

**EXHIBIT F**  
2016 Budgets

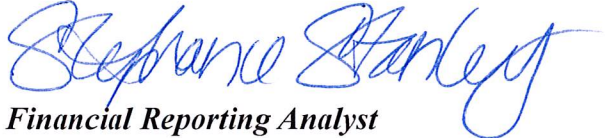
**HIGHLANDS RANCH**  
**METROPOLITAN DISTRICT NO. 5**

**2016 ADOPTED  
BUDGET**

# ***BUDGET HIGHLIGHTS***

## **INTRODUCTION**

*I, Stephanie Stanley, certify that the attached is a true and accurate copy of the adopted 2016 budget of the Highlands Ranch Metropolitan District.*



***Financial Reporting Analyst  
Highlands Ranch Metropolitan District***

## **Services**

Highlands Ranch Metropolitan District No. 5 was organized for the purpose of providing metropolitan type services to the developing community of Highlands Ranch. In 1989 the District amended its service plan in order to provide water and wastewater to its residents. As a result of the amendment the District now is authorized to provide the following services:

- Fire Protection
- Parks and Parkways landscape maintenance and construction
- Open space maintenance
- Street and storm drainage construction and miscellaneous maintenance
- Street light operations and maintenance
- Water and wastewater service

In accordance with Colorado State Budget Law, the District's Board of Directors hold public hearings in the fall of each year to review the current year's budget, approve the following years budget and appropriate the funds necessary to operate for the ensuing year. Although it is the intent of the Board of Directors to adopt a budget which will go unchanged, statutes do allow the Board to modify the budget and the appropriation resolutions upon completion of notification and publication requirements. This budget was prepared so that the subsequent accounting for the revenue and expenditures detailed in this document would comply with generally accepted accounting principles. The basis used for accounting is the Modified Accrual Basis.

**Highlands Ranch Metropolitan District No. 5 is currently inactive. It is anticipated that a portion of the future development within Highlands Ranch and/or the Centennial Water and Sanitation District service area may be included within the District. However, at this time the District does not contain any material amounts of property, nor does it conduct any operations apart from minimal legal requirements.**

## **Highlands Ranch Budgeting**

Highlands Ranch Metropolitan District ("HRMD") prepares an Operating Budgets which provide for the use of resources collected by the district and which are utilized to operate, maintain and manage the facilities and services provided for the community of Highlands Ranch. It is anticipated that if activated the District will pay its share of this Operating Budget as defined in the IGA

Because Metropolitan District No. 5 is currently inactive, it does not participate in the Operating Budget. However, the District does prepare a Direct Budget which provides for the use of District resources to fund general government services. The funding for the District's General Fund currently is provided by transfers from Centennial Water and Sanitation District until such time as Metropolitan District No. 5 commences active operation.

## **REVENUE SOURCES**

The District currently has no sources of revenue but borrows necessary funds interest free from Centennial Water and Sanitation District to meet the requirements of the District.

### **Taxes**

Upon activation and the inclusion of property the District would anticipate receiving tax revenue from two sources:

- 1) From the assessment of property taxes against real and personal property calculated by applying a mill levy against both the current and new growth assessed value of the property; and
- 2) From the District's share of specific ownership taxes collected on automobiles by Douglas County.

The District currently has an assessed valuation of property of \$0, but does not assess a mill levy for property tax although it anticipates doing so in the future and has the statutory authority to do so.

### **Utility rates**

The District is currently inactive, but anticipates in the future providing water and sewer services and the receipt of associated revenues based on the fee structure of Centennial.

### **Development Fees**

Upon the commencement of active operations in the future the District anticipates imposing the following development fees on new residential, commercial and industrial development:

- 1) A Tap Fee from new customers at the time the customer requires the installation of a meter to obtain service.
- 2) The same Systems Development Fee as that imposed by HRMD to be collected at the same time as, or prior to, the collection of the tap fees for the specific property. The Systems Development Fee, which is calculated annually, is designed to recover the estimated costs of the construction of arterials, arterial landscaping, storm drainage facilities, parks and fire protection facilities as found in the Districts Facility Plan.

