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Accountant's Compilation Report

Board of Directors
Meadowbrook Crossing Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Meadowbrook Crossing 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 Colorado Revised Statutes 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 Meadowbrook Crossing Metropolitan District.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
January 15, 2020



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

1/15/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 47	\$ 1,414	\$ 60,146
REVENUES			
Property taxes	15,571	24,845	86,294
Specific ownership taxes	1,967	2,981	9,492
Interest income	519	1	200
Other revenue	100	-	-
Maintenance fees	43	11,216	22,250
Impact fees	1,750	56,000	35,000
Developement fees	285,000	-	-
Bond issuance	3,097,728	-	-
Developer advances	3,117,443	89,000	69,853
Total revenues	<u>6,520,121</u>	<u>184,043</u>	<u>223,089</u>
Total funds available	<u>6,520,168</u>	<u>185,457</u>	<u>283,235</u>
EXPENDITURES			
General Fund	74,841	80,000	85,000
Debt Service Fund	201	811	3,000
Capital Projects Fund	6,443,712	-	-
Special Revenue Fund	-	44,500	78,500
Total expenditures	<u>6,518,754</u>	<u>125,311</u>	<u>166,500</u>
Total expenditures and transfers out requiring appropriation	<u>6,518,754</u>	<u>125,311</u>	<u>166,500</u>
ENDING FUND BALANCES	<u>\$ 1,414</u>	<u>\$ 60,146</u>	<u>\$ 116,735</u>
EMERGENCY RESERVE	<u>\$ 200</u>	<u>\$ 140</u>	<u>\$ 500</u>
TOTAL RESERVE	<u>\$ 200</u>	<u>\$ 140</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.

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Residential	\$ -	\$ -	\$ 354,520
Commercial	-	-	27,480
Agricultural	-	-	340
Vacant land	\$ 259,530	\$ 414,080	\$ 1,015,750
Total	<u>259,530</u>	<u>414,080</u>	<u>1,398,090</u>
Certified Assessed Value	<u>\$ 259,530</u>	<u>\$ 414,080</u>	<u>\$ 1,398,090</u>
MILL LEVY			
General	10.000	10.000	10.287
Debt Service	50.000	50.000	51.436
Total mill levy	<u>60.000</u>	<u>60.000</u>	<u>61.723</u>
PROPERTY TAXES			
General	\$ 2,595	\$ 4,141	\$ 14,382
Debt Service	12,977	20,704	71,912
Levied property taxes	<u>15,572</u>	<u>24,845</u>	<u>86,294</u>
Adjustments to actual/rounding	(1)	-	-
Budgeted property taxes	<u>\$ 15,571</u>	<u>\$ 24,845</u>	<u>\$ 86,294</u>
BUDGETED PROPERTY TAXES			
General	\$ 2,595	\$ 4,141	\$ 14,382
Debt Service	12,976	20,704	71,912
	<u>\$ 15,571</u>	<u>\$ 24,845</u>	<u>\$ 86,294</u>

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

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 47	\$ (13,428)	\$ 210
REVENUES			
Property taxes	2,600	4,141	14,382
Specific ownership taxes	328	497	1,582
Interest income	86	-	-
Developer advances	56,459	89,000	69,853
Other revenue	100	-	-
Maintenance fees	43	-	-
Impact fees	1,750	-	-
Total revenues	<u>61,366</u>	<u>93,638</u>	<u>85,817</u>
Total funds available	<u>61,413</u>	<u>80,210</u>	<u>86,027</u>
EXPENDITURES			
General and administrative			
Accounting	6,558	32,000	25,000
Auditing	-	5,000	5,000
Billing services	524	-	-
County Treasurer's fees	40	62	216
District management	7,041	25,000	25,000
Directors' fees	2,900	1,300	2,000
Dues and subscriptions	-	363	450
Election expense	-	-	2,000
Insurance and bonds	100	1,839	3,000
Legal services	18,356	9,000	10,000
Miscellaneous	-	1,500	4,994
Organization costs	26,799	-	-
Payroll taxes	145	176	153
Contingency	1,807	3,760	7,187
Operations and maintenance			
Developer advance - interest	1,660	-	-
Electricity	195	-	-
Landscape maintenance	875	-	-
Water	7,841	-	-
Total expenditures	<u>74,841</u>	<u>80,000</u>	<u>85,000</u>
Total expenditures and transfers out requiring appropriation	<u>74,841</u>	<u>80,000</u>	<u>85,000</u>
ENDING FUND BALANCE	<u>\$ (13,428)</u>	<u>\$ 210</u>	<u>\$ 1,027</u>
EMERGENCY RESERVE	<u>\$ 200</u>	<u>\$ 140</u>	<u>\$ 500</u>
TOTAL RESERVE	<u>\$ 200</u>	<u>\$ 140</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.

