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Accountant's Compilation Report

Board of Directors
Littleton Village Metropolitan District No. 1
Arapahoe County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Littleton Village Metropolitan District No. 1 for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, 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 Littleton Village Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 16, 2018

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 1
SUMMARY
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

1/16/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ (1,254,882)	\$ 15,615	\$ 49,884
REVENUES			
1 Developer advance	3,326,278	514,264	363,694
2 Other income	-	1,000	-
3 Transfer from District No. 2	3,326,891	511,119	458,144
4 Transfer from District No. 3	4,888	9,614	14,362
5 Reimbursed expenditures	774,990	-	-
6 Maintenance fees	123,010	220,000	300,000
Total revenues	<u>7,556,057</u>	<u>1,255,997</u>	<u>1,136,200</u>
TRANSFERS IN	<u>-</u>	<u>65,021</u>	<u>-</u>
Total funds available	<u>6,301,175</u>	<u>1,336,633</u>	<u>1,186,084</u>
EXPENDITURES			
7 General and administration			
8 Accounting	9,677	35,000	45,000
9 Audit	6,250	6,875	7,000
10 Contingency	383	5,000	5,000
11 District management	42,544	25,000	25,000
12 Election	2,323	-	3,000
13 Insurance	9,679	3,686	4,000
14 Legal	4,624	35,000	45,000
15 Maintenance	1,482	-	-
16 Operations and maintenance			
17 Billing services	-	25,000	30,000
18 Contingency	-	10,971	11,000
19 Electricity	-	2,000	2,000
20 Insurance	-	5,529	6,000
21 Landscaping	-	-	50,000
22 Legal	-	4,500	7,500
23 Property management	-	35,000	35,000
24 Repairs and maintenance	-	50,000	50,000
25 Snow removal	-	-	20,000
26 Testing and inspections	-	3,000	3,500
27 Trash	-	20,000	25,000
28 Water	-	35,000	40,000
29 Capital projects			
30 Capital outlay	2,900,641	445,167	350,000
31 Developer advance repayment	3,307,957	475,000	350,000
Total expenditures	<u>6,285,560</u>	<u>1,221,728</u>	<u>1,114,000</u>
TRANSFERS OUT	<u>-</u>	<u>65,021</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>6,285,560</u>	<u>1,286,749</u>	<u>1,114,000</u>
ENDING FUND BALANCES	<u>\$ 15,615</u>	<u>\$ 49,884</u>	<u>\$ 72,084</u>
EMERGENCY RESERVE	<u>\$ 4,500</u>	<u>\$ 1,500</u>	<u>\$ 3,700</u>
TOTAL RESERVE	<u>\$ 4,500</u>	<u>\$ 1,500</u>	<u>\$ 3,700</u>

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

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/16/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
ASSESSED VALUATION - ARAPAHOE			
Vacant Land	\$ 145	\$ 145	\$ 145
Certified Assessed Value	\$ 145	\$ 145	\$ 145
 MILL LEVY			
 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.

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

1/16/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 2,894	\$ 91,085	\$ 1,500
REVENUES			
1 Developer advance	18,321	39,264	13,694
2 Other income	-	1,000	-
3 Transfer from District No. 2	18,934	36,119	108,144
4 Transfer from District No. 3	4,888	9,614	14,362
5 Maintenance fees	123,010	-	-
Total revenues	165,153	85,997	136,200
Total funds available	168,047	177,082	137,700
EXPENDITURES			
General and administration			
6 Accounting	9,677	35,000	45,000
7 Audit	6,250	6,875	7,000
8 Contingency	383	5,000	5,000
9 District management	42,544	25,000	25,000
10 Election	2,323	-	3,000
11 Insurance	9,679	3,686	4,000
12 Legal	4,624	35,000	45,000
13 Maintenance	1,482	-	-
Total expenditures	76,962	110,561	134,000
TRANSFERS OUT			
CAPITAL PROJECTS FUND	-	45,637	-
SPECIAL REVENUE FUND	-	19,384	-
Total transfers out	-	65,021	-
Total expenditures and transfers out requiring appropriation	76,962	175,582	134,000
ENDING FUND BALANCES	\$ 91,085	\$ 1,500	\$ 3,700
EMERGENCY RESERVE	\$ 4,500	\$ 1,500	\$ 3,700
TOTAL RESERVE	\$ 4,500	\$ 1,500	\$ 3,700

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

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 1
SPECIAL REVENUE FUND
FORECASTED 2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

