



**CliftonLarsonAllen**

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

Board of Directors  
Old Ranch Metropolitan District  
El Paso County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Old Ranch Metropolitan District for the General, Debt Service and Capital Projects Funds for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2013 is presented for comparative purposes only. Such information is taken from the audit report of the District for the year ended December 31, 2013, as prepared by BiggsKofford, P.C., dated July 15, 2014, wherein an unmodified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Old Ranch Metropolitan District.

*CliftonLarsonAllen LLP*

Colorado Springs, Colorado  
December 3, 2014

**OLD RANCH METROPOLITAN DISTRICT  
SUMMARY  
FORECASTED 2015 BUDGET AS ADOPTED  
WITH 2013 ACTUAL AND 2014 ESTIMATED  
For the Years Ended and Ending December 31,**

12/3/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ 156,668	\$ 73,477	\$ 60,938
<b>REVENUES</b>			
1 Developer advance	253,578	647,000	6,602,000
2 Net investment income	399	285	60
3 Other income	29,856	180	-
4 Intergovernmental revenue	549,468	556,196	586,145
5 Indoor pool revenue	18,272	15,000	20,000
6 Recreation Center fees	51,764	57,000	57,000
Total revenues	903,337	1,275,661	7,265,205
Total funds available	1,060,005	1,349,138	7,326,143
<b>EXPENDITURES</b>			
7 General and administration			
8 Accounting	25,412	28,000	35,000
9 Audit	5,950	6,150	6,200
10 Contingency	-	6,318	6,350
11 District management	19,079	21,000	30,000
12 Dues and membership	2,074	2,200	2,500
13 Election	-	5,013	-
14 Insurance	18,026	20,269	21,100
15 Legal	32,523	14,000	20,000
16 Miscellaneous	832	1,200	1,000
17 Operations and maintenance			
18 Gateway Park	-	3,150	3,150
19 Landscape maintenance	161,859	301,200	316,200
20 Recreation Center	120,674	130,000	130,000
21 Storm water fees	-	500	500
22 Utilities	152,159	280,000	302,000
23 Website	2,465	1,000	1,000
24 Debt service			
25 Bond interest	410,475	408,200	404,300
26 Bond principal	35,000	60,000	25,000
27 Contingency	-	-	1,700
28 Capital projects			
29 Capital outlay	-	-	6,000,000
Total expenditures	986,528	1,288,200	7,306,000
Total expenditures and transfers out requiring appropriation	986,528	1,288,200	7,306,000
ENDING FUND BALANCES	\$ 73,477	\$ 60,938	\$ 20,143
EMERGENCY RESERVE	\$ 7,700	\$ 7,400	\$ 8,300
INDOOR POOL RESERVE	4,350	7,725	9,975
TOTAL RESERVE	\$ 12,050	\$ 15,125	\$ 18,275

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

**OLD RANCH METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

12/3/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
<b>ASSESSED VALUATION - EL PASO</b>			
Agricultural	\$ 10	\$ 10	\$ 10
Certified Assessed Value	\$ 10	\$ 10	\$ 10
 <b>MILL LEVY</b>			
 <b>PROPERTY TAXES</b>			
Budgeted Property Taxes	\$ -	\$ -	\$ -
 <b>BUDGETED PROPERTY TAXES</b>			
	\$ -	\$ -	\$ -

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

**OLD RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
FORECASTED 2015 BUDGET AS ADOPTED  
WITH 2013 ACTUAL AND 2014 ESTIMATED  
For the Years Ended and Ending December 31,**

