



Certified Public Accountants and Business Consultants

Accountant's Compilation Report

Board of Directors
Horse Creek Metropolitan District
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Horse Creek Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, the actual comparative information for the year ending December 31, 2016, and the adopted budget for the year ending December 31, 2017 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 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.

We draw attention to the Budget Message included in the budget submission to the State of Colorado which describes that the budgetary basis of accounting is the modified accrual basis in accordance with the requirements of Colorado Revised Statutes 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 Horse Creek Metropolitan District.

Barnes Griggs & Associates, PC

Lakewood, Colorado
January 8, 2018

Barnes Griggs & Associates, PC

HORSE CREEK METROPOLITAN DISTRICT
Assessed Value, Property Tax and Mill Levy Information

	2016 Actual	2017 Adopted Budget	2018 Adopted Budget
Assessed Valuation	\$ 13,276,140	\$ 13,268,210	\$ 13,890,980
Mill Levy			
General Fund	4.000	6.407	6.407
Debt Service Fund	21.000	18.593	18.593
Total Mill Levy	25.000	25.000	25.000
Property Taxes			
General Fund	\$ 53,105	\$ 85,009	\$ 89,000
Debt Service Fund	278,799	246,696	258,275
Actual/Budgeted Property Taxes	\$ 331,904	\$ 331,705	\$ 347,275

HORSE CREEK METROPOLITAN DISTRICT

**GENERAL FUND
2018 Adopted Budget
with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated**

	2016 Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
BEGINNING FUND BALANCE	\$ 74,638	\$ 96,696	\$ 96,980	\$ 149,547
REVENUE				
Property Tax Revenue	53,096	85,009	85,009	89,000
Specific Ownership Taxes	4,886	4,300	7,808	5,340
Interest Income	195	240	240	240
Total Revenue	58,177	89,549	93,057	94,580
Total Funds Available	132,814	186,245	190,037	244,127
EXPENDITURES				
Administration				
Accounting	8,620	9,300	9,300	9,300
District Management	8,052	8,400	8,400	8,400
Audit	4,728	5,000	5,070	5,100
Director's Fees	500	600	600	1,000
Insurance/SDA Dues	3,405	3,300	3,300	3,630
Legal	5,541	9,000	9,000	9,000
Election	794	-	-	1,000
Miscellaneous	3,360	3,500	3,500	3,500
Payroll Taxes	38	46	46	77
Treasurer's Fees	797	1,275	1,275	1,335
Chambers Road Streetscape	-	-	-	49,000
Contingency	-	144,024	-	49,841
Sub-Total Administration	35,835	184,445	40,491	141,183
Emergency Reserve	-	1,800	-	2,837
Total Expenditures Requiring Appropriation	35,835	186,245	40,491	144,020
ENDING FUND BALANCE	\$ 96,980	\$ -	\$ 149,547	\$ 100,107

HORSE CREEK METROPOLITAN DISTRICT

DEBT SERVICE FUND 2018 Adopted Budget with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

	2016 Actual	2017 Adopted Budget	2017 Estimated	2018 Adopted Budget
BEGINNING FUND BALANCE	\$ 423,633	\$ 454,320	\$ 454,720	\$ 452,986
REVENUE				
Property Tax Revenue	278,754	246,696	246,696	258,275
Specific Ownership Taxes	25,650	25,730	22,660	15,497
Interest Income	160	130	585	585
Total Revenue	304,564	272,556	269,941	274,357
Total Funds Available	728,198	726,876	724,661	727,343
EXPENDITURES				
Bond Principal	75,000	75,000	75,000	80,000
Bond Interest	193,788	192,475	192,475	191,163
Paying Agent-Remarket Fees	300	300	300	300
Treasurer's Fees	4,183	3,700	3,700	3,874
Bank Fees	207	100	200	200
Contingency	-	500	-	500
Total Expenditures	273,477	272,075	271,675	276,037
Total Expenditures Requiring Appropriation	273,477	272,075	271,675	276,037
Reserve	162,500	162,500	162,500	162,500
Mill Levy Stabilization	199,341	199,500	199,500	199,500
Undesignated	92,879	92,801	90,986	89,306
ENDING FUND BALANCE	\$ 454,720	\$ 454,801	\$ 452,986	\$ 451,306

HORSE CREEK METROPOLITAN DISTRICT

2018 Budget Message

Introduction

The District was formed in 2004 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements including water, streets, and sanitary sewer. All improvements constructed by the District have been conveyed to other governmental entities for perpetual maintenance.

The 2018 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2018 fiscal year based on available revenues. This budget provides for the annual debt service of the District's debt as well as the general operation of the District.

The District's assessed value increased 4.69% to \$13,890,980 in 2017. The District's mill levy was certified at 25.000 mills for taxes collected in the 2018 fiscal year with 18.593 mills dedicated to the Debt Service Fund and 6.407 mills dedicated to the General Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

General Fund is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government.

Debt Service Fund is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. In 2013 the District refunded the District's 2010 Multi-Modal Loan in full, terminated the Interest Rate Exchange Agreement and issued Series 2013, General Obligation Refunding Bonds. Below is a summary of the District's long-term General Obligation Debt.

Summary of Debt Outstanding

Horse Creek Metropolitan District

Bonds Principal and Interest Maturing in the Year Ending December 31,	\$ 4,580,000		
	<u>Series 2013 General Obligation Refunding Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	80,000	191,163	271,163
2019	80,000	189,762	269,762
2020	90,000	187,563	277,563
2021	95,000	185,087	280,087
2022	100,000	182,475	282,475
2023-2027	590,000	860,681	1,450,681
2028-2032	800,000	727,750	1,527,750
2033-2037	1,095,000	501,250	1,596,250
2038-2041	1,320,000	181,250	1,501,250
Total	<u>4,250,000</u>	<u>3,206,981</u>	<u>7,456,981</u>

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.