



REPORT OF

THE

STATE AUDITOR

Oversight of Metropolitan Districts
Department of Local Affairs

PERFORMANCE AUDIT
September 2006

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Members of the Legislative Audit Committee:

This report contains the results of a performance audit of the Department of Local Affairs' oversight of metropolitan districts. The audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of state government. The report presents our findings, conclusions, and recommendations, and the responses of the Department of Local Affairs.

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Oversight of Metropolitan Districts
Department of Local Affairs
Performance Audit
September 2006

Authority, Purpose, and Scope

This performance audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the Office of the State Auditor to conduct performance audits of all departments, institutions, and agencies of the state government. The audit work, performed from June through September 2006, was conducted in accordance with generally accepted government auditing standards.

The purpose of the audit was to conduct a review of local government oversight of metropolitan districts. We evaluated the processes used by the approving local governments and the Department of Local Affairs to oversee metropolitan districts, especially focusing on the financial information and the required disclosures made by all metropolitan districts. We focused the majority of our audit work on the seven-county Denver metropolitan area, which consists of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties.

We gratefully acknowledge the assistance and cooperation extended by staff at the Department of Local Affairs and representatives from the local governments and interest groups we contacted.

Overview

In 1981 the General Assembly passed the Special District Act (Act). According to Section 32-1-102, C.R.S., special districts are local governments that may provide services to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the districts. The geographic boundaries of a special district may be included in a single municipality or county or may span several municipalities and could extend into unincorporated county land. As with other local governments, special districts have the authority to issue debt and to levy and collect property taxes. The geographic location of the special district determines the approving local government that is statutorily charged with approving or denying the special district's service plan and with ensuring that the district follows the service plan. The service plan outlines the proposed services, the plan for financing the services, estimated capital costs, and proposed indebtedness. In addition, the Act provides two reports that the approving local government may request in order to assess whether the district is meeting the provisions of its service plan and whether the district will be able to discharge its debt as outlined in its service plan. The Division of Local Government (Division) within the Department of Local Affairs (Department) is charged with providing technical assistance and guidance to local governments, including special districts. Under the Act, the Division is given specific responsibilities that provide additional oversight to special districts in Colorado.

As of December 2004, there were 1,291 special districts in the State. Of these, almost half are metropolitan districts. Metropolitan districts are a type of special district that under statutes are permitted to provide two or more services which may include the following: fire protection, mosquito control, parks and recreation, safety protection, sanitation, solid waste disposal facilities or collection and transportation of solid waste, street improvement, television relay and translation, transportation, and water services. Since 2000, the number of metropolitan districts located in the seven-county Denver metropolitan area has more than doubled, growing from 191 metropolitan districts in 2000 to 390 in 2004. Included in this growth are many new metropolitan districts formed for the purpose of providing financing for infrastructure for new commercial or residential development through the issuance of general obligation bonds. Upon formation of the districts, typically there are no residents of the district, and often only one property owner. Under statute, as few as five eligible electors (i.e. property owners or residents of the district) can vote to authorize the formation of the district, elect the district's board, and authorize debt. According to statute, the initial authorization of debt to be issued is valid for up to 20 years; therefore, the debt may be issued over an extended period.

On the basis of available information we determined that 260 metropolitan districts in the seven-county Denver metropolitan area had about \$255 billion in authorized but unissued debt as of 2004. The large amounts of authorized but unissued debt is a concern because it can potentially lead to unanticipated tax increases for the taxpayers who ultimately live in the newly formed metropolitan district and will share in the responsibility to repay the debt.

The General Assembly has indicated that strong local government has been a major factor in the political and economic development of the State. We found areas where the Department can assist the approving local governments in performing adequate oversight of metropolitan districts and to ensure that the economic benefits to be achieved are in balance with the burden to be placed on the taxpayer.

Key Findings

A summary of significant findings and recommendations resulting from the audit are as follows:

- **Approving local governments are not consistently requesting and receiving the two statutory reports designed to ensure adequate oversight of the special districts that they approve.** For example we found that four out of nine metropolitan districts in our sample that were required to submit the annual report from 2000 through 2005 had failed to do so. The approving local governments do not always have a mechanism in place to ensure that the requested or required reports are received. The Act provides the approving local government with the authority to request two reports, the annual and five-year report, that can assist the approving local government with oversight of the special districts under their jurisdiction. The annual report may be requested once per year and requires the district to report how it is complying with its service plan. The second report is more detailed and requires the district to report on debt issuance and authorization activities and may only be

requested every five years. According to statute, an approving local government may cancel a district's authorized but unissued debt by reviewing the five-year report and determining that the district is unable to discharge its proposed and outstanding debt in a timely manner.

Our audit found that statutory change was needed to combine the information in the five-year report with the annual report to enable approving local governments to receive comprehensive information on district activities in a more timely manner. In addition, we found that the approving local governments are not always aware of the importance of reviewing the reports to monitor the activities and financial condition of the districts. We found that all three of the local governments interviewed had never requested the more detailed five-year report on the district's progress in meeting its financial obligations. Finally, guidance provided by the Department does not mention the five-year report or the approving local government's role in providing oversight to special districts.

- **Information provided in the annual reports is not consistent and does not include standard information regarding the financial condition of the special district.** We analyzed annual reports submitted by 19 metropolitan districts located in the seven-county Denver metropolitan area and found that the information reported is not consistent and does not follow a standard format. We also found that local governments do not perform a thorough review of the reports and are not aware of the areas of importance that should be reviewed in the report. The Department offers some guidance on the annual report; however, it does not have the authority to prescribe a standard format and does not provide an adequate framework to assist local governments in exercising oversight and monitoring the financial condition of a special district.
- **The Department is not tracking and following up on districts that appear to be eligible for administrative dissolution under statute.** Specifically, we found that the Division of Local Government within the Department had identified only 16 out of the 40 districts we found that appeared to meet at least one of the criteria for potential dissolution. In addition, we found that the Division does not have a formal policy outlining the administrative dissolution process. Section 32-1-710, C.R.S., gives the Division the authority to administratively dissolve special districts if districts are not adhering to specific statutory requirements such as annually filing audited financial statements with the Office of the State Auditor or submitting a budget with the Department.
- **Not all Department and other personnel working with special districts are aware that statutes place a 20-year expiration on the issuance of debt authorized by special districts.** Under Section 32-1-1101(2), the authorization to approve the issuance of general obligation debt is limited to a period not to exceed 20 years. While we did not identify instances in which debt had been issued outside the 20-

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Oversight of Metropolitan Districts - September 2006

year authorization period, we found that the guidance provided by the Department should be improved by including information on the statutory requirement that authorized but unissued debt expires 20 years after voter approval.

Our recommendations and the responses from the Department of Local Affairs can be found in the Recommendation Locator and in the body of the report.