The Basic Systems Development Fee is calculated based upon a comprehensive planning document called the Facilities Plan which identifies the capital improvements described above.

- 3) In addition to the above, the District anticipates assessing fees to the builders for plan review and inspection of new connections to the water and wastewater system.

### **Other**

Other revenues anticipated by the District after the commencement of active operations include Conservation Trust Fund (lottery) proceeds and other small reimbursements and miscellaneous charges.

### **Interest earnings**

The District currently does not have funds available for investment. When activated the District will follow an investment policy approved by their Boards of Directors similar to that of Centennial and HRMD.

## **DIRECT BUDGET EXPENDITURES**

The only expenditures for the Direct Budget are for general government purposes. The District incurs expenditures for direct costs which are not allocable to another District under terms of the Metropolitan Districts Agreement. These expenditures are currently related to such General Management items as legal fees and other fees directly related to the Board and the Districts activities.

The various fund types anticipated to be contained in the Districts' Budget after the commencement of active operations and a description of each are as follows:

### **General Fund:**

The general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Typical activities associated with this fund are general management, and the District's share of operation and maintenance of all the Districts. These activities include expenditures for landscape maintenance, fire prevention, accounting, engineering, etc.

### **Special Revenue Fund:**

Would be used to collect and disburse monies earmarked for specific purposes due to either legal or contractual arrangements.

Water and wastewater operating revenues and the related expenditures for operations would be accounted for in a special revenue fund. The District would chose this type fund because the revenue from service fees is essentially passed through to another entity - Centennial Water and Sanitation District- and because the service rates are not established to fully recover the cost of assets.

Street light operating revenues and related expenditures for operations would also be accounted for in a special revenue fund. The District has chosen this type of fund for reasons similar to those for the Water and Wastewater special Revenue Fund.

Colorado Lottery receipts and uses of proceeds.

### **Debt Service Fund:**

Would be used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and other costs related to the management and retirement of debt.

### **Capital Projects Funds:**

Would be used to account for financial resources to be used for the acquisition or construction of major capital improvement projects or facilities and reserved capacity in the water and wastewater system owned by Centennial. The capital improvement projects funded from these resources usually are those identified in the District's Comprehensive Facilities Plan.

## ***GENERAL FUND***

The Districts is responsible for paying its direct general management expenditures (which include expenditures for legal, audit, general liability insurance, and Board of Director's expenses).

In addition, the General Fund is anticipated to be used to account for the District's share of the Highlands Ranch Master Budget after the commencement of active operations by the District. The Master Budget provides for public safety, park operation and maintenance, technical management and general management activities associated with the governance of all of the Highlands Ranch Metropolitan Districts.

Major revenue sources for the General Fund will include taxes and earnings on the District's investments. Because the District is currently inactive, there are no revenues for the General Fund at this time.

The following schedules summarize the District's actual and budgeted expenditures. They are followed by the authorizing resolutions adopted by the District's Board of Directors.

