAL FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 490	\$ -	\$ 2,422
REVENUES			
1 Property taxes	2,687	6,399	43,650
2 Specific ownership taxes	269	701	4,802
3 Developer advance	38,902	50,539	17,000
4 Net investment income	-	3	10
5 Other income	-	56	-
6 Operations and Maintenance fee	-	3,720	18,960
7 Homeowner initial set-up fee	164	-	-
Total revenues	42,022	61,418	84,422
Total funds available	42,512	61,418	86,844
EXPENDITURES			
General and administration			
8 Accounting	2,794	12,000	12,000
9 Billing Services	-	2,000	3,500
10 Contingency	-	1,531	9,045
11 County Treasurer's fees	41	96	655
12 District management	4,084	12,000	12,000
13 Dues and membership	-	-	-
14 Election	-	305	-
15 Insurance	2,252	3,164	3,300
16 Legal	33,311	9,000	10,000
17 Miscellaneous	30	1,000	1,000
Operations and maintenance			
18 Emergency Reserve (3%)	-	-	-
19 Landscape Maintenance	-	15,000	20,000
20 Snow Removal	-	2,500	5,000
21 Trash collection	-	400	4,725
22 Utilities	-	-	-
23 Water usage	-	-	775
Total expenditures	42,512	58,996	82,000
Total expenditures and transfers out requiring appropriation	42,512	58,996	82,000
ENDING FUND BALANCES	\$ -	\$ 2,422	\$ 4,844
EMERGENCY RESERVE	\$ 100	\$ 400	\$ 2,100
TOTAL RESERVE	\$ 100	\$ 400	\$ 2,100

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

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
 CAPITAL PROJECTS FUND
 2017 BUDGET AS ADOPTED
 WITH 2015 ACTUAL AND 2016 ESTIMATED
 For the Years Ended and Ending December 31,**

1/17/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	-	-	3,000,000
Total revenues	<u>-</u>	<u>-</u>	<u>3,000,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>3,000,000</u>
EXPENDITURES			
Capital projects			
2 Capital expenditures	-	-	3,000,000
Total expenditures	<u>-</u>	<u>-</u>	<u>3,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>3,000,000</u>
ENDING FUND BALANCES	<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.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Lake of the Rockies Metropolitan District's (the District) organization was approved by eligible electors of the District at an election held on November 2, 2010. The District was organized by order of the District Court in and for El Paso County on November 30, 2010 and recorded on January 3, 2011. The formation of the District was approved by the Town of Monument, Colorado.

The Lake of the Rockies Metropolitan District was created pursuant to Title 32 Colorado Revised Statutes. The District is an independent unit of local government, separate and distinct from the Town. There are currently no other governmental entities, including any other district, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

The Public Improvements will be constructed for the use and benefit of all anticipated inhabitants and taxpayers of the District and the Town. The primary purpose of the District will be to finance the construction of these Public Improvements.

At the November 2, 2010 election for the District, the voters approved authorization to increase property taxes up to \$150,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Total debt authorization was also approved in the amount of \$14,000,000 for streets, water, sewer and storm drainage improvements, refunding debt, and mortgages.

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.

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 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 page 3 of the budget at the adopted mill levy of 50.000 mills for operations, which is the maximum the District is allowed to 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 forecast assumes that the District's share will be equal to approximately 11% of the property taxes collected.

**LAKE OF THE ROCKIES METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Developer Advance

The District is in the development stage. As such, the Developer is expected to fund a portion of the costs of the District's operating expenditures in 2017. 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.

Operations and Maintenance Fees

The District charges each homeowner a monthly operation and maintenance fee of \$40. The 2017 budgeted revenues are estimating an increase of 3 units per month during the year.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.30%.

Expenditures

Administrative and Operations and Maintenance Expenditures

Administrative and operations and maintenance expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, landscaping, utilities, and other administrative expenses.

Capital Outlay

The District is anticipating capital expenditures of \$3,000,000 in 2017 for infrastructure.

Debt and Leases

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

Reserves

Emergency Reserves

The District has provided an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2017, as defined under TABOR.

This information is an integral part of the accompanying budget.