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## Accountant's Compilation Report

Board of Directors  
Reserve at the Meadows Metropolitan District  
Jefferson County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Reserve at the Meadows Metropolitan District for the year ending December 31, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014, 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 Reserve at the Meadows Metropolitan District.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 4, 2016

**RESERVE AT THE MEADOWS METROPOLITAN DISTRICT  
SUMMARY  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/4/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 9,171
<b>REVENUES</b>			
1 Property taxes	-	14,796	65,079
2 Specific ownership taxes	-	1,170	4,560
3 Developer advance	-	36,267	37,295
4 Net investment income	-	1	-
5 Bond issuance	-	-	4,000,000
Total revenues	-	52,234	4,106,934
Total funds available	-	52,234	4,116,105
<b>EXPENDITURES</b>			
6 General and administration			
7 Accounting	-	3,000	6,000
8 Contingency	-	-	2,770
9 County Treasurer's fees	-	222	980
10 District management	-	5,000	6,000
11 Dues and membership	-	-	600
12 Election	-	-	10,000
13 Insurance	-	2,593	2,700
14 Legal	-	10,000	15,000
15 Miscellaneous	-	245	1,500
16 Operations and maintenance			
17 Drainage maintenance	-	-	5,000
18 Landscape maintenance	-	22,003	8,000
19 Trash collection	-	-	5,000
20 Utilities	-	-	3,000
Total expenditures	-	43,063	66,550
Total expenditures and transfers out requiring appropriation	-	43,063	66,550
ENDING FUND BALANCES	\$ -	\$ 9,171	\$ 4,049,555
EMERGENCY RESERVE	\$ -	\$ 300	\$ 1,000
TOTAL RESERVE	\$ -	\$ 300	\$ 1,000

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

**RESERVE AT THE MEADOWS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

1/4/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
<b>ASSESSED VALUATION - JEFFERSON</b>			
Vacant Land	\$ -	\$ 208,393	\$ 916,601
Certified Assessed Value	<u>\$ -</u>	<u>\$ 208,393</u>	<u>\$ 916,601</u>
<b>MILL LEVY</b>			
GENERAL FUND	-	31.000	31.000
DEBT SERVICE FUND	-	40.000	40.000
Total Mill Levy	<u>-</u>	<u>71.000</u>	<u>71.000</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ -	\$ 6,460	\$ 28,415
DEBT SERVICE FUND	-	8,336	36,664
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ 14,796</u>	<u>\$ 65,079</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ -	\$ 6,460	\$ 28,415
DEBT SERVICE FUND	-	8,336	36,664
	<u>\$ -</u>	<u>\$ 14,796</u>	<u>\$ 65,079</u>

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

**RESERVE AT THE MEADOWS METROPOLITAN DISTRICT  
GENERAL FUND  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/4/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 300
<b>REVENUES</b>			
1 Property taxes	-	6,460	28,415
2 Specific ownership taxes	-	510	1,990
3 Developer advance	-	36,267	37,295
4 Net investment income	-	1	-
Total revenues	-	43,238	67,700
Total funds available	-	43,238	68,000
<b>EXPENDITURES</b>			
General and administration			
5 Accounting	-	3,000	6,000
6 Contingency	-	-	2,770
7 County Treasurer's fees	-	97	430
8 District management	-	5,000	6,000
9 Dues and membership	-	-	600
10 Election	-	-	10,000
11 Insurance	-	2,593	2,700
12 Legal	-	10,000	15,000
13 Miscellaneous	-	245	1,500
Operations and maintenance			
14 Drainage maintenance	-	-	5,000
15 Landscape maintenance	-	22,003	8,000
16 Trash collection	-	-	5,000
17 Utilities	-	-	3,000
Total expenditures	-	42,938	66,000
Total expenditures and transfers out requiring appropriation	-	42,938	66,000
ENDING FUND BALANCES	\$ -	\$ 300	\$ 2,000
EMERGENCY RESERVE	\$ -	\$ 300	\$ 1,000
TOTAL RESERVE	\$ -	\$ 300	\$ 1,000

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

**RESERVE AT THE MEADOWS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/4/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 8,871
REVENUES			
1 Property taxes	-	8,336	36,664
2 Specific ownership taxes	-	660	2,570
Total revenues	<u>-</u>	<u>8,996</u>	<u>39,234</u>
Total funds available	<u>-</u>	<u>8,996</u>	<u>48,105</u>
EXPENDITURES			
General and administration			
3 County Treasurer's fees	-	125	550
Total expenditures	<u>-</u>	<u>125</u>	<u>550</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>125</u>	<u>550</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 8,871</u>	<u>\$ 47,555</u>

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

**RESERVE AT THE MEADOWS METROPOLITAN DISTRICT  
 CAPITAL PROJECTS FUND  
 2016 BUDGET AS ADOPTED  
 WITH 2014 ACTUAL AND 2015 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/4/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Bond issuance	-	-	4,000,000
Total revenues	<u>-</u>	<u>-</u>	<u>4,000,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>4,000,000</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>

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

**RESERVE AT THE MEADOWS METROPOLITAN DISTRICT  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized by Order and Decree of the District Court of Jefferson County, Colorado on December 9, 2013, to provide financing for design, acquisition, construction and installation of essential public-purpose facilities such as water, sanitation, streets, traffic and safety controls, mosquito control, covenant enforcement, and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the Southwest Metropolitan Water and Sanitation District in Jefferson County, Colorado.

On November 5, 2013, the Electors of the District authorized the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. Additionally, the District voters approved authorization to increase property taxes up to \$1,000,000 annually to pay for the administration, operations, maintenance, and capital expenditures of the District and \$4,000,000 to pay for regional improvements for which the District is obligated. Also, the electors authorized the issuance of indebtedness in an amount not to exceed \$36,000,000. This includes \$4,000,000 each for water facilities, sanitation system, street improvements, traffic and safety controls, mosquito control, operations and maintenance expenses, and intergovernmental agreements, as well as the refunding of up to \$4,000,000 in debt at a higher interest rate.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statute 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 calculation of the taxes levied is displayed on page 3 of the Budget at the adopted total mill levy of 71.000 mills.

**RESERVE AT THE MEADOWS METROPOLITAN DISTRICT  
2016 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 7% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of 0.15%.

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, and meeting costs.

**Debt and Leases**

The District has no operating or capital leases.

**Reserve Funds**

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2016, as defined under TABOR.

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