RECOMMENDATION LOCATOR
Agency Addressed: Department of Local Affairs

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
1	23	Work with local governments to strengthen oversight of special districts by: (a) seeking statutory change to repeal the five-year report and amend the requirements for the annual report, (b) providing additional technical assistance and guidance to approving local governments, and (c) assisting the approving local government in tracking the annual reports.	Agree	a. June 2007 b. January 2007 c. June 2007
2	29	Ensure the review of special district annual reports is effective by: (a) determining the information that should be included in the annual reports as well as the reporting format to be used, (b) seeking statutory change to enact legislation that would require that annual reports contain specific information in a prescribed format, and (c) improving technical assistance to the approving local governments on the procedures that should be followed in performing reviews of annual reports.	Agree	June 2007
3	34	Develop and implement procedures to dissolve qualifying special districts by: (a) identifying special districts that meet the criteria for potential dissolution, (b) following up with all districts identified to determine if statutory noncompliance issues can be resolved, and (c) proceeding with dissolution of the special district, as necessary.	Agree	June 2007
4	35	Improve guidance on debt issuance limitations for special districts by including information on the 20-year expiration on authorized debt from the date of voter approval.	Agree	December 2006

Overview of Special Districts

Background

In 1981 the General Assembly passed the Special District Act (Act). Special districts are intended to provide services that may not otherwise be available through the county or municipal government. In general, the services of a special district are to provide a direct benefit to the citizens living within the boundaries of the district and are supported by the residents of the district through fees or taxes. According to Section 32-1-102 (1), C.R.S., special districts are to provide services that promote the health, safety, prosperity, security, and general welfare of the inhabitants of the districts. These services include ambulance, fire protection, health, parks and recreation, water, sanitation, tunnel, and mental health care. The geographic boundaries of a special district may be included in a single municipality or county or may span several municipalities and could extend into unincorporated county land. As of December 2004, there were 1,291 special districts throughout Colorado. Each special district is a separate legal entity with the power to issue debt and to levy and collect taxes on all taxable property located within the district. In addition, certain special districts, specifically fire, park and recreation, sanitation, water, tunnel, and metropolitan districts that provide street improvements or one or more of these services, have statutorily prescribed powers of eminent domain.

The Act prescribes the procedures for establishing a special district. First, Section 32-1-202, C.R.S., mandates that individuals interested in forming a special district file a detailed service plan with the board of county commissioners or governing body of the local government charged with approving or denying the creation of the district (the “approving local government”). Pursuant to Section 32-1-205(1), C.R.S., the service plan must be approved by a resolution made by the local government. Once approved, this resolution, along with a petition for organization, is filed with the district court of the county vested with jurisdiction. An election must be held with a minimum of five eligible electors who must vote by a majority to approve the creation of the special district. Section 32-1-103(5)(a), C.R.S., defines an eligible elector as a registered voter who has been a resident of the district for at least 30 days or who owns taxable real or personal property within the district. Once the results of the election have been received and verified by the court, the court is authorized to issue a court order establishing the district.

Service Plans

As mentioned above, Section 32-1-202, C.R.S., requires that any person or persons interested in creating a special district file a service plan with the approving local government. In addition, statutes require that the proposed service plans be submitted to the Department of Local Affairs and the State Auditor, and depending upon the approving local government's policy, the service plan may also be reviewed and approved by the planning department or planning commission of the local government.

Section 32-1-202 (2), C.R.S., states that the service plan shall include, among other items:

- ▶ A description of the proposed services.
- ▶ A financial plan describing how the proposed services are to be financed, including the proposed operating revenue from property taxes for the first year and the proposed indebtedness for the district, including a schedule indicating the year or years in which the debt will be issued.
- ▶ Estimated capital costs, initial proposed indebtedness and related interest rates, and other major expenses related to the organization and operations of the district.
- ▶ A preliminary engineering or architectural survey.
- ▶ A map of the proposed special district boundaries, including estimates for population and property assessments.

The approving local government is to review the proposed service plan and may approve the plan as submitted, approve the plan with conditions or required modifications, or deny the plan. Statute specifies that the approving local government must deny or reject the service plan if:

- ▶ There is not sufficient existing and projected need for the proposed service.
- ▶ Existing service is adequate for present and projected needs without the proposed service.
- ▶ The proposed special district is not capable of providing economical and sufficient service.
- ▶ The proposed special district does not have, or will not have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

As noted above, the service plan must be approved through the adoption of a formal resolution made by the approving local government. Under the Act, the proposed

special district must conform to the approved service plan and the approving local government must authorize any material departure from the service plan as originally approved.

General Obligation Bonds

Section 32-1-1101, C.R.S., provides special districts with the authority to levy and collect property taxes, assess fees, and incur debt. Allowable forms of indebtedness include revenue bonds, which are payable from a specific fee or revenue source, and general obligation bonds. For local governments, general obligation bonds are defined as debt that is secured by the local government's ability to assess and collect property taxes. The issuance of general obligation debt requires prior voter approval under the Taxpayer's Bill of Rights (TABOR), Article X, Section 20 of the Colorado Constitution. Upon formation of a special district, eligible electors may vote to authorize issuance of general obligation debt and approve an estimate of the annual property tax amount that will be required to repay the debt. The amount of general obligation debt to be authorized is based on the service plan and the anticipated future revenues and expenditures of the district. This authorization fulfills the TABOR voting requirement that any increase in taxes or bonded debt increases have prior voter approval. The authorized general obligation debt may be issued immediately, but typically portions of the authorized debt are issued over a period of years. As a result, large amounts of debt may remain authorized but not issued.

It should be noted that after the district receives authorization from voters at the initial election to issue a specified amount of debt and collect a specified amount of taxes, no future issuances of the authorized debt require a vote of the district's electors. Anyone purchasing property within the district after the initial election will share in the responsibility for the repayment of any general obligation debt through the payment of property taxes. In some instances, taxpayers have experienced a tax rate increase upon a district's issuance of additional authorized debt. This can occur, for example, if the actual assessed valuation of the property fails to increase over time as quickly as estimated in the district's service plan. The amount of tax that a district is able to collect is based upon the assessed valuation of property within the district and the mill levy, or tax rate on the valuation. A district that is experiencing financial difficulties may need to raise the mill levy in order to increase collections needed to finance the payments on the additional issuance of debt. Because the debt was previously authorized at the election held at the time the district was formed, under statutes the district has the authority to increase the mill levy without an additional vote being conducted.

Growth of Special Districts

There are approximately nine different types of special districts based upon the service that they provide. As the following table shows, metropolitan districts are the single largest category of special districts and represent approximately one-half of all special districts. Further, while there have been significant increases in several types of special districts, the number of metropolitan districts has increased dramatically since 1980, with the largest increase occurring between 2000 and 2004. Statewide, special districts have increased from 491 in 1980 to almost 1,300 in 2004.

State of Colorado Number and Type of Special Districts						
District Type	Through 1980 ¹	1981- 1989	1990- 1999	2000- 2004	Total as of Dec. 2004	% Increase From 1980 Through 2004
Metropolitan Districts	43	122	129	359	653	1419%
Fire Protection Districts	155	33	53	10	251	62%
Water & Sanitation Districts	107	9	7	5	128	20%
Sanitation Districts	68	10	1	0	79	16%
Water Districts	57	7	11	2	77	35%
Park & Recreation Districts	30	11	5	5	51	70%
Hospital/Health/Ambulance Districts	25	9	8	2	44	76%
Miscellaneous Special Districts	5	3	0	0	8	60%
Total Special Districts	490	204	214	383	1,291	163%
Source: Office of the State Auditor, Local Government Audit Division.						
¹ Created prior to the Special District Act, Section 32-1-101, C.R.S., et seq., which was effective in 1981.						

Metropolitan Districts

As stated above, special districts are generally defined by the type of service that they provide. Under Section 32-1-103(10), C.R.S., a metropolitan district is a type of special district that exists to provide two or more services. These can include the

following: fire protection, mosquito control, parks and recreation, safety protection, sanitation, solid waste disposal facilities or collection and transportation of solid waste, street improvement, television relay and translation, transportation, and water services.

