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Accountant's Compilation Report

Board of Directors
Prairie Center Metropolitan District No. 4

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Prairie Center Metropolitan District No. 4 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 Prairie Center Metropolitan District No. 4.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 13, 2020



An independent member of Nexia International

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 4
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	1,432,496	1,527,037	1,888,079
Specific ownership taxes	126,647	120,000	151,046
Other revenue	41	1,940	90,000
Total revenues	<u>1,559,184</u>	<u>1,648,977</u>	<u>2,129,125</u>
Total funds available	<u>1,559,184</u>	<u>1,648,977</u>	<u>2,129,125</u>
EXPENDITURES			
General Fund	909,522	961,902	1,239,489
Debt Service Fund	649,662	687,075	889,636
Total expenditures	<u>1,559,184</u>	<u>1,648,977</u>	<u>2,129,125</u>
Total expenditures and transfers out requiring appropriation	<u>1,559,184</u>	<u>1,648,977</u>	<u>2,129,125</u>
ENDING FUND BALANCES	<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.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Commercial	\$ 19,383,930	\$ 20,077,980	\$ 25,609,140
Agricultural	3,510	3,500	5,530
State assessed	50,010	54,430	69,740
Vacant land	2,156,720	2,451,480	2,709,100
Personal property	2,403,710	2,926,290	3,074,470
Certified Assessed Value	<u>\$ 23,997,880</u>	<u>\$ 25,513,680</u>	<u>\$ 31,467,980</u>
MILL LEVY			
General	35.000	35.000	35.000
Debt Service	25.000	25.000	25.000
Total mill levy	<u>60.000</u>	<u>60.000</u>	<u>60.000</u>
PROPERTY TAXES			
General	\$ 839,926	\$ 892,979	\$ 1,101,379
Debt Service	599,947	637,842	786,700
Levied property taxes	<u>1,439,873</u>	<u>1,530,821</u>	<u>1,888,079</u>
Adjustments to actual/rounding	(7,377)	-	-
Refunds and abatements	-	(3,784)	-
Budgeted property taxes	<u>\$ 1,432,496</u>	<u>\$ 1,527,037</u>	<u>\$ 1,888,079</u>
BUDGETED PROPERTY TAXES			
General	\$ 835,621	\$ 890,772	\$ 1,101,379
Debt Service	596,875	636,265	786,700
	<u>\$ 1,432,496</u>	<u>\$ 1,527,037</u>	<u>\$ 1,888,079</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. 4
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	835,621	890,772	1,101,379
Specific ownership taxes	73,877	70,000	88,110
Other revenue	24	1,130	50,000
Total revenues	<u>909,522</u>	<u>961,902</u>	<u>1,239,489</u>
Total funds available	<u>909,522</u>	<u>961,902</u>	<u>1,239,489</u>
EXPENDITURES			
General and administrative			
County Treasurer fee's	12,537	13,373	16,521
Transfers to District No. 3	896,985	948,529	1,172,968
Contingency	-	-	50,000
Total expenditures	<u>909,522</u>	<u>961,902</u>	<u>1,239,489</u>
Total expenditures and transfers out requiring appropriation	<u>909,522</u>	<u>961,902</u>	<u>1,239,489</u>
ENDING FUND BALANCES	<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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	596,875	636,265	786,700
Specific ownership taxes	52,770	50,000	62,936
Other revenue	17	810	40,000
Total revenues	<u>649,662</u>	<u>687,075</u>	<u>889,636</u>
Total funds available	<u>649,662</u>	<u>687,075</u>	<u>889,636</u>
EXPENDITURES			
General and administrative			
County Treasurer fee's	8,955	9,552	11,800
Transfers to District No. 3	640,707	677,523	837,836
Contingency	-	-	40,000
Total expenditures	<u>649,662</u>	<u>687,075</u>	<u>889,636</u>
Total expenditures and transfers out requiring appropriation	<u>649,662</u>	<u>687,075</u>	<u>889,636</u>
ENDING FUND BALANCES	<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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 4
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Prairie Center Metropolitan District No. 4 (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, 5, 6, 7, 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

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.

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.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 4
2020 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 budget assumes that the District's share will be equal to approximately 8% of the property taxes collected.

Expenditures

County Treasurer's Fees

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

Transfer to Prairie Center Metropolitan District No. 3

Pursuant to a Capital Pledge Agreement with Prairie Center Metropolitan District No. 3 (Operating District), the District is obligated to impose annually in each of the years 2006-2030 a mill levy of 25.000 mills, subject to certain adjustments, and remit property tax revenues derived from such mill levy, together with facilities fees and a portion of specific ownership taxes, to the Operating District to pay for the principal and interest on bonds issued by the Operating District. Further, a Facilities Funding, Construction and Operations Agreement with all other Districts obligates the District to transfer net property taxes derived from an Operation and Maintenance mill levy, together with a portion of specific ownership taxes, to the Operating District to pay for general and administrative expenditures.

Debt and Leases

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

Reserves

Emergency Reserve

The District has not provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2020, as defined under TABOR, because net tax revenue is transferred to Prairie Center Metropolitan District No. 3, the Operating District, which provides for the required reserve amount.

This information is an integral part of the accompanying budget.