



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
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## **Accountant's Compilation Report**

Board of Directors  
Watkins Road Holdings Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Watkins Road Holdings Metropolitan District No. 1 for the year end December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ending 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 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 Watkins Road Holdings Metropolitan District No. 1.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 23, 2020



An independent member of Nexia International

**WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ (1,634)	\$ 26,047
<b>REVENUES</b>			
Property taxes	-	131,384	98,864
Specific ownership tax	-	1	5,932
Interest income	-	50	1,200
Developer advance	-	71,246	-
Total revenues	-	202,681	105,996
Total funds available	-	201,047	132,043
<b>EXPENDITURES</b>			
General and administrative			
Accounting	1,634	15,000	15,000
County Treasurer's fee	-	1,971	1,483
Dues and licenses	-	2,850	3,000
Insurance and bonds	-	6,996	7,000
Legal services	-	25,000	25,000
Organization costs	-	43,963	-
Election expense	-	-	2,000
Contingency	-	4,551	6,517
Operations and maintenance			
Interest on repayment of developer advance	-	3,423	-
Repay developer advance	-	71,246	-
Total expenditures	1,634	175,000	60,000
Total expenditures and transfers out requiring appropriation	1,634	175,000	60,000
ENDING FUND BALANCE	\$ (1,634)	\$ 26,047	\$ 72,043
EMERGENCY RESERVE	\$ -	\$ 3,900	\$ 3,200
TOTAL RESERVE	\$ (1,634)	\$ 3,900	\$ 3,200

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

**WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/2020

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Vacant land	-	-	36,840
Agricultural	-	234	88
Oil and Gas	-	-	1,375,418
Adjustments	-	1,876,680	-
Certified Assessed Value	<u>\$ -</u>	<u>\$ 1,876,914</u>	<u>\$ 1,412,346</u>
<b>MILL LEVY</b>			
General	0.000	70.000	70.000
Total mill levy	<u>0.000</u>	<u>70.000</u>	<u>70.000</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ 131,384	\$ 98,864
Budgeted property taxes	<u>\$ -</u>	<u>\$ 131,384</u>	<u>\$ 98,864</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ -</u>	<u>\$ 131,384</u>	<u>\$ 98,864</u>
	<u>\$ -</u>	<u>\$ 131,384</u>	<u>\$ 98,864</u>

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

**WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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 of the County of Arapahoe on November 26, 2018, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Aurora on August 6, 2018. The District's service area is located entirely within the City of Aurora, in Arapahoe County, Colorado.

The District was established to provide financing for the planning, design, acquisition, construction, installation, relocation, and redevelopment of public improvements, including but not limited to street improvements, traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements, and irrigation system improvements.

Pursuant to the Service Plan, the Districts are permitted to issue bond indebtedness of up to \$450 million. In the future, the Districts may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts' service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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.

**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.

**WATKINS ROAD HOLDINGS METROPOLITAN DISTRICT NO. 1  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.25%.

**Expenditures**

**Administrative Expenditures**

Administrative expenditures for the project have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, audit, accounting, insurance, management, maintenance and other administrative expenses.

**Debt and Leases**

The District has no debt or operating or capital leases.

**Reserves**

**Emergency Reserve**

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

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