HIGHLANDS RANCH METRO DISTRICT NO. 5  
ALL FUNDS  
2014-2016

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		TOTALS		
				General Government	Water and Wastewater	Adopted 2016	Projected 2015	Actual 2014
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development Fees	-	-	-	-	-	-	-	-
System Development Fees	-	-	-	-	-	-	-	-
Tap Fees	-	-	-	-	-	-	-	-
Special Revenues	-	-	-	-	-	-	-	-
Rate Income	-	-	-	-	-	-	-	-
Conservation Trust Fund	-	-	-	-	-	-	-	-
Street Light	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net Investment Income	-	-	-	-	-	-	-	-
EXPENDITURES								
General Government	1,000	-	-	-	-	\$ 1,000	500	\$ 245
Intergovernmental	-	-	-	-	-	-	-	-
Water and Wastewater	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Reserved Capacity	-	-	-	-	-	-	-	-
	1,000	-	-	-	-	1,000	500	245
	(1,000)	-	-	-	-	(1,000)	(500)	(245)
Revenue over (under) expenditures								
OTHER FINANCING SOURCES (USES)								
Long Term IGA proceeds	1,000	-	-	-	-	1,000	500	245
Automatic operating transfers	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
Metro Tap Fee Surcharge	-	-	-	-	-	-	-	-
Water Rate Surcharge	-	-	-	-	-	-	-	-
Other operating transfers	-	-	-	-	-	-	-	-
Debt Service - W/WW Capital	-	-	-	-	-	-	-	-
Debt Service - Gen. Govt. Capital	-	-	-	-	-	-	-	-
Special Revenue - General	-	-	-	-	-	-	-	-
Contribution offsetting capital outlay	-	-	-	-	-	-	-	-
	1,000	-	-	-	-	1,000	500	245
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEND. AND OTHER FINANCING USES								
FUND BALANCE - BEGINNING	-	-	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**HIGHLANDS RANCH METROPOLITAN DISTRICT NO. 5**

**RESOLUTION NO. 15-103**

WHEREAS, the General Manager has submitted a proposed budget to the Board of Directors for the period January 1, 2016 to December 31, 2016 for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 30, 2015 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues and other financing sources so that the budget remains in balance as required by law; and

WHEREAS, the 2016 Budget provides for the following expenditures:


General Fund	\$1,000
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NOW, THEREFORE BE IT RESOLVED, that the 2016 Budget as presented to the Board of Directors be and hereby is approved and adopted.

BE IT FUTHER RESOLVED, that an appropriation in the amount of \$1,000 for the General Fund be and hereby is approved and adopted.

Adopted this 30th day of November, 2015

Ayes 3 Nays 0 Abstained 0 Absent 0

Certified by , Secretary





CliftonLarsonAllen LLP  
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### Accountant's Compilation Report

Board of Directors  
Mirabelle Metropolitan District No. 2  
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Mirabelle Metropolitan District No. 2 for the years ending December 31, 2016 and 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 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.

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 Mirabelle Metropolitan District No. 2.

Greenwood Village, Colorado  
January 18, 2017

**MIRABELLE METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2016 AND 2017 BUDGET AS ADOPTED**  
**For the Years Ended and Ending December 31,**

1/19/2017

	ADOPTED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
Developer advance	-	-
Total revenues	-	-
Total funds available	-	-
EXPENDITURES		
General and administration		
Accounting	-	-
Dues and membership	-	-
Insurance	-	-
Legal	-	-
Total expenditures	-	-
Total expenditures and transfers out requiring appropriation	-	-
ENDING FUND BALANCES	\$ -	\$ -

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

**MIRABELLE METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

1/19/2017

	ADOPTED 2016	ADOPTED 2017
ASSESSED VALUATION - DOUGLAS		
Certified Assessed Value	\$ -	\$ -
MILL LEVY		
PROPERTY TAXES		
Budgeted Property Taxes	\$ -	\$ -
BUDGETED PROPERTY TAXES		
	\$ -	\$ -

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

**MIRABELLE METROPOLITAN DISTRICT NO. 2**  
**2016 AND 2017 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by the order and decree of the District Court for Douglas County on November 17, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32 Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County.

The District's election held on November 8, 2016 authorized debt of \$900,000,000 for street improvements, water, park and recreation, sanitation/sewer, mosquito control, security, transportation, safety protection, television relay and translation, and fire protection. Additionally, the District authorized the District's taxes be increased \$2,000,000 annually to pay the District's general and administrative costs.

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.

**Reserves**

**Emergency Reserves**

The District does not anticipate financial activity in the years presented; therefore, no emergency reserve is required.

