



CliftonLarsonAllen

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Board of Directors  
Mesa Ridge Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances/funds available of Mesa Ridge Metropolitan District 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 Mesa Ridge Metropolitan District No. 1.

Colorado Springs, Colorado  
December 4, 2018



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**MESA RIDGE METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 8,923	\$ 9,868	\$ 2,940
REVENUES			
Interest income	15	18	45
Developer advance	161,147	60,650	102,000
Intergovernmental revenue from MRMD2	39,828	42,245	42,868
Total revenues	<u>200,990</u>	<u>102,913</u>	<u>144,913</u>
TRANSFERS IN	<u>2,603</u>	<u>520</u>	<u>-</u>
Total funds available	<u>212,516</u>	<u>113,301</u>	<u>147,853</u>
EXPENDITURES			
General Fund	43,686	58,671	63,500
Capital Projects Fund	156,359	51,170	80,000
Total expenditures	<u>200,045</u>	<u>109,841</u>	<u>143,500</u>
TRANSFERS OUT	<u>2,603</u>	<u>520</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>202,648</u>	<u>110,361</u>	<u>143,500</u>
ENDING FUND BALANCES	<u>\$ 9,868</u>	<u>\$ 2,940</u>	<u>\$ 4,353</u>
EMERGENCY RESERVE	\$ 1,200	\$ 1,300	\$ 1,300
AVAILABLE FOR OPERATIONS	<u>8,668</u>	<u>1,640</u>	<u>3,053</u>
TOTAL RESERVE	<u>\$ 9,868</u>	<u>\$ 2,940</u>	<u>\$ 4,353</u>

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

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

1/3/19

ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
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ASSESSSED VALUATION

Agricultural	100	110	110
Certified Assessed Value	\$ 100	\$ 110	\$ 110
	\$ 100	\$ 110	\$ 110

MILL LEVY

PROPERTY TAXES

Budgeted property taxes	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

**BUDGETED PROPERTY TAXES**

	\$ -	\$ -
	\$ -	\$ -

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

**MESA RIDGE METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 8,923	\$ 9,868	\$ 2,940
REVENUES			
Interest income	15	18	45
Developer advance	7,391	10,000	22,000
Intergovernmental revenue from MRMD2	39,828	42,245	42,868
Total revenues	<u>47,234</u>	<u>52,263</u>	<u>64,913</u>
Total funds available	<u>56,157</u>	<u>62,131</u>	<u>67,853</u>
EXPENDITURES			
General and administrative			
Accounting	16,225	21,000	22,000
Auditing	4,500	5,000	5,500
Dues and licenses	646	616	700
Insurance and bonds	5,267	7,340	7,500
District management	5,494	6,000	6,600
Legal services	3,502	7,000	7,500
Miscellaneous	442	620	1,000
Election expense	-	1,359	-
Contingency	-	-	1,700
Operations and maintenance			
Landscape maintenance	7,391	9,000	10,000
Utilities	219	736	1,000
Total expenditures	<u>43,686</u>	<u>58,671</u>	<u>63,500</u>
TRANSFERS OUT			
Transfers to other fund	<u>2,603</u>	<u>520</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>46,289</u>	<u>59,191</u>	<u>63,500</u>
ENDING FUND BALANCE	<u>\$ 9,868</u>	<u>\$ 2,940</u>	<u>\$ 4,353</u>
EMERGENCY RESERVE	\$ 1,200	\$ 1,300	\$ 1,300
AVAILABLE FOR OPERATIONS	8,668	1,640	3,053
TOTAL RESERVE	<u>\$ 9,868</u>	<u>\$ 2,940</u>	<u>\$ 4,353</u>

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

**MESA RIDGE METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	153,756	50,650	80,000
Total revenues	<u>153,756</u>	<u>50,650</u>	<u>80,000</u>
TRANSFERS IN			
Transfers from other funds	<u>2,603</u>	<u>520</u>	<u>-</u>
Total funds available	<u>156,359</u>	<u>51,170</u>	<u>80,000</u>
EXPENDITURES			
Capital Projects			
Accounting	2,603	-	-
Streets	15,338	5,108	-
Engineering	-	520	-
Sewer	138,418	951	-
Water	-	44,591	-
Capital outlay	-	-	80,000
Total expenditures	<u>156,359</u>	<u>51,170</u>	<u>80,000</u>
Total expenditures and transfers out requiring appropriation	<u>156,359</u>	<u>51,170</u>	<u>80,000</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.

**MESA RIDGE METROPOLITAN DISTRICT NO. 1  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Mesa Ridge Metropolitan District No. 1 (the "District") and Mesa Ridge Metropolitan District No. 2 ("District No. 2") were formed under the Joint Service Plan approved by the City of Fountain, Colorado. The Districts' service area is located entirely within the City of Fountain, El Paso County, Colorado. The District will be responsible for managing the design, construction, and operation of the public facilities and improvements and will be deemed to be the "Managing District." District No. 2 is responsible for providing funding to support costs related to services and improvements utilizing the tax base, fees, and charges and will be deemed to be the "Financing District" in order to generate the necessary revenues. Under the Service Plan, the Districts provide the following services: water, wastewater, street improvements, safety protection, parks and recreation, mosquito control, television relay and translation, transportation, and drainage.

The District was organized by El Paso County Court Order on September 20, 2004.

At an election held on November 2, 2004, the voters approved general indebtedness of \$7,000,000 for street improvements, \$2,000,000 for water supply, \$2,000,000, sanitary sewer, \$1,000,000 for traffic and safety controls, \$3,000,000 for parks and recreation, \$1,000,000 for mosquito control, \$1,000,000 for television relay and translation, \$250,000 for public transportation, and \$20,000,000 for refinancing District debt. The voters also approved an annual increase in taxes of \$500,000 at a mill levy rate without limitation or with such limitations as may be determined by the board for the purpose of the District's operations, maintenance, and other expenses. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. Pursuant to the District's combined service plan filed with the city, the maximum debt service mill levy the District can impose is 50.000 mills.

Pursuant to the Service Plan, the Districts are permitted to issue bond indebtedness of up to \$35,000,000.

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with 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**

**Intergovernmental Transfer**

Per the Intergovernmental Agreement between the District and District No. 2, net revenues are transferred from District No. 2 to the District for the purpose of paying the operations and maintenance costs of both districts.

**MESA RIDGE METROPOLITAN DISTRICT NO. 1  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Interest**

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

**Developer Advance**

The District has entered into a Joint Financing and Reimbursement Agreement with the Developer. Advances under the agreement bear simple interest at the rate of 7% per annum. A portion of the District's 2019 operations and maintenance expenses are anticipated to be funded by developer advances. Developer advances are to be recorded as revenue for budget purposes and may be repaid to the Developer from unpledged revenue in future years.

**Expenditures**

**Administrative Expenditures**

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, landscape maintenance, and other administrative expenses.

**Debt and Leases**

The District has no bond indebtedness or capital or operating leases. The District's debt consists of developer advances, which are not considered general obligation debt. Repayment of advances is subject to annual appropriation if and when eligible funds become available.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2019, as defined under TABOR.

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