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Accountant's Compilation Report

Board of Directors
Park 70 Metropolitan District

Management is responsible for the accompanying budget of revenues expenditures and fund balances of Park 70 Metropolitan District 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 Park 70 Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 21, 2019

**PARK 70 METROPOLITAN DISTRICT
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 9,841,462	\$ 10,188,320	\$ 2,169,319
REVENUES			
Property taxes	1,170,890	1,530,865	2,549,939
Specific ownership taxes	116,367	168,400	157,246
Net investment income	95,834	89,250	309,615
Property taxes - ARTA	32,525	42,524	70,832
Developer advance	-	21,184,865	1,468,399
Bond Issuance	-	-	20,240,000
Original Issue Premium	-	-	1,266,837
Total revenues	1,415,616	23,015,904	26,062,868
TRANSFERS IN			
Transfers from other funds	7,835	39,040	-
Total funds available	11,264,913	33,243,264	28,232,187
EXPENDITURES			
General Fund	77,877	195,144	230,215
Debt Service Fund	983,779	1,024,267	2,208,000
Capital Projects Fund	7,102	29,815,494	19,308,136
Total expenditures	1,068,758	31,034,905	21,746,351
TRANSFERS OUT	7,835	39,040	-
Total expenditures and transfers out requiring appropriation	1,076,593	31,073,945	21,746,351
ENDING FUND BALANCES	\$ 10,188,320	\$ 2,169,319	\$ 6,485,836
EMERGENCY RESERVE	\$ 8,300	\$ 10,900	\$ 17,300
TOTAL RESERVE	\$ 8,300	\$ 10,900	\$ 17,300

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

**PARK 70 METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/19

ACTUAL	ESTIMATED	BUDGET
2017	2018	2019

ASSESSED VALUATION

Commercial	\$ 24,604,420	\$ 26,367,500	\$ 48,531,060
Agricultural	11,100	1,950	1,950
State assessed	340	360	380
Vacant land	223,320	3,444,700	2,404,670
Personal property	7,681,520	12,709,510	19,893,590
Other	4,040	-	-
Certified Assessed Value	<u>\$ 32,524,740</u>	<u>\$ 42,524,020</u>	<u>\$ 70,831,650</u>

MILL LEVY

General	7.500	7.500	7.500
Debt Service	28.500	28.500	28.500
ARI	1.000	1.000	1.000
Total mill levy	<u>37.000</u>	<u>37.000</u>	<u>37.000</u>

PROPERTY TAXES

General	\$ 243,935	\$ 318,930	\$ 531,237
Debt Service	926,955	1,211,935	2,018,702
ARI	32,525	42,524	70,832
Budgeted property taxes	<u>\$ 1,203,415</u>	<u>\$ 1,573,389</u>	<u>\$ 2,620,771</u>

BUDGETED PROPERTY TAXES

General	\$ 243,935	\$ 318,930	\$ 531,237
Debt Service	926,955	1,211,935	2,018,702
ARI	32,525	42,524	70,832
	<u>\$ 1,203,415</u>	<u>\$ 1,573,389</u>	<u>\$ 2,620,771</u>

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

**PARK 70 METROPOLITAN DISTRICT
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 256,968	\$ 444,973	\$ 575,319
REVENUES			
Property taxes	243,935	318,930	531,237
Specific ownership taxes	24,217	35,100	31,874
Net investment income	5,565	10,500	11,115
Total revenues	273,717	364,530	574,226
Total funds available	530,685	809,503	1,149,545
EXPENDITURES			
General and administrative			
Accounting	20,549	25,000	25,000
Audit	4,000	4,500	4,500
County Treasurer's fee	3,659	4,800	7,969
Director fees	292	200	200
Dues and Membership	-	3,129	1,000
Insurance and bonds	4,081	750	4,290
District management	12,651	30,000	20,000
Legal services	4,770	30,000	30,000
Miscellaneous	450	2,000	2,000
Banking fees	204	250	250
Payroll taxes	15	15	15
Election expense	-	1,500	-
Contingency	820	-	2,991
Operations and maintenance			
Landscaping	14,353	55,000	70,000
Pest control	4,400	5,000	5,000
Utilities	7,633	8,000	12,000
Detention pond maintenance	-	-	15,000
Landscaping maintenance - floral	-	15,000	15,000
Snowplowing and sweeping	-	10,000	15,000
Total expenditures	77,877	195,144	230,215
TRANSFERS OUT			
Transfers to other funds	7,835	39,040	-
Total expenditures and transfers out requiring appropriation	85,712	234,184	230,215
ENDING FUND BALANCE	\$ 444,973	\$ 575,319	\$ 919,330
EMERGENCY RESERVE	\$ 8,300	\$ 10,900	\$ 17,300
TOTAL RESERVE	\$ 8,300	\$ 10,900	\$ 17,300