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 22,716
REVENUES			
Maintenance fees	-	11,216	22,250
Impact fees	-	56,000	35,000
Total revenues	<u>-</u>	<u>67,216</u>	<u>57,250</u>
Total funds available	<u>-</u>	<u>67,216</u>	<u>79,966</u>
EXPENDITURES			
General and administrative			
Billing services	-	7,500	7,500
Covenant enforcement	-	5,000	8,500
Operations and maintenance			
Landscape maintenance	-	12,000	25,000
Repairs and maintenance	-	-	1,000
Electricity	-	300	500
Water	-	8,500	20,000
Snow removal	-	5,000	5,000
Trash	-	4,000	6,500
Contingency	-	2,200	4,500
Total expenditures	<u>-</u>	<u>44,500</u>	<u>78,500</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>44,500</u>	<u>78,500</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 22,716</u>	<u>\$ 1,466</u>

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

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ 14,842	\$ 37,220
REVENUES			
Property taxes	12,971	20,704	71,912
Specific ownership taxes	1,639	2,484	7,910
Interest income	433	1	200
Total revenues	<u>15,043</u>	<u>23,189</u>	<u>80,022</u>
Total funds available	<u>15,043</u>	<u>38,031</u>	<u>117,242</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	201	311	1,079
Contingency	-	500	1,921
Total expenditures	<u>201</u>	<u>811</u>	<u>3,000</u>
Total expenditures and transfers out requiring appropriation	<u>201</u>	<u>811</u>	<u>3,000</u>
ENDING FUND BALANCE	<u>\$ 14,842</u>	<u>\$ 37,220</u>	<u>\$ 114,242</u>

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

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/15/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Bond issuance	3,097,728	-	-
Developer advances	3,060,984	-	-
Development fees	285,000	-	-
Total revenues	<u>6,443,712</u>	<u>-</u>	<u>-</u>
Total funds available	<u>6,443,712</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Bond issue costs	119,477	-	-
Capital Outlay	285,000	-	-
Organization costs	71,696	-	-
Organization Costs- Interest	7,523	-	-
Developer advance - Interest	154,586	-	-
Repay developer advance	2,978,250	-	-
Streets	976,302	-	-
Sewer	1,079,593	-	-
Water	481,497	-	-
Parks and recreation	282,484	-	-
Traffic and safety control	7,304	-	-
Total expenditures	<u>6,443,712</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>6,443,712</u>	<u>-</u>	<u>-</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.

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Meadowbrook Crossing Metropolitan District (“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 the City of Colorado Springs, El Paso County, Colorado on November 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide street improvements, parks and recreational facilities, water supply, wastewater facilities, traffic and safety controls, public transportation, fire protection, mosquito control, television relay and operation and maintenance. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

During elections held on November 8, 2016, the District's voter's authorized total general obligation indebtedness of \$10,000,000 for the above listed facilities and powers as well as for refunding of debt. The elections also approved annual increases in property taxes of up to \$750,000, without limitation to rate, to pay the District's operations and maintenance costs. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

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 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 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.

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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. A major portion of the capital expenditures are also expected to be 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.

Impact Fees

The District established a onetime homeowner impact fee of \$1,750 per single family residential unit to be paid upon closing along.

Maintenance Fees

The District established an annual maintenance fee of \$500 per single family residential unit. The fee revenue is used for the purpose of paying direct and indirect costs related to maintenance, trash removal, and covenant enforcement services.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included in the budget.

County Treasurer's Fees

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

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On October 10, 2018, the District issued \$3,097,728 in Series 2018 General Obligation Limited Tax Capital Appreciation Bonds. The Series 2018 Bonds are structured as a capital appreciation instrument of the District and are secured and payable from Pledged Revenues. Interest on the Series 2018 Bonds is a rate of 6% which will accrue from the date of issuance to December 1, 2021, during which time interest accruing on this Bond will compound on each June 1 and December 1 at the rate borne by this Bond. Such interest shall constitute appreciated principal of this Bond.

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

This information is an integral part of the accompanying budget.

**MEADOWBROOK CROSSING METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$3,730,000 (At Full Accretion)
General Obligation
Limited Tax Capital Appreciation Bonds
Series 2018, Dated October 10, 2018
Interest Rate of 6.000%
Payable June 1 and December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	-	-	-
2021	-	-	-
2022	-	223,800	223,800
2023	-	223,800	223,800
2024	-	223,800	223,800
2025	55,000	223,800	278,800
2026	60,000	220,500	280,500
2027	65,000	216,900	281,900
2028	75,000	213,000	288,000
2029	80,000	208,500	288,500
2030	90,000	203,700	293,700
2031	95,000	198,300	293,300
2032	105,000	192,600	297,600
2033	115,000	186,300	301,300
2034	125,000	179,400	304,400
2035	135,000	171,900	306,900
2036	150,000	163,800	313,800
2037	155,000	154,800	309,800
2038	175,000	145,500	320,500
2039	185,000	135,000	320,000
2040	200,000	123,900	323,900
2041	210,000	111,900	321,900
2042	230,000	99,300	329,300
2043	245,000	85,500	330,500
2044	265,000	70,800	335,800
2045	285,000	54,900	339,900
2046	305,000	37,800	342,800
2047	325,000	19,500	344,500
TOTAL	<u>\$ 3,730,000</u>	<u>\$ 4,089,000</u>	<u>\$ 7,819,000</u>

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