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Accountant's Compilation Report

Board of Directors
Concord Metropolitan District
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Concord 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 Concord Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 28, 2016

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

12/28/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 1,509,466	\$ 1,590,148	\$ 1,679,381
REVENUES			
1 Property taxes	435,302	483,686	510,077
2 Specific ownership taxes	43,404	44,192	45,900
3 Net investment income	3,979	10,970	10,500
4 System development fees	14,000	-	28,000
5 SEMSWA payments	28,767	5,000	-
Total revenues	<u>525,452</u>	<u>543,848</u>	<u>594,477</u>
Total funds available	<u>2,034,918</u>	<u>2,133,996</u>	<u>2,273,858</u>
EXPENDITURES			
6 General and administration			
7 Accounting	22,829	25,000	25,000
8 Audit	4,000	4,000	4,500
9 Contingency	-	-	5,664
10 County Treasurer's fees	1,596	1,759	2,111
11 Director fees	1,000	1,000	1,200
12 District management	23,486	23,000	25,000
13 Dues and membership	352	353	500
14 Election	130	1,265	-
15 Insurance	2,968	3,357	3,525
16 Legal	7,783	9,000	25,000
17 Miscellaneous	198	500	500
18 Website	659	-	1,000
19 Operations and maintenance			
20 Architectural - landscape review	-	860	-
21 Electricity	-	-	500
22 Landscaping	5,423	8,000	9,300
23 Water	-	-	2,200
24 Debt service			
25 Bond interest	257,825	254,525	251,075
26 Bond principal	110,000	115,000	115,000
27 Contingency	-	-	1,829
28 County Treasurer's fees	4,948	5,496	5,540
29 Paying agent fees	200	200	500
30 Capital projects			
31 Accounting	-	-	4,000
32 District management	733	-	5,000
33 Legal	640	1,300	10,000
34 Traffic signal	-	-	250,057
35 Water line and streets improvement	-	-	295,000
Total expenditures	<u>444,770</u>	<u>454,615</u>	<u>1,044,001</u>
Total expenditures and transfers out requiring appropriation	<u>444,770</u>	<u>454,615</u>	<u>1,044,001</u>
ENDING FUND BALANCES	<u>\$ 1,590,148</u>	<u>\$ 1,679,381</u>	<u>\$ 1,229,857</u>
EMERGENCY RESERVE	\$ 3,600	\$ 3,900	\$ 4,700
DEBT SERVICE RESERVE	369,525	369,525	369,525
MILL LEVY STABILIZATION RESERVE	488,116	518,813	554,075
TOTAL RESERVE	<u>\$ 861,241</u>	<u>\$ 892,238</u>	<u>\$ 928,300</u>

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

**CONCORD METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

12/28/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
ASSESSED VALUATION - DOUGLAS			
Industrial	\$ 15,423,780	\$ 16,598,540	\$ 16,862,150
Vacant Land	668,470	560,080	560,080
Personal Property	5,871,810	12,117,720	17,755,410
State Assessed	55,300	38,000	100
Certified Assessed Value	\$ 22,019,360	\$ 29,314,340	\$ 35,177,740
MILL LEVY			
GENERAL FUND	5.000	4.000	4.000
DEBT SERVICE FUND	15.500	12.500	10.500
Total Mill Levy	20.500	16.500	14.500
PROPERTY TAXES			
GENERAL FUND	\$ 110,097	\$ 117,257	\$ 140,711
DEBT SERVICE FUND	341,300	366,429	369,366
Levied property taxes	451,397	483,686	510,077
Adjustments to actual/rounding	(16,095)	-	-
Budgeted Property Taxes	\$ 435,302	\$ 483,686	\$ 510,077
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 106,171	\$ 117,257	\$ 140,711
DEBT SERVICE FUND	329,131	366,429	369,366
	\$ 435,302	\$ 483,686	\$ 510,077

