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## **Accountant's Compilation Report**

Board of Directors  
Liverpool Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances/funds available of Liverpool Metropolitan District 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 Liverpool Metropolitan District.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 26, 2020

**LIVERPOOL METROPOLITAN DISTRICT  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 662,644	\$ 392,788	\$ 343,065
REVENUES			
Property taxes	728,610	747,184	823,438
Specific ownership tax	52,953	58,585	49,406
Interest income	14,196	13,500	4,610
Total revenues	<u>795,759</u>	<u>819,269</u>	<u>877,454</u>
Total funds available	<u>1,458,403</u>	<u>1,212,057</u>	<u>1,220,519</u>
EXPENDITURES			
General Fund	743,811	544,994	558,000
Debt Service Fund	321,804	323,998	332,000
Total expenditures	<u>1,065,615</u>	<u>868,992</u>	<u>890,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,065,615</u>	<u>868,992</u>	<u>890,000</u>
ENDING FUND BALANCES	<u>\$ 392,788</u>	<u>\$ 343,065</u>	<u>\$ 330,519</u>
EMERGENCY RESERVE	\$ 14,700	\$ 15,100	\$ 16,300
AVAILABLE FOR OPERATIONS	345,960	302,905	285,959
TOTAL RESERVE	<u>\$ 360,660</u>	<u>\$ 318,005</u>	<u>\$ 302,259</u>

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

**LIVERPOOL METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Residential	\$ 25,211,209	\$ 26,036,427	\$ 28,817,938
Commercial	225,902	199,380	183,189
State assessed	201,740	188,170	116,220
Vacant land	128,673	1,035	1,035
Certified Assessed Value	<u>\$ 25,767,524</u>	<u>\$ 26,425,012</u>	<u>\$ 29,118,382</u>
<b>MILL LEVY</b>			
General	15.779	17.279	17.429
Debt Service	12.500	11.000	10.850
Total mill levy	<u>28.279</u>	<u>28.279</u>	<u>28.279</u>
<b>PROPERTY TAXES</b>			
General	\$ 406,586	\$ 456,598	\$ 507,504
Debt Service	322,094	290,675	315,934
Levied property taxes	728,680	747,273	823,438
Adjustments to actual/rounding	-	(87)	-
Budgeted property taxes	<u>\$ 728,680</u>	<u>\$ 747,186</u>	<u>\$ 823,438</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 406,586</b>	<b>\$ 456,545</b>	<b>\$ 507,504</b>
Debt Service	<b>322,094</b>	<b>290,641</b>	<b>315,934</b>
	<u><b>\$ 728,680</b></u>	<u><b>\$ 747,186</b></u>	<u><b>\$ 823,438</b></u>

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

**LIVERPOOL METROPOLITAN DISTRICT  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 614,960	\$ 360,660	\$ 318,005
<b>REVENUES</b>			
Property taxes	445,194	456,543	507,504
Specific ownership tax	32,355	35,796	30,450
Interest income	11,962	10,000	4,300
Total revenues	489,511	502,339	542,254
Total funds available	1,104,471	862,999	860,259
<b>EXPENDITURES</b>			
General and administrative			
Accounting	22,258	26,415	22,000
Auditing	3,800	3,900	4,000
County Treasurer's fee	7,562	6,853	7,613
Directors' fees	2,300	1,900	2,500
Dues and licenses	803	715	1,000
Insurance and bonds	6,414	6,418	7,000
District management	34,998	32,285	40,000
Legal services	5,672	3,638	6,000
Miscellaneous	5,734	5,000	5,000
Banking fees	-	100	200
Payroll taxes	176	150	200
Election expense	1,141	-	15,000
Website	165	-	3,500
Contingency	-	-	2,987
Operations and maintenance			
Fence and sign maintenance	-	-	3,000
Repairs and maintenance	1,423	1,000	20,000
Engineering	-	-	15,000
Landscape maintenance - main contract	46,900	51,600	53,000
Pond renovation	449,050	135,000	80,000
Holiday lighting	22,750	-	25,000
Lighting	-	-	5,000
Utilities	1,595	1,700	2,000
Pond maintenance	17,167	10,000	12,000
Irrigation water	48,752	48,000	40,000
Dumpster Day	3,008	3,320	5,000
Snow removal	1,063	6,000	7,000
Bridge Maintenance	1,750	-	4,000
Tree replacement	-	25,000	30,000
Landscape improvements	49,770	150,000	120,000
Landscape - Irrigation repair	9,560	26,000	20,000
Total expenditures	743,811	544,994	558,000
Total expenditures and transfers out requiring appropriation	743,811	544,994	558,000
ENDING FUND BALANCE	\$ 360,660	\$ 318,005	\$ 302,259
EMERGENCY RESERVE	\$ 14,700	\$ 15,100	\$ 16,300
AVAILABLE FOR OPERATIONS	345,960	302,905	285,959
TOTAL RESERVE	\$ 360,660	\$ 318,005	\$ 302,259