The following chart details the growth in metropolitan districts in the seven-county Denver metropolitan area and throughout the State of Colorado.

State of Colorado Metropolitan Districts: Denver Metropolitan Area and Statewide			
	Prior to 2000	2000 Through 2004	Total as of Dec. 2004
Seven-County Denver Metropolitan Area¹	191	199	390
Total of All Other Counties	103	160	263
Statewide Total	294	359	653
Source: Office of the State Auditor, Local Government Audit Division. ¹ Seven-County Denver metropolitan area includes the following counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson.			

As the table shows, from 2000 through 2004 the number of metropolitan districts in the seven-county Denver metropolitan area approximately doubled, increasing from 191 to 390. Of the 199 new metropolitan districts formed, 168 were in three counties: Adams (68), Arapahoe (48), and Douglas (52). It should be noted that El Paso and Weld Counties also reported significant growth in metropolitan districts during the period and accounted for over half of the increase from 2000 through 2004 in the rest of the State (40 and 47 new metropolitan districts in El Paso and Weld Counties, respectively).

Generally, the creation of metropolitan districts is encouraged by the approving local government because of the district’s ability to offer two or more services to address citizen needs specific to the district. In particular, the growth of metropolitan districts has included districts that have been formed by developers. These districts are sometimes referred to as “developer districts,” which are metropolitan districts formed by developers for the purpose of providing financing for infrastructure for new commercial or residential development through the issuance of general obligation bonds. Because these are metropolitan districts, the developer district must have a service plan approved by the approving local government and must follow the same processes described earlier for the creation of the district. A developer district differs

from other special districts in terms of the formation process. According to representatives from the Special District Association as well as attorneys and accountants involved with the formation of developer districts, typically there are no residents of the district at the time of formation, and often there is only one property owner. In order to meet the statutory requirement that there must be five electors to vote on the formation of the district, the property owner may convey small parcels of property to other individuals who then become qualified electors of the district. These electors then can vote to approve the creation of the district, elect themselves as board members of the district, and approve the authorization of debt and the property tax amount required to repay the annual debt service of the authorized debt. As noted above, after the district receives authorization from voters at the initial election to issue a certain amount of debt and collect a certain amount of taxes, no future issuances of the authorized debt require a vote of eligible electors living within the district, even if the mill levy must be increased to finance debt service payments. Because of the speculative nature of developer districts, taxpayers in these districts may be more at risk of experiencing unanticipated tax increases than those in other types of special districts that have been in place for a long period.

Oversight of a Special District

As outlined above, individuals interested in forming a special district must follow specific steps under the Act to create a special district. In addition, the approving local government, the Department of Local Affairs, and the Office of the State Auditor have specific responsibilities related to formation and oversight of special districts. These responsibilities are discussed below.

The Approving Local Government

As noted above, a special district is located in a single municipality or county or may span several municipalities or counties. For districts located wholly within one or more unincorporated counties, the approving local government is the county or counties, and for districts located wholly within a municipality or municipalities, the approving local government is the municipality or the municipalities. If the district spans several municipalities and unincorporated counties, the approving local governments will be all municipalities and counties in which the district is established. The Act provides approving local governments with much of the oversight responsibility for special districts. The approving local government is charged with the review and approval of the proposed service plan before a special district can file a petition for organization with the court. After formation of the special district, statutes provide the approving local government with several mechanisms to oversee the activities of the special district and ensure that the district is following the service plan. The approving local government may request two types of reports regarding the district's performance. As discussed later, these reports are

intended to provide the approving local government with information that will demonstrate whether the special district is complying with its approved service plan and can support its proposed level of debt. Any major modifications to the original service plan must be authorized by the approving local government.

The Department of Local Affairs

The Department of Local Affairs (Department) is responsible for building community and local government capacity by providing training, and technical and financial assistance to localities. Under the Local Government Budget Law (Section 29-1-101, et seq., C.R.S.), all local governments are required to submit a copy of their approved annual budget to the Department. The Division of Local Government (Division), located within the Department, was established under Section 24-32-101, et seq., C.R.S., by the General Assembly in acknowledgment that strong local government has been a major factor in the political and economic development of the State. Further, the statute provides that the State has primary responsibility for strengthening local government, encouraging local initiative, and providing coordination of state services and information to assist local government in effectively meeting the needs of Colorado citizens. The Division furnishes technical assistance and information to local governments, acts as a liaison with other state agencies concerned with local governments, and performs research on local government issues.

The Act defines the Division's role in providing additional oversight to special districts. Under the Act, the Division is responsible for the following:

- ▶ Establishing and maintaining a file listing, by name, all special districts, including the names and addresses of board members and boundary changes.
- ▶ Prescribing a form to report the authorization or issuance of general obligation debt, which must be recorded by special districts with the county clerk and recorder in each county in which the district is located.
- ▶ Conferring with special district board members and the approving local government if the State Auditor reports that the special district may be unable to discharge its existing or proposed indebtedness.

Office of the State Auditor

The Office of the State Auditor (OSA) is an agency within the legislative branch established to promote operational efficiency and to ensure accountability of government agencies. Under the Local Government Audit Law (Section 29-1-601, et

seq., C.R.S.), local governments are required to annually submit financial audits conducted by independent audit firms to the OSA for review. As local governments, special districts are required to submit audited financial reports to the OSA. According to Section 32-1-207(3)(d), C.R.S., the OSA is required to review annual reports for those special districts organized after July 1, 1991, and to report to the Division of Local Government “any apparent decrease in the financial ability of the district to discharge its existing or proposed indebtedness in accordance with the service plan to the division.”

Audit Scope and Methodology

The purpose of this audit was to evaluate local government oversight of metropolitan districts, particularly with respect to information provided by the districts on compliance with their service plans. The audit primarily focused on metropolitan districts because of the significant increase in the number of these districts in recent years, as opposed to other types of special districts. In particular, we mainly focused on the metropolitan districts located in the seven-county Denver metropolitan area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson), which contains over 50 percent of the total metropolitan districts in the State of Colorado. As part of the audit, we collected and analyzed data on metropolitan districts and information collected by the Department of Local Affairs, and we interviewed personnel from the Department, county and municipal governments, the Special District Association of Colorado, and others involved with metropolitan districts.

Oversight of Metropolitan Districts

Background

According to Section 32-1-102, C.R.S., the goal of the Special District Act (Act) is to create local governments that will provide services that promote the health, safety, prosperity, security, and general welfare of the citizens living within the district. As of December 2004, the State had almost 1,300 special districts that furnish a wide variety of services to Colorado residents.

As discussed in the Description chapter, state law outlines the process that must be used to form a special district. One of the key provisions required as part of the formation of a special district is the development of a service plan by the parties forming the district. Section 32-1-207 (1), C.R.S., states that upon final approval for the organization of the special district, “the facilities, services, and financial arrangements of the special district shall conform so far as practicable to the approved service plan.” The municipality or county where the proposed district is located is statutorily charged with reviewing and approving the proposed service plan; this entity is generally referred to as the “approving local government.” The approved service plan is a binding agreement between the district and the approving local government and spans the life of the district. Once the formation process is formally completed, special districts are local governments with the powers granted to them under state law, such as the power to hold elections, levy taxes, and issue debt.