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



CliftonLarsonAllen LLP  
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## Accountant's Compilation Report

Board of Directors  
Mirabelle Metropolitan District No. 3  
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Mirabelle Metropolitan District No. 3 for the year ending December 31, 2016 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 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.

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 Mirabelle Metropolitan District No. 3.

Greenwood Village, Colorado  
January 31, 2017

**MIRABELLE METROPOLITAN DISTRICT NO. 3**  
**GENERAL FUND**  
**2016 BUDGET AS ADOPTED**  
**For the Year Ending December 31,**

1/31/2017

ADOPTED 2016
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BEGINNING FUND BALANCES	\$ -
REVENUES	
1 Developer advance	-
Total revenues	-
Total funds available	-
EXPENDITURES	
General and administration	
2 Accounting	-
3 Dues and membership	-
4 Insurance	-
5 Legal	-
Total expenditures	-
Total expenditures and transfers out requiring appropriation	-
ENDING FUND BALANCES	\$ -

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

**MIRABELLE METROPOLITAN DISTRICT NO. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

1/31/2017

ADOPTED 2016
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ASSESSED VALUATION - DOUGLAS

Certified Assessed Value

\$	-
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MILL LEVY

PROPERTY TAXES

Budgeted Property Taxes

\$	-
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BUDGETED PROPERTY TAXES

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

**MIRABELLE METROPOLITAN DISTRICT NO. 3**  
**2016 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by the order and decree of the District Court for Douglas County on November 17, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32 Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County.

The District's election held on November 8, 2016 authorized debt of \$900,000,000 for street improvements, water, park and recreation, sanitation/sewer, mosquito control, security, transportation, safety protection, television relay and translation, and fire protection. Additionally, the District authorized the District's taxes be increased \$2,000,000 annually to pay the District's general and administrative costs.

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.

**Reserves**

**Emergency Reserves**

The District does not anticipate financial activity in the years presented; therefore, no emergency reserve is required.

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





CliftonLarsonAllen LLP  
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### Accountant's Compilation Report

Board of Directors  
Mirabelle Metropolitan District No. 4  
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Mirabelle Metropolitan District No. 4 for the year ending December 31, 2016 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 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.

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 Mirabelle Metropolitan District No. 4.

Greenwood Village, Colorado  
January 31, 2017

**MIRABELLE METROPOLITAN DISTRICT NO. 4**  
**GENERAL FUND**  
**2016 BUDGET AS ADOPTED**  
**For the Year Ending December 31,**

1/31/2017

ADOPTED 2016
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BEGINNING FUND BALANCES	\$ -
REVENUES	
1 Developer advance	-
Total revenues	-
Total funds available	-
EXPENDITURES	
General and administration	
2 Accounting	-
3 Dues and membership	-
4 Insurance	-
5 Legal	-
Total expenditures	-
Total expenditures and transfers out requiring appropriation	-
ENDING FUND BALANCES	\$ -

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

**MIRABELLE METROPOLITAN DISTRICT NO. 4**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

1/31/2017

ADOPTED 2016
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ASSESSED VALUATION - DOUGLAS

Certified Assessed Value

\$ -
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MILL LEVY

PROPERTY TAXES

Budgeted Property Taxes

\$ -
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BUDGETED PROPERTY TAXES

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

**MIRABELLE METROPOLITAN DISTRICT NO. 4**  
**2016 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by the order and decree of the District Court for Douglas County on November 17, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32 Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County.

The District's election held on November 8, 2016 authorized debt of \$900,000,000 for street improvements, water, park and recreation, sanitation/sewer, mosquito control, security, transportation, safety protection, television relay and translation, and fire protection. Additionally, the District authorized the District's taxes be increased \$2,000,000 annually to pay the District's general and administrative costs.

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.

**Reserves**

**Emergency Reserves**

The District does not anticipate financial activity in the years presented; therefore, no emergency reserve is required.

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