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

**LIVERPOOL METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/26/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 47,684	\$ 32,128	\$ 25,060
REVENUES			
Property taxes	283,416	290,641	315,934
Specific ownership tax	20,598	22,789	18,956
Interest income	2,234	3,500	310
Total revenues	<u>306,248</u>	<u>316,930</u>	<u>335,200</u>
Total funds available	<u>353,932</u>	<u>349,058</u>	<u>360,260</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,369	4,363	4,739
Paying agent fees	150	150	150
Contingency	-	-	1,826
Debt Service			
Bond interest	98,285	89,485	80,285
Bond principal	220,000	230,000	245,000
Total expenditures	<u>321,804</u>	<u>323,998</u>	<u>332,000</u>
Total expenditures and transfers out requiring appropriation	<u>321,804</u>	<u>323,998</u>	<u>332,000</u>
ENDING FUND BALANCE	<u>\$ 32,128</u>	<u>\$ 25,060</u>	<u>\$ 28,260</u>

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

**LIVERPOOL METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Liverpool Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court on November 22, 1994, 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 Arapahoe County on June 28, 1994. The District's service area is located in Arapahoe County, Colorado. The District was established to provide for improvements of collector and arterial roads, related drainage, landscaping, signage, signalization and landscape maintenance.

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.

**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 in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales 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.

**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 forecast assumes that the District's share will be equal to approximately 6% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term bonds are outstanding.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.25%.

**LIVERPOOL METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General, Administrative and Operating Expenditures**

Expenditures have been provided based on estimates of the District's Board of Directors and consultants, and include the services necessary to maintain the District's viability including operational expenditures such as landscaping, irrigation, open space maintenance, etc., as well as legal, accounting, managerial, insurance, and other administrative expenses.

**County Treasurer's Fees**

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

**Debt and Leases**

On February 1, 2007, the District advance refunded and defeased (debt legally satisfied) \$1,665,000 of General Obligation Limited Tax Bonds dated October 15, 1998, with an interest rate of 7.5% and \$2,095,000 General Obligation Refunding Bonds dated February 1, 2001, with an interest rates of 5.00% to 6.00% by the issuance of \$3,760,000 in General Obligation

Refunding Bonds and \$495,000 in Supplemental "B" Interest Registered Coupons. The defeased bonds are not considered a liability of the District since sufficient funds (\$4,005,934) were deposited with a trustee and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds until the call date, at which point the bonds will be repaid in its entirety from the remaining funds in the escrow account.

The 2007 Bonds bear interest from 4.000% to 4.100% per annum, due June 1 and December 1. Principal is due on December 1. The coupons were issued to yield from 3.820% to 3.980% per annum. Principal is due on December 1. The bonds maturing on or before December 1, 2016, are not subject to redemption prior to their respective maturity dates. The bonds maturing on and after December 1, 2017, are subject to redemption prior to maturity at the option of the District. Payment of the principal and interest on the 2007 Bonds when due is insured by Ambac Assurance Corporation. The 2007 Bonds mature on December 1, 2026.

The Registered Coupons are not subject to redemption prior to maturity.

The District's current debt service schedule is attached. The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

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.**