



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
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**Accountant's Compilation Report**

Board of Directors  
Prairie Center Metropolitan District No. 7

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Prairie Center Metropolitan District No. 7 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 Prairie Center Metropolitan District No. 7.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 17, 2019



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**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
SUMMARY  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ (30,301)	\$ -
REVENUES			
Property taxes	-	-	377
Specific ownership tax	-	-	23
Developer advance	-	7,419,083	3,084,920
Other revenue	-	218	-
Total revenues	<u>-</u>	<u>7,419,301</u>	<u>3,085,320</u>
Total funds available	<u>-</u>	<u>7,389,000</u>	<u>3,085,320</u>
EXPENDITURES			
General Fund	11,622	61,480	290,000
Debt Service Fund	-	-	10
Capital Projects Fund	18,679	7,327,520	2,795,000
Total expenditures	<u>30,301</u>	<u>7,389,000</u>	<u>3,085,010</u>
Total expenditures and transfers out requiring appropriation	<u>30,301</u>	<u>7,389,000</u>	<u>3,085,010</u>
ENDING FUND BALANCES	<u>\$ (30,301)</u>	<u>\$ -</u>	<u>\$ 310</u>

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
PROPERTY TAX SUMMARY INFORMATION  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/19

ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
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**ASSESSED VALUATION**

Vacant land	\$	10	\$	20	\$	6,820
Certified Assessed Value	\$	10	\$	20	\$	6,820

**MILL LEVY**

General	0.000	11.055	11.055
Debt Service	0.000	44.222	44.222
Total mill levy	0.000	55.277	55.277

**PROPERTY TAXES**

General	\$	-	\$	-	\$	75
Debt Service	-	-	-	-	-	302
Levied property taxes	-	-	-	-	-	377
Budgeted property taxes	\$	-	\$	-	\$	377

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>75</b>
<b>Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>302</b>
	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>377</b>

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
GENERAL FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ (11,622)	\$ -
REVENUES			
Property taxes	-	-	75
Specific ownership tax	-	-	5
Developer advance	-	72,404	289,920
Other revenue	-	218	-
Total revenues	<u>-</u>	<u>72,622</u>	<u>290,000</u>
Total funds available	<u>-</u>	<u>61,000</u>	<u>290,000</u>
EXPENDITURES			
General and administrative			
Accounting	1,606	8,000	12,000
Accounting - audit prep	-	240	-
Accounting - budget prep	-	320	-
Audit	-	-	1,600
County Treasurer's fee	-	-	1
Dues and membership	-	244	500
Insurance	-	8,225	9,500
District management	358	6,000	12,000
Legal services	9,658	32,000	20,000
Miscellaneous/Contingency	-	5,971	9,399
Operations and maintenance			
Landscape maintenance	-	-	225,000
Total expenditures	<u>11,622</u>	<u>61,000</u>	<u>290,000</u>
Total expenditures and transfers out requiring appropriation	<u>11,622</u>	<u>61,000</u>	<u>290,000</u>
ENDING FUND BALANCES	<u>\$ (11,622)</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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
DEBT SERVICE FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	302
Specific ownership tax	-	-	18
Total revenues	<u>-</u>	<u>-</u>	<u>320</u>
Total funds available	<u>-</u>	<u>-</u>	<u>320</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	-	5
Miscellaneous/Contingency	-	-	5
Total expenditures	<u>-</u>	<u>-</u>	<u>10</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>10</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310</u>

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
CAPITAL PROJECTS FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ (18,679)	\$ -
REVENUES			
Developer advance	-	7,346,679	2,795,000
Total revenues	<u>-</u>	<u>7,346,679</u>	<u>2,795,000</u>
Total funds available	<u>-</u>	<u>7,328,000</u>	<u>2,795,000</u>
EXPENDITURES			
General and Administrative			
Accounting	-	12,000	18,000
Accounting - audit prep	-	360	-
Accounting - budget prep	-	480	-
Audit	-	-	2,400
District management	213	9,000	18,000
Legal services	-	48,000	30,000
Miscellaneous/Contingency	-	9,760	49,864
Capital Projects			
Project management fee	7,279	243,400	68,736
Project management fee interest	1	5,000	8,000
Village 1 park	2,115	1,000,000	600,000
Village 1 collector roads	9,071	6,000,000	2,000,000
Total expenditures	<u>18,679</u>	<u>7,328,000</u>	<u>2,795,000</u>
Total expenditures and transfers out requiring appropriation	<u>18,679</u>	<u>7,328,000</u>	<u>2,795,000</u>
ENDING FUND BALANCES	<u>\$ (18,679)</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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Prairie Center Metropolitan District No. 7 (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was formed by order and decree of the District Court for Adams County on May 22, 2006. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translator and mosquito and pest control services.

Concurrently with the formation of the District, the City approved service plans for Prairie Center Metropolitan District Nos. 3, 4, 5, 6, 8, 9 and 10.

During elections held on May 2, 2006, a majority of the District's electors authorized general obligation indebtedness of \$6,790,000,000, for the above listed facilities, intergovernmental agreements and debt refunding. Additionally, on May 2, 2006, the District's voters authorized the District to collect, retain and spend all revenues in excess of TABOR spending, revenue raising or other limitations.

The Service Plans for District Nos. 2 – 10 limit the aggregate amount of debt that they may issue together with any debt issued by District No. 1 to \$750,000,000.

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**

**Developer Advances**

The District is in the development stage. As such, the operating and administrative as well as capital expenditures will 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.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 7  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

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.

The change in assessment ratio from 7.96% to 7.2% allows the District to adjust its mill levy to offset the decrease in revenues. Accordingly, the District adjusted its mill levy to 11.055 for operations and 44.222 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 6% of the property taxes collected.

**Expenditures**

**General, Administrative and Operating Expenditures**

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and other administrative expenses. Operating expenditures include landscaping maintenance costs.

**Treasurer's Fees**

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

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

**Debt and Leases**

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

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