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

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

12/28/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 158,448	\$ 205,390	\$ 256,886
REVENUES			
1 Property taxes	106,171	117,257	140,711
2 Specific ownership taxes	10,586	10,713	12,660
3 Net investment income	609	1,620	2,000
Total revenues	117,366	129,590	155,371
Total funds available	275,814	334,980	412,257
EXPENDITURES			
General and administration			
4 Accounting	22,829	25,000	25,000
5 Audit	4,000	4,000	4,500
6 Contingency	-	-	5,664
7 County Treasurer's fees	1,596	1,759	2,111
8 Director fees	1,000	1,000	1,200
9 District management	23,486	23,000	25,000
10 Dues and membership	352	353	500
11 Election	130	1,265	-
12 Insurance	2,968	3,357	3,525
13 Legal	7,783	9,000	25,000
14 Miscellaneous	198	500	500
15 Website	659	-	1,000
Operations and maintenance			
16 Architectural - landscape review	-	860	-
17 Electricity	-	-	500
18 Landscaping	5,423	8,000	9,300
19 Water	-	-	2,200
Total expenditures	70,424	78,094	106,000
Total expenditures and transfers out requiring appropriation	70,424	78,094	106,000
ENDING FUND BALANCES	\$ 205,390	\$ 256,886	\$ 306,257
EMERGENCY RESERVE	\$ 3,600	\$ 3,900	\$ 4,700
TOTAL RESERVE	\$ 3,600	\$ 3,900	\$ 4,700

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

**CONCORD METROPOLITAN DISTRICT
DEBT SERVICE FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

12/28/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 866,141	\$ 857,641	\$ 888,338
REVENUES			
1 Property taxes	329,131	366,429	369,366
2 Specific ownership taxes	32,818	33,479	33,240
3 Net investment income	2,524	6,010	6,600
Total revenues	364,473	405,918	409,206
Total funds available	1,230,614	1,263,559	1,297,544
EXPENDITURES			
Debt service			
4 Bond interest	257,825	254,525	251,075
5 Bond principal	110,000	115,000	115,000
6 Contingency	-	-	1,829
7 County Treasurer's fees	4,948	5,496	5,540
8 Paying agent fees	200	200	500
Total expenditures	372,973	375,221	373,944
Total expenditures and transfers out requiring appropriation	372,973	375,221	373,944
ENDING FUND BALANCES	\$ 857,641	\$ 888,338	\$ 923,600
DEBT SERVICE RESERVE	\$ 369,525	\$ 369,525	\$ 369,525
MILL LEVY STABILIZATION RESERVE	488,116	518,813	554,075
TOTAL RESERVE	\$ 857,641	\$ 888,338	\$ 923,600

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

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

12/28/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 484,877	\$ 527,117	\$ 534,157
REVENUES			
1 Net investment income	846	3,340	1,900
2 System development fees	14,000	-	28,000
3 SEMSWA payments	28,767	5,000	-
Total revenues	<u>43,613</u>	<u>8,340</u>	<u>29,900</u>
Total funds available	<u>528,490</u>	<u>535,457</u>	<u>564,057</u>
EXPENDITURES			
Capital projects			
4 Accounting	-	-	4,000
5 District management	733	-	5,000
6 Legal	640	1,300	10,000
7 Traffic signal	-	-	250,057
8 Water line and streets improvement	-	-	295,000
Total expenditures	<u>1,373</u>	<u>1,300</u>	<u>564,057</u>
Total expenditures and transfers out requiring appropriation	<u>1,373</u>	<u>1,300</u>	<u>564,057</u>
ENDING FUND BALANCES	<u>\$ 527,117</u>	<u>\$ 534,157</u>	<u>\$ -</u>

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

**CONCORD METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Concord Metropolitan District, a quasi-municipal corporation was organized on November 17, 1999, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Douglas County, Colorado. The District was established to provide public streets, traffic and safety, water, sewer, park and recreation, television relay and translation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

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 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, 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 primary source of revenue is property taxes. The calculation of the taxes levied is displayed on page 3 of the budget at the adopted total mill levy of 14.500 mills, with 4.000 mills for operations and 10.500 mills for debt service.

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 9% of the property taxes collected by both the General Fund and the Debt Service Fund.

**CONCORD METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

System Development Fees and SEMSWA Payments

System Development Fees are collected at a rate of \$3,500 per Tap Equivalent. Also included as a System Development Fee are Impervious Acre Fees charged by SEMSWA at a rate of \$13,466 per acre, of which 100% for Phase II and 5% for Phase III improvements are reimbursed to the District per the Stormwater Facility Construction and Reimbursement Agreement entered into on June 28, 2000. Both types of System Development Fees are recorded in the capital projects fund when received, but are not pledged for any particular use.

SYSTEM DEVELOPMENT FEE (SDF) SCHEDULE		
METER SIZE	TAP EQUIVALENT	FEE
3/4	1	\$3,500
1	2	7,000
1 1/2	4	14,000
2	8	28,000
3	18	63,000
4	38	133,000
6	72	252,000

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.70%.