Statutes provide the approving local government with the responsibility for overseeing any district formed within the local government’s boundaries. The primary way in which the approving local government exercises this responsibility is through the approval and ongoing monitoring of a district’s service plan in the years after formation. The approving local government must ensure that the economic benefits to be achieved are in balance with the cost of the services to be provided as outlined in the district’s plan. This balance will promote the needed economic benefits without placing unnecessary burden on the taxpayer. If the district is unable to adhere to its original service plan, it is required under state law to obtain approval from the local government for any modifications to the plan.

The Department of Local Affairs (Department) is responsible for providing technical assistance and guidance to local governments. As part of this, the Department has developed guidance on special districts for the approving local governments, special districts, and prospective home buyers. In addition, the Department is specifically required under the Act to maintain a file of all special districts, confer with

approving local governments and special districts, and prescribe a form to report the authorization or issuance of general obligation debt.

Metropolitan districts are a type of special district that under statutes are permitted to provide two or more services. These services may including the following: fire protection, mosquito control, parks and recreation, safety protection, sanitation, solid waste disposal facilities or collection and transportation of solid waste, street improvement, television relay and translation, transportation, and water services. By allowing for metropolitan districts to provide multiple services, the intent of the Act was to encourage the consolidation of special districts. Metropolitan districts are often formed for the purpose of providing infrastructure such as roads, alleys, water and sewer lines, and traffic signals in order to promote development. Typically, the funding for this infrastructure is provided through the district's issuance of general obligation debt. As with all special districts, the formation of a metropolitan district requires the approval of the district's service plan by the local government or governments in which the district resides.

As discussed earlier, metropolitan districts make up over half of the nearly 1,300 special districts in the State of Colorado and are the fastest growing type of special district. The counties reporting the highest growth from 2000 to 2004 are as follows: Adams County (68), Arapahoe County (48), Douglas County (52), El Paso County (40), and Weld County (47). The rapid growth in metropolitan districts in part may be attributable to the fact that for approving local governments, the formation of metropolitan districts presents a means to create infrastructure, promote economic development, and increase the tax base without the approving local government incurring the burden of financing the infrastructure. In other words, metropolitan districts assume the cost of providing the basis for economic development that the approving local government is not able to finance because of other budget demands and constraints. In addition, the property owners within the district bear the cost of the services or infrastructure of the district, which means that the tax burden is placed only on those who directly benefit.

Authorized But Unissued Debt

One of the critical aspects of a special district's service plan is how it proposes to finance the services it will provide. This is particularly important in the case of metropolitan districts because these districts are often used as a mechanism to promote economic growth. As discussed in the Description chapter, metropolitan districts are often formed by a small group of interested individuals who, as part of the initial formation process, vote to authorize the issuance of a specific amount of general obligation debt. The proceeds of the debt are to be used to finance infrastructure that is intended to promote development, and the debt is to be paid by property taxes levied on future residents of the district. According to statute, the

initial authorization of debt to be issued is valid for up to 20 years; therefore, the debt may be issued over an extended period.

Our analysis indicates that there is a significant amount of debt that has been authorized during the initial formation of the districts but has not yet been issued. We reviewed information reported by about 260 metropolitan districts in the Denver metropolitan area and found that the districts reported about \$255 billion in total authorized but unissued debt as of 2004. This amounts to almost \$1 billion per district. It should be noted that this amount does not include debt that the districts have already issued; the \$255 billion represents additional debt that the districts have the authority to issue. This \$255 billion is likely understated for the Denver metropolitan area because these 260 metropolitan districts represent only about two-thirds of the metropolitan districts in the Denver area. The remaining districts did not report the authorized but unissued debt in their audited financial statements.

To put this \$255 billion of authorized debt in perspective, as of December 2004 the City and County of Denver reported a total investment, since 1980, in infrastructure and buildings of \$7 billion, prior to depreciation. This investment includes land, buildings and improvements, park facilities, wastewater management, the Denver Airport System, and infrastructure (including streets, alleys, traffic signals and signs, and bridges). In other words, the metropolitan districts have the ability to issue additional general obligation debt that is about 36 times greater than the cost of the entire City and County of Denver's existing infrastructure investment since 1980.

The large amounts of authorized but unissued debt is a concern because it can potentially lead to unanticipated tax increases for the taxpayers who ultimately live in the newly formed metropolitan district. If the projections in the metropolitan district's service plan, including the ability to achieve population and economic growth and raise revenue through rising property values, are not met, the tax rate on property in the district may have to be increased to finance the issuance of new debt. This tax rate increase would not require a vote by the residents of the district because the issuance of additional debt and the property taxes to pay the debt would have been already authorized by the eligible electors at the time the district was formed.

In order to better illustrate the potential for an unanticipated increase in property taxes, we provide the following description and example, which is based on an actual situation that occurred in a metropolitan district:

Description:

Property taxes are based on the mill levy, or tax rate, set annually by each metropolitan district and are calculated at one dollar per mill for every \$1,000 of a property's assessed value. The residential rate used to convert the actual value of a taxpayer's residence to the taxable assessed value is established every two years by the General Assembly. For taxes paid in 2004 and 2005, the residential rate is 7.96 percent. For example, the assessed valuation calculation for a home with an actual value of \$300,000 is:

$$\begin{array}{rclcl} \mathbf{\$300,000} & \mathbf{x} & \mathbf{7.96\%} & \mathbf{=} & \mathbf{\$23,880} \\ \mathbf{Actual Value} & & \mathbf{Assessment Rate} & & \mathbf{Assessed Value} \end{array}$$

Example:First Year

Using an assessed valuation of \$23,880 and a mill levy of 35.500 mills, the taxpayer will owe \$848 in property taxes:

$$\begin{array}{rclcl} \mathbf{\$23,880} & \mathbf{x} & \mathbf{35.500/1,000} & \mathbf{=} & \mathbf{\$848} \\ \mathbf{Assessed Value} & & \mathbf{Mill Levy} & & \mathbf{Property Tax} \end{array}$$

Second Year

The metropolitan district issues additional general obligation bonds (previously authorized by a vote of eligible electors). However, property values are flat and there is no growth in the district's assessed value. The district increases the mill levy an additional 21.500 mills in order to cover the annual debt service payments for the new debt. The total new mill levy would be 57.000 mills (35.500 + 21.500). This results in property taxes of \$1,361, or an increase of \$513.

$$\begin{array}{rclcl} \mathbf{\$23,880} & \mathbf{x} & \mathbf{57.000/1,000} & \mathbf{=} & \mathbf{\$1,361} \\ \mathbf{Assessed Value} & & \mathbf{Mill Levy} & & \mathbf{Property Tax} \end{array}$$

Because the debt was previously authorized by the original electors upon formation of the district, the increase in the mill levy would not require the approval of the taxpayers who currently reside in the district.

The property taxes described for both years are only those for the metropolitan district and do not include the mills assessed for the county, municipality, and school district. For the seven-county Denver metropolitan area, the mill levies for these additional jurisdictions averaged 85.171 mills during this period. Therefore, the owner of a home with an actual value of \$300,000 would have had additional property taxes of \$2,034 in the second year of the example, or total property taxes of \$3,395.

Statutory Reporting Processes for Special Districts

The Act provides several reporting processes for the approving local government to oversee the districts formed within the local government's boundaries. These reports provide a means for the approving local government to assess whether or not the district is fulfilling its service plan or needs to submit a revised plan for approval. In some instances, the approving local government has the authority to cancel authorized but unissued debt if the local government determines that the district's service plan does not provide for the reasonable repayment of the district's proposed or existing debt.