12/3/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ (24,131)	\$ (55,074)	\$ 15,839
<b>REVENUES</b>			
1 Developer advance	253,578	647,000	602,000
2 Net investment income	24	25	25
3 Other income	29,856	180	-
4 Intergovernmental revenue	156,616	171,708	199,386
5 Indoor pool revenue	18,272	15,000	20,000
6 Recreation Center fees	51,764	57,000	57,000
Total revenues	510,110	890,913	878,411
Total funds available	485,979	835,839	894,250
<b>EXPENDITURES</b>			
General and administration			
7 Accounting	25,412	28,000	35,000
8 Audit	5,950	6,150	6,200
9 Contingency	-	6,318	6,350
10 District management	19,079	21,000	30,000
11 Dues and membership	2,074	2,200	2,500
12 Election	-	5,013	-
13 Insurance	18,026	20,269	21,100
14 Legal	32,523	14,000	20,000
15 Miscellaneous	832	1,200	1,000
Operations and maintenance			
16 Gateway Park	-	3,150	3,150
17 Landscape maintenance	161,859	301,200	316,200
18 Recreation Center	120,674	130,000	130,000
19 Storm water fees	-	500	500
20 Utilities	152,159	280,000	302,000
21 Website	2,465	1,000	1,000
Total expenditures	541,053	820,000	875,000
Total expenditures and transfers out requiring appropriation	541,053	820,000	875,000
ENDING FUND BALANCES	\$ (55,074)	\$ 15,839	\$ 19,250
EMERGENCY RESERVE	\$ 7,700	\$ 7,400	\$ 8,300
INDOOR POOL RESERVE	4,350	7,725	9,975
TOTAL RESERVE	\$ 12,050	\$ 15,125	\$ 18,275

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

**OLD RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
FORECASTED 2015 BUDGET AS ADOPTED  
WITH 2013 ACTUAL AND 2014 ESTIMATED  
For the Years Ended and Ending December 31,**

12/3/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ 180,799	\$ 128,551	\$ 45,099
REVENUES			
1 Net investment income	375	260	35
2 Intergovernmental revenue	392,852	384,488	386,759
Total revenues	393,227	384,748	386,794
Total funds available	574,026	513,299	431,893
EXPENDITURES			
Debt service			
3 Bond interest	410,475	408,200	404,300
4 Bond principal	35,000	60,000	25,000
5 Contingency	-	-	1,700
Total expenditures	445,475	468,200	431,000
Total expenditures and transfers out requiring appropriation	445,475	468,200	431,000
ENDING FUND BALANCES	\$ 128,551	\$ 45,099	\$ 893

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

**OLD RANCH METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
FORECASTED 2015 BUDGET AS ADOPTED  
WITH 2013 ACTUAL AND 2014 ESTIMATED  
For the Years Ended and Ending December 31,**

12/3/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	-	-	6,000,000
Total revenues	<u>-</u>	<u>-</u>	<u>6,000,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>6,000,000</u>
EXPENDITURES			
Capital projects			
2 Capital outlay	-	-	6,000,000
Total expenditures	<u>-</u>	<u>-</u>	<u>6,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>6,000,000</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.

**OLD RANCH METROPOLITAN DISTRICT  
2015 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Old Ranch Metropolitan District (the “District”) and Upper Cottonwood Creek Metropolitan District (“Upper Cottonwood”) (collectively, the “Districts”) were formed under the Joint Service Plan approved by the City of Colorado Springs (the “City”) on August 27, 2002. The Service Plan was amended on February 6, 2006 to include the creation of Upper Cottonwood Creek Metropolitan Districts Nos. 2 - 5 within the original boundaries of the Upper Cottonwood Creek Metropolitan District.

The Districts’ service area is located entirely within the City of Colorado Springs, El Paso County, Colorado. The District is responsible for managing the construction of certain public facilities and improvements and for operation and maintenance of the limited list of public improvements which were not conveyed to the City. Upper Cottonwood and Upper Cottonwood Nos. 2 - 5 are responsible for providing the funding for capital improvements and to fund limited ongoing operations. Under the Service Plan, the Districts provide the following services: parks and recreation, sanitation (including drainage) improvements, street improvements and water improvements. Upper Cottonwood provides services for mosquito control and safety protection through traffic and safety devices on streets, which will be conveyed to the City.

District voters approved authorization to increase property taxes up to \$1,700,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$52,280,000 for the above listed facilities and \$52,280,000 for refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20, of the Colorado constitution or any other law. The maximum mill levy for operations is 3.500 mills and 16.500 mills for debt, provided that changes after January 1, 2003, to the method of calculating assessed valuation may cause adjustments in the mill levies.

