



**SCHILLING & COMPANY, INC.**

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## **Accountant's Compilation Report**

Board of Directors  
Douthit Metropolitan District  
Weld County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Douthit Metropolitan District (District), for the year ending December 31, 2021, including the estimate of comparative information for the year ending December 31, 2020, and the actual comparative information for the year ending December 31, 2019, in the format required 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 American Institute of Certified Public Accountants. 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 actual comparative information for the year ending December 31, 2019 is presented for comparative purposes as required by Colorado Revised Statutes (C.R.S.) 29-1-105. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2019. Schilling & Company, Inc. compiled the Application for Exemption from Audit for the year ended December 31, 2019, whose report was dated February 14, 2020.

The budget is presented 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 Douthit Metropolitan District.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
December 8, 2020

**DOUTHIT METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET AS ADOPTED  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2019</u>	<u>ADOPTED BUDGET 2020</u>	<u>ADOPTED BUDGET 2021</u>
<b>ASSESSED VALUATION</b>			
Weld County			
Residential	\$ 20,280	\$ 28,670	\$ 28,670
Commercial	-	-	-
Oil and Gas	5,671,730	2,246,460	1,663,200
State Assessed	147,310	152,140	170,510
Vacant Land	-	-	-
Agricultural	119,310	107,110	107,110
Total Certified Assessed Value	<u>5,958,630</u>	<u>2,534,380</u>	<u>1,969,490</u>
Less TIF Reduction	<u>(2,226,522)</u>	<u>(924,730)</u>	<u>(728,665)</u>
Net Certified Assessed Value	<u><u>\$ 3,732,108</u></u>	<u><u>\$ 1,609,650</u></u>	<u><u>\$ 1,240,825</u></u>
<b>MILL LEVY</b>			
General Fund	50.000	50.000	50.000
Contractual	<u>3.000</u>	<u>3.000</u>	<u>3.000</u>
Total mill levy	<u><u>53.000</u></u>	<u><u>53.000</u></u>	<u><u>53.000</u></u>
<b>PROPERTY TAXES</b>			
General operating expenditures	\$ 186,605	\$ 80,482	\$ 62,041
Contractual	<u>11,196</u>	<u>4,829</u>	<u>3,722</u>
Levied property taxes	197,801	85,311	65,763
Adjustments to actual/rounding	<u>(12,483)</u>	<u>-</u>	<u>-</u>
Actual/budgeted property taxes	<u><u>\$ 185,318</u></u>	<u><u>\$ 85,311</u></u>	<u><u>\$ 65,763</u></u>
<b>BUDGETED PROPERTY TAXES</b>			
General Fund:			
Property Taxes	\$ 185,318	\$ 80,482	\$ 62,041
Contractual - Town of Mead	<u>11,119</u>	<u>4,829</u>	<u>3,722</u>
	<u><u>\$ 196,437</u></u>	<u><u>\$ 85,311</u></u>	<u><u>\$ 65,763</u></u>

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

**DOUTHIT METROPOLITAN DISTRICT  
GENERAL FUND  
2021 BUDGET AS ADOPTED  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2019</u>	<u>ESTIMATED 2020</u>	<u>ADOPTED BUDGET 2021</u>
<b>BEGINNING FUND BALANCE</b>	\$ 331,282	\$ 629,923	\$ 106,491
<b>REVENUE</b>			
Property taxes	185,318	80,482	62,041
Specific ownership taxes	21,147	6,275	4,837
Property taxes - Contractual	11,119	4,829	3,722
Urban Renewal - TIF	118,006	49,011	38,619
Interest income	11,632	4,823	500
Total revenue	<u>347,222</u>	<u>145,420</u>	<u>109,719</u>
 Total funds available	 <u>678,504</u>	 <u>775,343</u>	 <u>216,210</u>
<b>EXPENDITURES</b>			
General Government			
Legal	19,074	29,133	30,000
Accounting	3,711	4,622	5,000
Insurance	3,173	2,510	3,000
Miscellaneous	30	91	100
Election	-	254	-
Contractual - Town of Mead	17,876	7,489	5,819
Treasurer's Fees	2,780	1,207	931
Treasurer's Contractual	167	72	56
Treasurer's Fees - Urban TIF	1,770	735	579
Dues and subscriptions	-	1,065	1,200
Capital outlay	-	621,674	156,233
Contingency	-	-	10,000
Total expenditures	<u>48,581</u>	<u>668,852</u>	<u>212,918</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 629,923</u>	<u>\$ 106,491</u>	<u>\$ 3,292</u>
<b>RESTRICTED - EMERGENCY RESERVE</b>	<u>\$ 10,417</u>	<u>\$ 4,363</u>	<u>\$ 3,292</u>

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

**DOUTHIT METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2021 annual budget. Actual results may differ from the prospective results contained in the budget.

**SERVICES PROVIDED**

The Douthit Metropolitan District (the "District"), was organized in Weld County. Through its Service Plan, the District is authorized to finance certain streets, street lighting, traffic and safety controls, water, sanitary sewer, landscaping, storm drainage, mosquito control and park and recreation improvements.

**BASIS OF ACCOUNTING**

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

**REVENUE**

***Property Tax***

The District is imposing a mill levy of 50.000 mills for general operations and 3.000 mills for contractual obligations on an assessed valuation of \$1,240,825 for the budget year 2021, which is expected to yield \$62,041 and \$3,722 in property tax revenue, respectively.

***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 7.4% of the property taxes collected.

***Urban Renewal – TIF***

The District, Town of Mead, and the Mead Urban Renewal Authority (MURA) have entered into a cooperation agreement, whereby the MURA agrees to transfer the property taxes that the MURA receives from the District's mill levy on taxable property in the urban renewal area. The Town of Mead remits the property taxes on an annual basis. For 2021 the estimated revenue to be received by the District is \$38,619.

***Investment Income***

Interest earned on the District's available funds has been estimated based on historical interest earnings and anticipated invested balances.

**DOUTHIT METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**EXPENDITURES**

***Administrative Expenditures***

Administrative 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 administrative viability such as legal, accounting, insurance, and other administrative expenses.

***Contractual – Town of Mead***

The District and the Town of Mead have entered into an intergovernmental agreement, whereby the District agreed to impose a 3.000 mill levy for the purposes of ongoing operations and maintenance expenses associated with the Town of Mead capital improvements. For 2021, the District has budgeted to remit \$5,819 to the Town of Mead in accordance with this agreement, which represents the anticipated property tax revenues generated by the 3.000 mill levy (including the 3.000 mill levy on the Urban Renewal – TIF), net of the associated county treasurer fees.

**DEBT AND LEASES**

The District has no outstanding bonds or leases.

**RESTRICTED FUND BALANCE**

The District has provided for an emergency reserve fund of at least 3% of fiscal year spending for 2021, as defined under TABOR.

This information is an integral part of the accompanying budget.