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

**PARK 70 METROPOLITAN DISTRICT
DEBT SERVICE FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 1,095,729	\$ 1,176,815	\$ 1,554,057
REVENUES			
Property taxes	926,955	1,211,935	2,018,702
Specific ownership taxes	92,150	133,300	125,372
Property taxes - ARTA	32,525	42,524	70,832
Net investment income	13,235	13,750	23,500
Total revenues	1,064,865	1,401,509	2,238,406
Total funds available	2,160,594	2,578,324	3,792,463
EXPENDITURES			
County Treasurer's fee	14,392	18,179	30,281
Paying agent fees	3,000	3,000	3,000
ARTA reimbursement	32,037	41,886	69,770
County Treasurer's fees - ARTA	-	638	1,062
Contingency	-	7,964	10,398
Debt Service			
Bond interest - Series 2016	799,350	792,600	784,600
Bond interest - Series 2019	-	-	983,889
Bond principal - Series 2016	135,000	160,000	165,000
Bond principal - Series 2019	-	-	160,000
Total expenditures	983,779	1,024,267	2,208,000
Total expenditures and transfers out requiring appropriation	983,779	1,024,267	2,208,000
ENDING FUND BALANCE	\$ 1,176,815	\$ 1,554,057	\$ 1,584,463

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

**PARK 70 METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

1/21/19

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 8,488,765	\$ 8,566,532	\$ 39,943
REVENUES			
Net investment income	77,034	65,000	275,000
Developer advance	-	21,184,865	1,468,399
Bond Issuance	-	-	20,240,000
Original Issue Premium	-	-	1,266,837
Total revenues	<u>77,034</u>	<u>21,249,865</u>	<u>23,250,236</u>
TRANSFERS IN			
Transfers from other funds	<u>7,835</u>	<u>39,040</u>	<u>-</u>
Total funds available	<u>8,573,634</u>	<u>29,855,437</u>	<u>23,290,179</u>
EXPENDITURES			
General and Administrative			
Miscellaneous	-	78	-
Capital Projects			
Repay developer advance	-	5,709,226	16,944,037
Bond Issue Costs	-	-	270,700
Engineering	7,102	-	-
Capital outlay	-	21,184,865	1,468,399
Repay Developer Advance - Interest	-	2,921,325	625,000
Total expenditures	<u>7,102</u>	<u>29,815,494</u>	<u>19,308,136</u>
Total expenditures and transfers out requiring appropriation	<u>7,102</u>	<u>29,815,494</u>	<u>19,308,136</u>
ENDING FUND BALANCE	<u>\$ 8,566,532</u>	<u>\$ 39,943</u>	<u>\$ 3,982,043</u>

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

**PARK 70 METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized on November 4, 2003 by election to provide financing for the planning, design, acquisition, construction, installation, relocation, and redevelopment of all powers of a metropolitan district as described in Colorado statutes and the Colorado Constitution except for certain limitations which have been placed upon fire protection, television relay and translation and golf course construction within the District's Amended Service Plan dated February 17, 2006. The District's service area is located entirely within the City of Aurora in Adams County, Colorado.

The District operates under the Amended and Restated Service Plan as approved by the City of Aurora on February 17, 2006.