Our audit reviewed the reporting processes available under state law for the approving local governments and the State to oversee metropolitan districts, as well as the oversight provided by the approving local governments and the State. We identified areas that could be strengthened to improve the reporting from districts and the oversight of district activities, ensure action is taken regarding districts that are inactive or out of compliance with certain statutory provisions, and communicate information on time limits for debt authorizations for districts. As mentioned earlier in this report, our audit focused on metropolitan districts, in particular those in the Denver metropolitan area, due to the significant growth in the number of metropolitan districts in recent years. In addition, we determined that these districts potentially have higher potential risk associated with them because of their speculative nature and the potential impact on taxpayers.

Reporting by Metropolitan Districts

Oversight by the approving local government is critical for ensuring that a district is meeting its service plan. Statutes outline two reports that approving local governments may use to assess whether a district is meeting the provisions of its service plan and whether the district will be able to discharge its general obligation debt as scheduled in the plan. The reports are described below.

Annual report. Section 32-1-207(3)(c), C.R.S., provides the approving local government the authority to request an annual report. As outlined in statute, the annual report "shall include but shall not be limited to information on the progress of the special district in the implementation of the service plan." According to Section 32-1-207(3)(d), C.R.S., special districts created on or after July 1, 1991 are required to file an annual report for each of the first five years from the date of formation. Beginning with year six and each year thereafter, the approving local government may request an annual report from the district. According to statute, all reports sent to the approving local

governments, whether required or requested, must also be sent to the Department of Local Affairs and to the Office of the State Auditor (OSA).

Five-year report. Section 32-1-1101.5 (1.5), C.R.S., provides the approving local government the authority to request special districts to submit a detailed report on debt issuance and authorization activities every five years. This report is described in statute as the “application for a quinquennial finding of reasonable diligence.” According to statute, an approving local government can cancel a district’s authorized but unissued debt by reviewing the five-year report and determining that the service plan will not result in the “timely and reasonable discharge of the special district’s general obligation debt.” It should be noted that it is in the discretion of the approving local government to request this report. If not requested, the district is not required to provide the report.

As part of our audit, we reviewed whether approving local governments are able to use the reports and the reporting processes provided in statute to effectively monitor the activities of metropolitan districts. Overall, we found problems that result in a lack of consistent oversight of the districts. We identified a lack of consistency in how the reports are being utilized by the approving local governments, as well as some improvements that could be made to the reporting processes outlined in statute; these areas are discussed below. As a result of these problems, the approving local governments may not be aware of districts that are having difficulties meeting their service plans or are at risk of not meeting their financial obligations, and the approving local governments may fail to take timely appropriate action. This could present a potential risk to taxpayers within the district in the form of unanticipated tax increases. In the next section of this report, we discuss that the content of the reports should be improved to promote consistency in reporting and better feedback on the districts’ performance. This would assist the approving local government in evaluating district performance and identifying difficulties.

Submission of Annual and Five-Year Reports

With respect to how the approving local governments are using the statutory reports available to them, we found that approving local governments do not always obtain the statutory reports available to them, even in cases where the reports are required. This is a concern because it could indicate that the approving local government is not aware of the importance of monitoring the activities and financial condition of the districts.

First, we found that metropolitan districts are not consistently submitting their annual reports to the approving local governments, the Department, and the OSA as is required by statute. We contacted three approving local governments within the

Denver metropolitan area that had approved service plans for nine metropolitan districts in 2000. These districts should have submitted reports on their progress annually for the next five years. The approving local governments reported that four of the nine districts they approved had not consistently submitted reports for all five years; the remaining five districts had submitted one for each year. We selected all 21 metropolitan districts that were organized in the seven-county Denver metropolitan area in 2000 and found that 1 district had submitted the required annual reports to the OSA and none had submitted annual reports to the Department in each of the five years following their formation. The Department maintains a file on each special district in the State as required by statute. However, we found that the Department does not have a formal system to methodically track the receipt of these reports and assist local governments with following up on reports not received.

Second, we reviewed guidelines, policies, and model service plans for nine approving local governments located in the Denver metropolitan area to determine if the approving local governments require districts to submit annual reports each year after the five-year requirement. We found that six of the nine local governments' policies require the submission of annual reports beyond the first five years; however, three of these six governments reported that they did not have a mechanism in place to ensure compliance with this requirement.

Third, we found that approving local governments do not request that metropolitan districts submit the five-year report on the district's progress in meeting its financial obligations. We selected nine approving local governments in the Denver metropolitan area and reviewed their guidelines, policies, and model service plans. We found that seven of the nine local governments did not mention their authority to request the five-year report or require that the districts file the report. We interviewed three of these seven approving local governments, which provide oversight to approximately 150 metropolitan districts in the Denver metropolitan area, and all three reported that they have never requested a five-year report from any of their metropolitan districts. In fact, of the three local governments interviewed, one was not aware of the statute that allowed it to request the five-year report and of its authority to cancel any outstanding debt authorized through its review of the five-year report. Another approving local government reported having "eliminated" this reporting requirement and has not used the report to cancel any outstanding debt.

Finally, we reviewed general guidance provided by the Department related to the five-year report. We found that the only information the Department provides is general information that special districts are required to report their authorized or issued debt to the county in which the district resides. There is no mention of the approving local government's authority to specifically request the five-year report from the district in this guidance or to cancel authorized but unissued debt under certain circumstances.

Provision of Timely and Comprehensive Information

In addition to the approving local governments not consistently utilizing the reports available to them, we found that the reporting processes outlined in statute do not appear adequate to provide timely, comprehensive information to the approving local governments on the status of the districts' operations. Specifically, we believe the information included in the five-year report designated by statute is vital to the approving local government's ability to assess the financial condition of the district on a timely basis and should be included in the annual report. The five-year report includes, among other things, the amount of the district's authorized and unissued general obligation debt, any current or anticipated plan to issue such debt, and a copy of the district's last audit, all of which are needed for the local government to determine whether the district's service plan will result in a timely and reasonable discharge of the district's debt. Further, statutes only allow the approving local government the option to cancel a district's authorized and unissued debt through requesting the district to submit the five-year report. This means that local governments only have the authorization to obtain information on the district's ability to meet its financial obligation once every five years. This may not permit the approving local government to take action on a timely basis if required.

To address the specific problems regarding the reporting processes, we believe that the Department should take a stronger role in ensuring that the approving local governments are aware of the importance of monitoring the condition of the districts and the tools available to accomplish this. The Department of Local Affairs currently provides very specific guidance relating to special districts, which can be beneficial to the approving local governments, the special districts, and the prospective home buyer and future taxpayer. Under statutes, the Department is required to maintain files on each district that is created within the State, and the Department is designated to receive copies of the annual report. The Department could use this information to monitor whether or not reports are being filed and follow up with approving local governments to ensure all reports are submitted on a timely basis.

Additionally, to improve the reporting process and ensure that approving local governments receive comprehensive and timely information, the Department should work with the General Assembly to seek statutory change that would eliminate the five-year report and instead combine information required under the five-year report with the current annual report. Finally, in order to ensure that approving local governments have the necessary authority to take action in cases where metropolitan districts have been in existence for more than five years, the statutory annual reports should be required, regardless of how long a district has been in existence, if a district has outstanding authorized but unissued debt.