SEMSWA Agreement

The Developer assigned to the District its interest in a stormwater facility construction and reimbursement agreement that it entered into on June 28, 2000, with the Arapahoe County Water and Wastewater Authority (ACWWA), Phase I. Under the terms of this agreement, the Developer agreed to construct certain stormwater facilities and ACWWA agreed to reimburse the Developer 84.6% of the system development fees collected from upstream property. Obligations under this agreement are paid in full.

On August 23, 2001, the District entered into a stormwater facility construction and reimbursement agreement with ACWWA, Phase II. Pursuant to this agreement, ACWWA will reimburse the District 100% of the stormwater surcharge amount of \$669,689 to the extent that ACWWA collects it.

Additionally, the Developer assigned to the District its interest in a stormwater facility construction and reimbursement agreement that it entered into on January 10, 2007, with ACWWA, Phase III. Under the terms of this agreement, the Developer agreed to construct certain stormwater facilities and ACWWA agreed to reimburse the Developer an initial installment of \$24,900, with the balance of the obligation, \$96,000 to be paid semiannually on April 1 and October 1 in an amount equal to 5% of all stormwater system development fees collected by ACWWA within its entire stormwater service area during each such semiannual period.

**CONCORD METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

SEMSWA Agreement - (continued)

In 2011, the ACWWA reimbursement agreement, Phase II and Phase III, were transferred to Southeast Metro Stormwater Authority (SEMSWA).

In 2015 SEMSWA satisfied its obligation as it relates to payments to the District pursuant to the SEMSWA reimbursement agreement, Phase III.

Though the District anticipates receiving revenues related to Phase II of this agreement during 2017, nothing has been budgeted due to the uncertainty of timing of payments.

Expenditures

Administrative and Operating Expenses

Operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, banking, meeting expense and other administrative expenses.

Debt Service

Principal and interest payments in 2017 are provided based on the debt amortization schedule from the Series 2010 Bonds as detailed on pages 5 and 11 of the Budget (discussed under Debt and Leases)

Capital Outlay

Anticipated expenditures for capital projects for 2017 are outlined on page 6 of the Budget.

Debt and Leases

On September 29, 2010, the District refunded the Series 2004 Bonds and issued \$5,820,000 of General Obligation Fixed Rate Refunding Bonds (Series 2010 Bonds), with interest rates ranging from 2.000% to 5.375%, consisting of serial bonds issued in the amount of \$1,205,000 due annually through 2020, term bonds issued in the amount of \$720,000 due December 1, 2025, term bonds in the amount of \$900,000 due December 1, 2030, and term bonds in the amount of \$2,995,000 due December 1, 2040. Such term bonds are subject to mandatory sinking fund redemption beginning on December 1, 2021. In addition, the bonds maturing on and after December 1, 2025, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2020, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

The District has no operating or capital leases.

**CONCORD METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

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

Debt Service Reserve

The Series 2010 Bonds are secured by the Reserve Fund. The Required Reserve for the Series 2010 Refunding Bonds is \$369,525.

Mill Levy Stabilization Reserve

The Series 2010 Bonds are also secured by the Mill Levy Stabilization Fund. Moneys in this fund are pledged only for payment of the principal of or interest on the Bonds. The District is not required to maintain any particular balance in the fund, and any future deposits to the fund shall be in the absolute discretion of the District.

This information is an integral part of the accompanying budget.

CONCORD METROPOLITAN DISTRICT
SCHEDULE OF ESTIMATED DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2016

\$5,820,000 General Obligation
Fixed Rate Refunding Bonds
Series 2010, Dated September 29, 2010
Principal Due December 1

Interest Rate Fixed from 2.000% to 5.375%

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt</u> <u>Service</u>
2017	\$ 115,000	\$ 251,075	\$ 366,075
2018	120,000	247,481	367,481
2019	125,000	243,581	368,581
2020	130,000	239,206	369,206
2021	130,000	234,331	364,331
2022	140,000	228,806	368,806
2023	145,000	222,856	367,856
2024	150,000	216,694	366,694
2025	155,000	210,319	365,319
2026	165,000	203,731	368,731
2027	170,000	195,894	365,894
2028	180,000	187,819	367,819
2029	190,000	179,269	369,269
2030	195,000	170,244	365,244
2031	205,000	160,981	365,981
2032	215,000	149,963	364,963
2033	230,000	138,406	368,406
2034	240,000	126,044	366,044
2035	255,000	113,144	368,144
2036	265,000	99,438	364,438
2037	280,000	85,194	365,194
2038	295,000	70,144	365,144
2039	310,000	54,288	364,288
2040	700,000	37,625	737,625
	<u>\$ 5,105,000</u>	<u>\$ 4,066,531</u>	<u>\$ 9,171,531</u>

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