



Certified Public Accountants and Business Consultants

Accountant's Compilation Report

Board of Directors
Dolores Canyon Metropolitan District No. 1
Mesa County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Dolores Canyon Metropolitan District No. 1 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 Dolores Canyon Metropolitan District No. 1.

Barnes Griggs & Associates, PC

Lakewood, Colorado
January 15, 2018

Barnes Griggs & Associates, PC

DOLORES CANYON METROPOLITAN DISTRICT NO. 1
Assessed Value, Property Tax and Mill Levy Information

	<table><tr><th>2016 Actual</th><th>2017 Adopted Budget</th><th>2018 Adopted Budget</th></tr></table>			2016 Actual	2017 Adopted Budget	2018 Adopted Budget
2016 Actual	2017 Adopted Budget	2018 Adopted Budget				
Assessed Valuation	\$ 14,570	\$ 14,500	\$ 14,500			
Mill Levy						
General Fund	-					
Temporary Mill Levy Reduction	-	-	-			
Refunds and Abatements	-	-	-			
Total Mill Levy	-	-	-			
Property Taxes						
General Fund	\$ -	\$ -	\$ -			
Temporary Mill Levy Reduction	-	-	-			
Refunds and Abatements	-	-	-			
Actual/Budgeted Property Taxes	\$ -	\$ -	\$ -			

DOLORES CANYON METROPOLITAN DISTRICT NO. 1

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	\$ 82,487	\$ 98,368	\$ 238,237	\$ 226,949
REVENUE				
Sales & Lodging PIF	171,782	130,000	130,000	130,000
Priority Services PIF	103,069	75,000	75,000	75,000
Miscellaneous Income	-	-	67	-
Total Revenue	274,851	205,000	205,067	205,000
Total Funds Available	357,337	303,368	443,304	431,949
EXPENDITURES				
Management	1,805	4,000	4,000	4,080
Accounting	1,987	3,000	4,000	4,000
Audit	288	300	719	800
Election Expense	484	-	-	1,000
MCGPID Priority Services	102,917	74,600	74,600	74,600
Insurance and Bonds/SDA	4,994	4,300	2,876	3,000
Legal	784	5,000	4,000	5,000
Miscellaneous Expenses	521	500	500	500
Reimburse Developer Advance	-	-	103,508	-
Contingency	-	10,000	10,000	10,000
Total Expenditures	113,779	101,700	204,203	102,980
TRANSFERS AND OTHER USES				
Transfer to Capital Fund	5,320	6,000	6,000	6,120
Emergency Reserves	-	6,150	6,152	6,150
Total Transfers and Other Uses	5,320	12,150	12,152	12,270
Total Expenditures Requiring Appropriation	119,100	113,850	216,355	115,250
ENDING FUND BALANCE	\$ 238,237	\$ 189,518	\$ 226,949	\$ 316,699

DOLORES CANYON METROPOLITAN DISTRICT NO. 1

CAPITAL 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	\$ -	\$ -	\$ -	\$ -
REVENUE				
Transfer from General Fund	5,320	6,000	6,000	6,120
Total Revenue	5,320	6,000	6,000	6,120
Total Funds Available	5,320	6,000	6,000	6,120
EXPENDITURES				
Management	1,164	1,000	1,000	1,020
Accounting	2,980	3,000	3,000	3,060
Legal	1,176	2,000	2,000	2,040
Total Expenditures	5,320	6,000	6,000	6,120
Total Expenditures Requiring Appropriation	5,320	6,000	6,000	6,120
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -

DOLORES CANYON METROPOLITAN DISTRICT NO. 1

2018 Budget Message

Introduction

Dolores Canyon Metropolitan District No. 1, the (“District”) was formed in February 2011 for the purpose of providing design, acquisition, construction, installation, relocation, redevelopment, and financing of certain public infrastructure improvements.

The 2018 budget was prepared in accordance with the Local 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 general operation of the District and facilitation of capital project expenditures.

The District has a 2017 assessed value of \$14,500 and has elected not to certify a mill levy for taxes payable in 2018.

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

The **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. The District entered into an Intergovernmental Priority PIF Revenue Sharing Agreement 2012 with Mesa County Public Improvement District. A portion of the Public Improvement Fees will be sent to the Mesa County Public Improvement District to provide priority services to the District. The General Fund’s primary source of revenue is a Public Improvement Fee on retail sales and lodging.

The **Capital Projects Fund** is used to account for revenues and facilitate expenditures for capital projects. The primary source of revenue is transfers from the General Fund.

Emergency Reserve

As required by Section 20 of Article X of the Colorado Constitution (“TABOR”), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.