District voters approved authorization for property taxes to be increased up to \$1,100,000 annually and taxes be increased up to \$90,000,000 annually by the imposition of a fee or fees to pay for the operations and maintenance expenditures of the District. In addition, voters approved taxes to be increased up to \$1,000,000 annually for regional improvements. Total debt authorization was approved in the amount of \$853,712,500 for the above listed facilities and operations and maintenance, \$90,000,000 for intergovernmental agreements and \$123,337,500 for refunding debt. The election provided for intergovernmental agreements as multi-fiscal year obligations and allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado Constitution or any other law. However, the District's Amended Service Plan stipulates that the total debt that the District will be permitted to issue will not exceed \$90,000,000, not including refunding of debt.

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 at the total adopted mill levy of 37.000 mills; 7.500 for general operations, 28.500 for debt service and 1.000 for the Aurora Regional Improvement (ARI) mill levy. The ARI mill levy is required pursuant to the Amended and Restated Service Plan.

**PARK 70 METROPOLITAN DISTRICT
2019 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 forecast assumes that the District's share will be equal to approximately 6.0% of the property taxes collected by the General Fund and Debt Service fund.

Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.50%.

Bond Issuance

During 2018, the District anticipates issuing approximately 20,240,000 in Unlimited Tax General Obligation Bonds in order to fund capital improvements for the District. Bond terms and interest rate have yet to be determined.

Expenditures

Administrative and Operation Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as accounting and audit, insurance, legal and management costs. Operation expenditures include the street, sidewalk and landscaping maintenance. These expenditures are based on estimates of the District's Board of Directors and consultants.

Debt Service

Principal and interest payments are provided based upon the debt amortization schedule for the Series 2016 General Obligation Refunding and Improvement Bonds.

Debt and Leases

On September 28, 2016, the District issued General Obligation Refunding and Improvement Bonds. The proceeds of the Series 2016 Bonds were used in part to redeem the Series 2013 Note in the amount of \$10,244,950. Bond proceeds of \$8,477,462 will be used for a future capital improvement project. The Series 2016 Bond bears an interest rate of 5.00% and matures on December 1, 2046. Interest is payable semi-annually on June 1 and December 1, and the principal is payable annually on December 1. The Bonds maturing on and after December 1, 2036 are subject to redemption prior to maturity, at the option of the District on December 1, 2026, and on any date thereafter, upon payment of par plus accrued interest, without redemption premium. The Bonds maturing on December 1, 2036, are also subject to mandatory sinking fund redemption on December 1, 2027, and on each December 1 thereafter prior to the maturity date, upon payment of par and accrued interest, without redemption premium.

**PARK 70 METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) all Property Tax Revenues, 2) all Specific Ownership Tax Revenues, and 3) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

The district has no operating or capital leases.

Reserve Funds

Emergency Reserve

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

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

PARK 70 METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2018

\$16,260,000.00

General Obligation Refunding and Improvement Bonds, Series 2016

Dated September 28, 2016

Principal Due December 1

Interest Due June 1 and December 1

Interest at 5.00%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 165,000	\$ 784,600	\$ 949,600
2020	195,000	776,350	971,350
2021	205,000	766,600	971,600
2022	225,000	762,500	987,500
2023	235,000	751,250	986,250
2024	270,000	739,500	1,009,500
2025	280,000	726,000	1,006,000
2026	315,000	712,000	1,027,000
2027	330,000	696,250	1,026,250
2028	370,000	679,750	1,049,750
2029	385,000	661,250	1,046,250
2030	425,000	642,000	1,067,000
2031	450,000	620,750	1,070,750
2032	490,000	598,250	1,088,250
2033	515,000	573,750	1,088,750
2034	565,000	548,000	1,113,000
2035	590,000	519,750	1,109,750
2036	645,000	490,250	1,135,250
2037	675,000	458,000	1,133,000
2038	730,000	424,250	1,154,250
2039	770,000	387,750	1,157,750
2040	830,000	349,250	1,179,250
2041	870,000	307,750	1,177,750
2042	940,000	264,250	1,204,250
2043	985,000	217,250	1,202,250
2044	1,060,000	168,000	1,228,000
2045	1,110,000	115,000	1,225,000
2046	1,190,000	59,500	1,249,500
	\$ 15,815,000	\$ 14,799,800	\$ 30,614,800

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