As mentioned earlier, the number of metropolitan districts in the State has increased significantly in recent years. In the Denver metropolitan area, the number has grown from less than 200 to almost 400 in the past 15 years, and available information indicates that these districts, on average, have authorized but unissued debt of \$1 billion each. If key assumptions in the district's service plan, such as population growth and increased assessed valuation of property, are not borne out over time, the district could experience financial troubles that result in unanticipated tax increases to the property owners of the district. Therefore, the oversight process should be strengthened to enable local governments to monitor the districts' performance and take timely action if needed.

Recommendation No. 1:

The Department of Local Affairs should work with local governments to strengthen oversight of special districts by:

- a. Working with the General Assembly to repeal the five-year report under Section 32-1-1101.5(1.5), C.R.S., and require that this information be included in the annual report under Section 32-1-207(3), C.R.S. In addition, special districts should be required to submit reports annually if the district has authorized but unissued debt, and the approving local government should have the authority to cancel outstanding authorized but unissued debt through the annual report review process.
- b. Providing additional technical assistance and guidance to the approving local governments related to their role in the oversight of special districts and the role of the annual report in monitoring the financial condition of the special districts.
- c. Assisting the approving local government in tracking the annual reports submitted by special districts and following up with the approving local government in cases where the reports are not received to ensure that the reports are provided.

Department of Local Affairs Response:

Agree. Implementation date: June 2007

- a. Implementation: before and during the 2007 legislative session. The Department agrees that one annual report should include the five-year report information and the approving government(s) should continue to have authority to cancel unissued debt. Compiling the report should not be burdensome. If the Legislative Audit Committee votes to sponsor legislation, the Department agrees to assist the OSA, the General Assembly and the affected local governments to amend the statute by facilitating discussions regarding proposed statutory amendments.
- b. Implementation: January 2007. The Department agrees to inform approving local governments of the availability of, and provide them with, additional technical assistance and guidance regarding their oversight of districts and the use of the annual report to monitor financial condition.
- c. Implementation: June 2007. The Department agrees to assist approving governments in tracking the annual reports submitted by the special districts and in following up with the approving local governments in cases where the reports are not received. The Department recommends the approving governments file a list with the Division of Local Governments of the districts that have filed annual reports. The Department supports OSA to work with the local governments to determine if the new report should be included as part of the annual financial statements/exemption from audit forms filed with the OSA.

Assessment of Metropolitan Districts' Financial Condition

Another weakness we identified in the oversight process was in the consistency and completeness of information reported by the districts and the guidance available for the approving local governments to use in assessing the financial condition of the

metropolitan districts. Without good information and thorough analysis of reports by the approving local governments, problems may go undetected and unresolved.

We reviewed all 19 annual reports submitted by Denver-area metropolitan districts to the OSA for 2005. We found that the information provided varied by metropolitan district based on the information set forth by the approving local governments in the original service plan, and in some instances, key information was lacking. For example, for the 19 annual reports we reviewed, we found:

- ▶ 10 districts reported budgeted financial information but not actual financial results. Budgeted or forecasted information only presents information on the district's anticipated activities, not what actually occurred. Without actual results, the local government cannot determine how well the district is implementing its plan.
- ▶ 8 districts did not report the district's total outstanding debt, and 10 did not report the current year principal payments on debt. This information is necessary for the local government to determine whether or not the district meeting its debt service and whether the outstanding debt is being paid.
- ▶ 11 districts did not report the amount of authorized but unissued debt. This information would enable the local government to determine if the current assessed valuation and property taxes collected would support the total current and proposed amount of debt.

Further, we found that although many of the annual reports contained similar information, the information reported was not consistent because districts and approving local governments do not follow a standard format, and statutes only require districts to report the district's compliance with the approved service plan.

In addition to limitations on the information provided in the reports, we found that the approving local governments did not always perform a thorough review of the reports. We interviewed three approving local governments in the seven-county Denver metropolitan area that provide oversight to approximately 150 metropolitan districts. Our research indicated that the approving local governments perform limited, and in some cases no review of the annual reports. One approving local government reported that it does a brief review to ensure that there are no major changes from prior reports, and another approving local government stated that it files the report without any review or analysis. The third local government indicated that although it currently does not have a review process for the annual reports, it intends to put a formalized review policy in place to monitor special districts. Lack of a consistent and meaningful review of district activities by approving local governments indicates that adequate processes are not in place, which in turn means

that approving local governments could be unaware of signs of financial stress within a district and the potential negative impact on the district's taxpayers.

Currently the Department of Local Affairs provides specific guidance on special districts through various publications available on the Department's Web site, which addresses topics ranging from the formation and statutory responsibilities of the special district to information on how to prepare a service plan. The Department should help the local governments in their efforts to monitor the districts by assisting the local governments with obtaining more complete and consistent information on the districts. The Department should work with approving local governments to develop a template that outlines the data that should be provided and the format of the annual reports. To help ensure consistency in reporting, the Department should work with the General Assembly to seek statutory change enabling the Department to require that districts use the standard format. With respect to the review process performed by the approving local governments, the Department should provide additional guidance and technical assistance to the approving local governments to enable them to perform adequate analysis of the information presented in the reports from the districts and identify areas of concern or weakness. In order to provide a strong framework that would assist local governments in exercising oversight, the Department should include specific guidance on the annual report and on the importance of the approving local government's role in monitoring the condition of a metropolitan district. Until the information in the five-year report is included in the annual report, the Department should provide similar guidance to local governments on reviewing the five-year report.

In assessing the information needed to determine the financial condition of the districts, the Department should consider factors used by the OSA in its fiscal health analysis of metropolitan districts, which is described below. Under Section 32-1-207(3), C.R.S., copies of the districts' annual reports are to be submitted to the OSA, in addition to the approving local governments and the Division of Local Government (Division) within the Department. For reports submitted under Section 32-1-207(3)(d), C.R.S., the OSA is required to review the annual reports and inform the Division of "any apparent decrease in the financial ability of the district to discharge its existing or proposed indebtedness in accordance with the service plan." If the OSA communicates such information to the Division, the Division is required to confer with the district and the approving local government regarding the condition of the district. Because of the inconsistency and incompleteness of district reporting, the annual reports have not provided sufficient information for the OSA to determine whether a district has experienced a decrease in its ability to meet its financial obligations. More complete reporting from the districts would give the approving local governments better information to use in evaluating the financial condition of the district. In addition, more complete information would facilitate the OSA's performance of the required review and communication of problems to the Division.

Due to the absence of sufficient information from the annual reports, the OSA has developed a database on the fiscal health of metropolitan districts that tracks financial information provided from multiple sources. These sources include reports submitted to the OSA under the Local Government Audit Law, the Property Tax Annual Reports prepared by the Department, and information regarding authorized and issued debt provided by the Department. The purpose of the database is to compile information that can be used to evaluate the fiscal health of metropolitan districts, and thereby meet the intent of the statute for the OSA to identify districts that be not be able to discharge debt in accordance with their service plans. The OSA has identified the following critical elements that should be analyzed to assess the fiscal health of districts:

- ▶ Assessed valuation: this provides information on the growth of the metropolitan district.
- ▶ Debt service mill levy: this indicates whether property taxes are increasing due to debt service requirements.
- ▶ Authorized but unissued debt: this provides information on debt yet to be issued.