Pursuant to the Service Plan, Old Ranch and Upper Cottonwood can collectively issue bond indebtedness of up to \$7,000,000.

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

The District prepares its budget on the modified accrual basis of accounting.

**Revenue**

**Developer Advances**

Operating and administrative expenditures for 2015 are to be funded primarily by the Developer. Capital expenditures in 2015 are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when Old Ranch is financially able to reimburse the Developer from bond proceeds and other available revenue.

**OLD RANCH METROPOLITAN DISTRICT  
2015 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenue (Continued)**

**Recreation Center Fees**

The District assesses a user fee for usage of its swimming pool and recreation center.

**Indoor Pool Revenue**

On February 10, 2010, the District entered into an agreement with AFA Falfins, Inc. (“Falfins”) that allows Falfins to use the pool during the Off Season for swim lessons, water aerobics and other related activities. It is estimated the revenue collections for 2015 will be \$20,000.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.15%.

**Intergovernmental Revenue**

The intergovernmental revenue represents transfers from Upper Cottonwood and Upper Cottonwood Districts Nos. 2 - 5 to provide funding for the overall administrative and operating costs for the Districts, as well as to pay bond indebtedness and payment of capital infrastructure.

**Expenditures**

**Administrative and Operating Expenditures**

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

**Debt Service**

Principal and interest payments are provided based on the attached debt amortization schedule. The scheduled principal payment on the Series 2007 Bonds is not anticipated to be fully funded in 2015.

**Capital Expenditures**

The District anticipates capital expenditures in 2015, which are to be funded by developer advances.



**OLD RANCH METROPOLITAN DISTRICT  
2015 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

On March 15, 2007, the District issued \$6,996,114 in General Obligation Bonds, including \$5,696,114 of Tax Exempt Capital Appreciation Bonds (CABs) and \$1,300,000 of Taxable Subordinate Bonds. The CABs converted to current interest bonds on December 1, 2008 and bear interest at a rate of 6.5%. The Subordinate Bonds bear interest at a rate of 8.0% and are paid from any remaining cash subsequent to the CABs being paid. It is not anticipated that the Subordinate Bonds will be paid during 2015 based on available cash. The proceeds were used to pay for bond issuance costs and to reimburse the Developer for advances made on behalf of the District for capital infrastructure costs. The District's current debt service schedule is attached for the CABs; the subordinated bonds are paid as cash is available and therefore a debt service schedule is not presented.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2015, defined under TABOR.

**Indoor Pool Reserve**

The District is responsible for maintaining a reserve fund that both the District and Falfins will make contributions into that will be used to pay for future repairs and maintenance to the pool.

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

**OLD RANCH METROPOLITAN DISTRICT**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2014**

**\$6,355,000 Special Revenue**  
**Convertible Capital Appreciation Bonds**  
**Series 2007A**  
**Dated March 15, 2007**  
**Interest Rate 6.5%**  
**Principal Due December 1**

<b>Year Ended December 31,</b>	<b>Interest Payable June 1 and December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 65,000	\$ 404,300	\$ 469,300
2016	100,000	400,075	500,075
2017	105,000	393,575	498,575
2018	140,000	386,750	526,750
2019	150,000	377,650	527,650
2020	190,000	367,900	557,900
2021	205,000	355,550	560,550
2022	220,000	342,225	562,225
2023	230,000	327,925	557,925
2024	245,000	312,975	557,975
2025	265,000	297,050	562,050
2026	280,000	279,825	559,825
2027	300,000	261,625	561,625
2028	320,000	242,125	562,125
2029	340,000	221,325	561,325
2030	360,000	199,225	559,225
2031	385,000	175,825	560,825
2032	410,000	150,800	560,800
2033	435,000	124,150	559,150
2034	465,000	95,875	560,875
2035	490,000	65,650	555,650
2036	520,000	33,800	553,800
	<u>\$ 6,220,000</u>	<u>\$ 5,816,200</u>	<u>\$ 12,036,200</u>

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