1/16/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 48,384
REVENUES			
1 Maintenance fees	-	220,000	300,000
Total revenues	-	220,000	300,000
TRANSFERS IN			
GENERAL FUND	-	19,384	-
Total transfers in	-	19,384	-
Total funds available	-	239,384	348,384
EXPENDITURES			
Operations and maintenance			
2 Billing services	-	25,000	30,000
3 Contingency	-	10,971	11,000
4 Electricity	-	2,000	2,000
5 Insurance	-	5,529	6,000
6 Landscaping	-	-	50,000
7 Legal	-	4,500	7,500
8 Property management	-	35,000	35,000
9 Repairs and maintenance	-	50,000	50,000
10 Snow removal	-	-	20,000
11 Testing and inspections	-	3,000	3,500
12 Trash	-	20,000	25,000
13 Water	-	35,000	40,000
Total expenditures	-	191,000	280,000
Total expenditures and transfers out requiring appropriation	-	191,000	280,000
ENDING FUND BALANCES	\$ -	\$ 48,384	\$ 68,384

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

LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,

1/16/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ (1,257,776)	\$ (75,470)	\$ -
REVENUES			
1 Developer advance	3,307,957	475,000	350,000
2 Transfer from District No. 2	3,307,957	475,000	350,000
3 Reimbursed expenditures	774,990	-	-
Total revenues	7,390,904	950,000	700,000
TRANSFERS IN			
GENERAL FUND	-	45,637	-
Total transfers in	-	45,637	-
Total funds available	6,133,128	920,167	700,000
EXPENDITURES			
Capital projects			
4 Capital outlay	2,900,641	445,167	350,000
5 Developer advance repayment	3,307,957	475,000	350,000
Total expenditures	6,208,598	920,167	700,000
Total expenditures and transfers out requiring appropriation	6,208,598	920,167	700,000
ENDING FUND BALANCES	\$ (75,470)	\$ -	\$ -

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

LITTLETON VILLAGE METROPOLITAIN DISTRICT NO. 1
2018 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 for Arapahoe County on September 28, 2006, 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 on September 5, 2006, and as modified on September 3, 2013. The District's service area is located entirely within the City of Littleton, Arapahoe County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including water, sanitation, streets, safety protection, storm drainage, covenant enforcement and design review services, and parks and recreation facilities.

At its formation election held on November 5, 2005, the District's voters authorized general obligation indebtedness of \$5,000,000 for a sanitary sewer and transmission system, \$5,000,000 for refinancing of District debt, and \$100,000 for general operations and maintenance.

At a subsequent election held on November 6, 2007 the District approved additional general obligation indebtedness of \$6,000,000 each for the following: street improvements, a sanitation system, a potable and non-potable water supply, parks and recreation facilities, refinancing of District debt and \$560,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$49,200,000 for the above listed purposes, with the exception of general operations and maintenance which has been approved for an annual increase in taxes of \$4,100,000.

On November 5, 2013 the District's voters approved for an annual increase in taxes of \$5,000,000 for general operations and maintenance and \$40,000,000 for payment due pursuant to intergovernmental agreements (IGA). The District also approved general obligation indebtedness of \$40,000,000 for each of the following: street improvements, parks and recreation facilities, a potable and non-potable water supply, a sanitation system, a transportation system, mosquito control facilities, traffic and safety controls, fire protection, television relay and translation system, security services, and debt refinancing. Additionally, the District's electors authorized the District to collect, retain and spend all revenue annually, other than ad valorem taxes, without regard to limitations under TABOR.

The District's amended service plan limits the total debt issuance to \$40,000,000. The Maximum Debt Mill Levy the District is permitted to impose is 50.000 mills for any Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

The District has no employees and all administrative functions are contracted.

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.

**LITTLETON VILLAGE METROPOLITAN DISTRICT NO. 1
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advances

All of the capital expenditures are expected to be funded by the Developer. Developer advances are recorded as revenue for the budget purposes with an obligation for the future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Bond Proceeds from District No. 2

The District receives funds from District No. 2's bond proceeds to repay Developer advances.

Maintenance Fees

The District established a maintenance fee of \$60 per month for each Single-Family residential unit, \$80 per month for each Multi-Family residential unit, and \$40 per month for each vacant lot. The maintenance fee revenue is used for the purpose of paying direct and indirect costs related to the facilities and maintenance services.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking and meeting costs.

Capital Outlay

The District anticipates infrastructure improvements for capital outlay in 2018 include street improvements, water and wastewater improvements, and transportation projects.

Debt and Leases

The District has no debt or operating or capital leases.

Reserve Funds

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending for 2018, as defined under TABOR.

This information is an integral part of the accompanying budget.