Each of these elements can be compared with the district's service plan. (See Appendix A for a listing by county of all metropolitan districts, their assessed valuation, total mill levy, and the amount of mill levy attributable to debt service to be collected in 2006.) Other critical elements that are included in the calculations are:

- ▶ Intergovernmental revenues from other districts
- ▶ Property taxes collected
- ▶ Total expenditures
- ▶ Transfers to other districts
- ▶ Net developer advances
- ▶ Outstanding general obligation bonds
- ▶ Total outstanding debt
- ▶ Current year principal payments on debt
- ▶ Total mill levy

The OSA has developed a set of fiscal health ratios appropriate to metropolitan districts that are tracked over a three-year period and which, taken together, can provide warning indicators of whether a district may be experiencing a deterioration in its financial condition. (See Appendix B for a description of the calculations used by the OSA to analyze the districts.) This analysis was performed on the 390 metropolitan districts located in the seven-county Denver metropolitan area and identified some districts that warrant further investigation by the Department and the approving local governments. Our analysis revealed that out of the 390 metropolitan districts located in the Denver metropolitan area, 83 districts had warning indicators.

Of the 83 districts, 3 districts had 3 warning indicators, 13 districts had 2 warning indicators, and 67 metropolitan districts had 1 warning indicator. The table below summarizes the number of districts that demonstrated a possible warning trend under each of these indicators.

State of Colorado Fiscal Health Analysis in the Seven-County Denver Metropolitan Area Metropolitan Districts With Warning Indicators For Fiscal Years 2002, 2003 and 2004	
Fiscal Health Indicator	Number of Districts With Warning Indicator
Indicator 1: Property Tax Coverage	27
Indicator 2: Developer Advances Required	13
Indicator 3: Stability of Growth to Debt	6
Indicator 4: Capacity for Increased Debt ¹	12
Indicator 5: Principal Payments to Total Debt	29
Indicator 6: Mill Levy Changes	15
Total Warning Indicators	102
Total Districts With One or More Warning Indicators	83
Source: Office of the State Auditor, Local Government Division. ¹ Authorized but unissued debt was not reported by all districts. Districts that did not report this information were not evaluated for this indicator.	

It should be noted that the presence of fiscal health warning indicators does not necessarily mean that a metropolitan district is facing fiscal stress; however, it should prompt further examination by the approving local government to determine why the warning indicator exists. The more indicators that exist for one metropolitan district, the more likely it is that the district may be experiencing fiscal stress.

Timely assessments of the financial condition of metropolitan districts, based on complete and consistent information, will help ensure that local governments are aware of problems that the districts may be experiencing and are able to take action if warranted. Fiscal health analysis can help identify districts that warrant additional review and investigation to ensure that the risk of unanticipated tax increases to property owners is minimized.

Recommendation No. 2:

The Department of Local Affairs should ensure the review of special district annual reports is effective by:

- a. Working with local governments, including special districts, and the Office of the State Auditor (OSA) to determine the information that should be included in the annual reports provided by special districts to the Department, the OSA, and the approving local governments, as well as the reporting format to be used.
- b. Working with the General Assembly, once the content and the format of the report have been determined, to enact legislation that would allow the Department to require that annual reports from special districts contain specific information in a prescribed format.
- c. Improving technical assistance to the approving local governments on the procedures that should be followed in performing reviews of annual reports from special districts, including how to identify potential problems, and guidance in working with districts to address concerns identified. Until statutory change occurs that combines information in the five-year report with the annual report, the Department should provide similar guidance of the five-year reports.

Department of Local Affairs Response:

Agree. Implementation date: June 2007

- a. The Department agrees to facilitate discussions and participate with approving local governments, special districts and the OSA in determining the information and format to make the annual reports more useful for the approving governments' decision-making and to provide information regarding the districts' provision or attempt to provide services.
- b. The Department agrees it can design and distribute a form for the annual report using the information and format agreed upon in the discussions described in Section a. The Department recommends the OSA or the general assembly work with the districts and the approving counties and

municipalities to amend statute. The Department agrees to assist the OSA, the General Assembly and the affected local governments to amend statute by facilitating discussions regarding proposed statutory amendments.

- c. The Department agrees to work with approving governments to identify the type of technical assistance they may need to review and address annual report and five year report concerns.

Dissolution of Qualifying Special Districts

Section 32-1-102 (5), C.R.S., under the Act states that the purpose of Part 7 of the Act is to facilitate dissolution of special districts in order to reduce the proliferation, fragmentation, and overlapping of local governments and to encourage assumption of services by other governmental entities. Generally, Part 7 describes the process that a special district must follow if it seeks dissolution.

Section 32-1-710, C.R.S., gives the Division of Local Government (Division) within the Department of Local Affairs the authority to administratively dissolve special districts if any one of the following criteria is met:

- ▶ The district has failed to hold or properly cancel an election.
- ▶ The district has failed to adopt a budget under the Local Government Budget Law (Section 29-1-101, et seq., C.R.S.) for two consecutive years. Under this statute, all local governments are required to submit a copy of their approved annual budget to the Division.
- ▶ The district has failed to comply with Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) for two consecutive years. Under this statute, all local governments are required to annually submit audited financial reports or, if revenue or expenditures are below a certain threshold, an application for exemption from audit for approval to the Office of the State Auditor.
- ▶ The district has failed for two consecutive years to provide or attempt to provide services or facilities for which the district was organized.

The Division cannot dissolve a district if the district has outstanding financial obligations. The statute provides detailed procedures that the Division must follow if a special district is to be dissolved.

Using information from the OSA local government database, which tracks data from audits and exemptions from audit, and information compiled by the Division on metropolitan districts, we reviewed all 653 Colorado metropolitan districts that were in existence as of December 2004 to determine if any met the criteria for potential dissolution as outlined by statute. To determine whether or not a district failed to provide or attempt to provide services or facilities, we reviewed applications for exemption from audit submitted for 2002 to 2004 to determine whether there was any financial activity in these districts. If there was no financial activity in any of the three years from 2002 to 2004, we determined that the district could not be providing the services or facilities that they were organized to provide. We found that 40 metropolitan districts appeared to meet one or more of the criteria, and none of the 40 districts had outstanding financial obligations. Thus, all appeared to qualify under statute for potential dissolution by the Division. Our results are detailed below:

State of Colorado Metropolitan Districts Potentially Eligible for Dissolution As of December 2005	
Criteria for Dissolution Under Section 32-1-710, C.R.S.	Total Number of Metropolitan Districts¹
<i>Districts appearing to meet one of the criteria for dissolution:</i>	
Failure to hold or properly cancel an election	1
Failure to adopt a budget under Section 29-1-113, C.R.S., for two consecutive years	2
Failure to comply with Local Government Audit Law under Part 6 of Article 1 of Title 29, C.R.S., for two consecutive years	0
Failure to provide or attempt to provide services or facilities for two consecutive years ²	24
<i>Districts appearing to meet two of the criteria for dissolution:</i>	
Both Election and Budget criteria	2
Both Election and Audit criteria	5
<i>Districts appearing to meet three of the criteria for dissolution:</i>	
Election, Budget, and Audit criteria	6
Total Districts Appearing to Meet One or More Criteria	40
<small>Source: Department of Local Affairs and Office of the State Auditor. ¹ Unduplicated count. ² Based on the Office of the State Auditor's analysis of information from the applications for exemptions from audit submitted by metropolitan districts for 2002 to 2004.</small>	

In order to dissolve a district, statutes require that the Division notify a district by certified mail of the intent to dissolve. In general, the district has 30 days to demonstrate that it has performed the statutory responsibility or service, or that it will perform such responsibilities within a time frame agreed to by the Division. Statutes allow the Division to work with the district to ensure it is brought into compliance with statutes.

