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Accountant's Compilation Report

Board of Directors
Gold Hill Mesa Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Gold Hill Mesa Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended 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 the Gold Hill Mesa Metropolitan District No. 1.

CliftonLarsonAllen LLP

Colorado Springs, Colorado
January 27, 2020



An independent member of Nexia International

**GOLD HILL MESA METROPOLITAN DISTRICT NO. 1
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ (2,531)	\$ (19,698)	\$ 31,966
REVENUES			
Homeowners Fee	129,102	185,000	200,000
Developer Advance	185,034	170,000	165,000
Intergovernmental Revenue - District No. 2	115,531	126,235	163,461
Intergovernmental Revenue - District No. 3	1,455	1,412	1,377
Other Revenue	41	-	-
Total revenues	<u>431,163</u>	<u>482,647</u>	<u>529,838</u>
TRANSFERS IN	<u>279</u>	-	-
Total funds available	<u>428,911</u>	<u>462,949</u>	<u>561,804</u>
EXPENDITURES			
General Fund	447,771	430,983	485,000
Capital Projects Fund	559	-	-
Total expenditures	<u>448,330</u>	<u>430,983</u>	<u>485,000</u>
TRANSFERS OUT	<u>279</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>448,609</u>	<u>430,983</u>	<u>485,000</u>
ENDING FUND BALANCES	<u>\$ (19,698)</u>	<u>\$ 31,966</u>	<u>\$ 76,804</u>
EMERGENCY RESERVE	<u>\$ 7,400</u>	<u>\$ 9,400</u>	<u>\$ 11,000</u>
TOTAL RESERVE	<u>\$ 7,400</u>	<u>\$ 9,400</u>	<u>\$ 11,000</u>

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

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

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Vacant land	\$ 290	\$ 290	\$ 290
	290	290	290
Adjustments	-	-	(10)
Certified Assessed Value	\$ 290	\$ 290	\$ 280
 MILL LEVY			
Total mill levy	0.000	0.000	0.000
 PROPERTY TAXES			
Budgeted property taxes	\$ -	\$ -	\$ -
 BUDGETED PROPERTY TAXES			
	\$ -	\$ -	\$ -

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

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

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ (2,531)	\$ (19,698)	\$ 31,966
REVENUES			
Developer Advance	184,754	170,000	165,000
Other Revenue	41	-	-
Intergovernmental Revenue - District No. 2	115,531	126,235	163,461
Intergovernmental Revenue - District No. 3	1,455	1,412	1,377
Homeowners Fee	129,102	185,000	200,000
Total revenues	430,883	482,647	529,838
Total funds available	428,352	462,949	561,804
EXPENDITURES			
General and administrative			
Accounting	53,642	48,000	45,000
Audit	8,102	8,200	8,300
Dues and Licenses	1,045	1,184	1,500
Insurance and Bonds	10,424	9,289	10,000
District Management	22,709	23,500	24,000
Legal Services	7,789	20,500	15,000
Miscellaneous	92	310	500
Election Expense	1,873	-	2,000
Contingency	-	-	18,700
Operations and maintenance			
Repairs and Maintenance	61,445	40,000	40,000
Landscape Maintenance	156,403	150,000	160,000
Utilities	124,247	130,000	125,000
Underdrainage	-	-	35,000
Total expenditures	447,771	430,983	485,000
TRANSFERS OUT			
Transfers to Other Funds	279	-	-
Total expenditures and transfers out requiring appropriation	448,050	430,983	485,000
ENDING FUND BALANCE	\$ (19,698)	\$ 31,966	\$ 76,804
EMERGENCY RESERVE	\$ 7,400	\$ 9,400	\$ 11,000
TOTAL RESERVE	\$ 7,400	\$ 9,400	\$ 11,000

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

**GOLD HILL MESA METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer Advance	280	-	-
Total revenues	<u>280</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from Other Funds	<u>279</u>	<u>-</u>	<u>-</u>
Total funds available	<u>559</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
General and Administrative			
Accounting	279	-	-
Capital Projects			
Engineering	<u>280</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>559</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>559</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</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.

**GOLD HILL MESA METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Gold Hill Mesa Metropolitan District No. 1 (“District No. 1”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs, El Paso County, Colorado on November 8, 2004, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Preliminary Consolidated Service Plan, approved by the City of Colorado Springs on September 14, 2004, formed the Gold Hill Mesa Metropolitan Districts Nos 1 – 3 (“The Districts”) as ‘shell districts’ which could not operate until an amended service plan was approved. The Amended Consolidated Service Plan was approved by the City on July 11, 2006.

The District was organized to provide planning, acquisition, construction, installation and financing of public improvements, including streets, water, wastewater, traffic and safety, park and recreation, mosquito control, television relay and transportation facilities, primarily for residential and commercial development known as Gold Hill Mesa. The District was organized in conjunction with two other related Financing Districts, Gold Hill Mesa Metropolitan District No. 2 (“District No. 2”), the Residential District, and Gold Hill Mesa Metropolitan District No. 3 (“District No. 3”), the Commercial District. District No. 1 will own (subject to dedication of improvements to the City), operate, maintain, finance and construct facilities benefiting all three Districts, and District No. 2 and District No. 3 will contribute to the costs of construction, operation and maintenance of such facilities. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District's voters held an election on November 2, 2004. The election approved general obligation indebtedness of \$30,000,000 for street improvements, \$5,000,000 for water facilities, \$10,000,000 for wastewater facilities, \$1,000,000 for traffic and safety controls, \$8,000,000 for parks and recreational facilities, \$500,000 for mosquito control, \$1,000,000 for television relay, \$500,000 for transportation system and \$57,000,000 for refinancing of District debt. The election approved an annual increase in taxes of \$1,000,000 for general operations and maintenance. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

Pursuant to the Service Plan, the Districts are permitted to collectively issue bond indebtedness of up to \$57,000,000.

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 between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**GOLD HILL MESA METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Intergovernmental Revenue

The three Districts' administrative expenditures such as legal, accounting, management, insurance, including costs of snow removal and landscape maintenance, are being paid by the District. The District anticipates receiving net revenues collected from District No. 2 and District No. 3's operational mill levy assessment to cover a portion of these costs.

Developer Advance

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to 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.

Homeowners Fee

The District collects a monthly fee from the homeowners to pay for water, and landscape costs in order to assure the maintenance of a quality appearance of the common areas, hence preserving the property values in the community.

Expenditures

Administrative and Operations and Maintenance Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, landscaping, utilities, and other administrative expenses.

Debt and Leases

The District has no outstanding debt. The District has no operating or capital leases.

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR.

This information is an integral part of the accompanying budget.