If the Division determines that it will continue with the dissolution process, statutes direct that the Division apply to the district court in which the district resides for a

certification of dissolution. Upon the court's certification of the dissolution of the district, the Division must inform the county clerk and recorder, board of commissioners, assessor of each county that the district resides in, the governing body of the municipality, and the special district that is being dissolved.

During our audit we reviewed the Division's system for tracking information on whether a district has met any of the dissolution criteria and the procedure for notifying the districts and proceeding with dissolution when appropriate. We found that the Division's system for tracking and identifying districts that qualify for potential dissolution is incomplete. Specifically, the Division had identified only 16 out of the 40 districts that we found appeared to meet at least one of the criteria for potential dissolution. Additionally, the Division does not have a formal policy outlining the administrative dissolution process. The Division reported that it has not been notifying and conducting follow up with districts in cases where it has determined that the district met one or more of the dissolution criteria. The Division indicated that administrative dissolution has not been a priority in recent years, and the last dissolution pursued by the Division was completed in March 2000.

As of 2004, the State had almost 1,300 special districts. Our audit work, which specifically analyzed data on metropolitan districts, identified 40 districts that may qualify for dissolution. However, metropolitan districts only represent about half of all special districts in the State, which means that the actual number of districts that may qualify for dissolution is likely higher. The Department of Local Affairs should ensure that the Division is exercising its authority to conduct administrative dissolutions, when appropriate, in order to meet the intent of the Act to use this process to reduce the proliferation, fragmentation, and overlapping of local governments. Additionally, in developing a formal policy outlining the administrative dissolution policy, the Department should require that the district bear the cost of dissolution to the extent assets are available, rather than the State bearing the cost. Further, although none of the districts eligible for administrative dissolution we identified had outstanding financial obligations, it is possible that they had authorized but unissued debt outstanding. For example, we noted two districts that were identified as being eligible for dissolution by the Division that each had approximately \$15.5 million in authorized but unissued debt outstanding. There may be some risk to the taxpayers of the districts in leaving these districts active.

Recommendation No. 3:

The Department of Local Affairs should develop and implement procedures to dissolve qualifying special districts under Section 32-1-710, C.R.S., by:

- a. Identifying special districts that meet the criteria for potential dissolution under Section 32-1-710, C.R.S.
- b. Following up with all districts identified to determine if statutory noncompliance issues can be satisfactorily resolved within an agreed-upon time frame.
- c. Proceeding with dissolution of the special district in cases where noncompliance has not been resolved within the agreed-upon time frame and requiring that the district bear the cost of dissolution to the extent that assets are available.

Department of Local Affairs Response:

Agree. Implementation date: June 2007

- a. The Department implements the procedures set forth in statute to administratively dissolve special districts. The Department relies on its compliance databases (budget and election) to identify districts eligible for dissolution on those grounds. The Department does not have the ability to verify the failure of districts to provide or attempt to provide service(s) and believes this is the responsibility of the approving government. The Department recommends approving governments notify the Department of a districts' failure to provide services. The Department can develop a checklist for approving governments to use to notify the Department of the failure to provide or attempt to provide service.
 - b. Per statute, the Department follows through with identifying districts to dissolve and we provide technical assistance to assist the district in gaining compliance.
 - c. The Department will follow the statutory requirements to dissolve districts as appropriate.
-

Expiration of Authorized but Unissued Debt

Section 32-1-1101(2), C.R.S. states in part, “. . . if the issuance of general obligation bonds is approved at an election held pursuant to this subsection . . . the board shall be authorized to issue such bonds . . . for a period not to exceed twenty years following the date of the election if the issuance of such bonds is in material compliance with the financial plan set forth in the service plan . . .” This means that once voters authorize a special district to issue debt, the special district has 20 years to issue the debt, after which the authorization expires.

We selected a sample of eight metropolitan districts formed before 1984 that issued debt in 2004 to determine if any districts issued debt after the 20-year expiration date on debt authorized. We found that voters in all eight districts had provided appropriate authorization for the debt issued in 2004 and that approval occurred within the 20-year time limit in accordance with statute.

Although we did not identify any instances in which debt was issued after expiration of the authorization by voters, we found that personnel involved with the special districts, as well as staff at the Department, were not always aware of the 20-year statutory expiration of authorized debt.

The Department provides general guidance on laws governing special districts on its Web site, including information on the legal requirements for issuing debt. However, the guidance does not discuss the statutory requirement that authorized but unissued debt expires 20 years after voter approval. To ensure approving local governments and special districts are aware of the limitation, the Department should improve its guidance on debt issuance for special districts to include information on the 20-year statutory limitation for issuing debt. In addition, the Department should include this in training sessions with local governments on special district requirements.

Recommendation No. 4:

The Department of Local Affairs should improve its guidance on debt issuance limitations for special districts by including, on its Web site and in training provided to local governments on special district requirements, information on the 20-year expiration on authorized debt from the date of voter approval.

Department of Local Affairs Response:

Agree. Implementation date: December 2006.

The Department will update its various technical assistance materials and procedures to include information regarding the 20-year district debt authorization.

Appendices

Appendix A

Metropolitan Districts in Colorado: Assessed Valuation and Mill Levies
By County
January 1, 2006

County	Name of Metropolitan District	District Debt Only Mill		
		District Assessed Valuation	District Total Mill Levy	Levy (Included in Total Mill Levy)
Adams	144th Avenue Metropolitan District No. 1	\$30	0.000	0.000
Adams	144th Avenue Metropolitan District No. 2	\$30	0.000	0.000
Adams	Aberdeen Metropolitan District No. 1	\$321,440	32.500	30.000
Adams	Aberdeen Metropolitan District No. 2	\$753,110	50.000	35.000
Adams	ACC Metropolitan District	\$10,260	27.000	0.000
Adams	Airways Business Center Metro. District	\$4,332,620	25.000	20.000
Adams	Aspen Hills Metropolitan District	\$907,580	40.000	30.000
Adams	Aurora High Point at DIA Metropolitan District	\$20	0.000	0.000
Adams	Aurora Single Tree Metropolitan District	\$9,140,300	50.656	48.944
Adams	Belle Creek Metropolitan District No. 1	\$9,339,590	47.900	39.900
Adams	BNC Metropolitan District No. 1	\$1,832,770	46.000	39.500
Adams	BNC Metropolitan District No. 2	\$432,150	47.850	33.507
Adams	BNC Metropolitan District No. 3	\$4,120	45.000	0.000
Adams	Bradburn Metropolitan District No. 1	\$2,930	0.000	0.000
Adams	Bradburn Metropolitan District No. 2	\$3,464,090	50.000	45.000
Adams	Bradburn Metropolitan District No. 3	\$5,337,100	36.708	30.590
Adams	Brighton Crossing Metropolitan District No. 4	\$7,353,800	44.000	43.000
Adams	Brittany Place Metropolitan District	\$423,370	0.000	0.000
Adams	Bromley Park Metropolitan District No. 1	\$560	38.000	0.000
Adams	Bromley Park Metropolitan District No. 2 ¹	\$13,504,910	61.725	57.475
Adams	Bromley Park Metropolitan District No. 3	\$16,978,410	46.368	40.380
Adams	Bromley Park Metropolitan District No. 5	\$2,043,000	25.000	0.000
Adams	Bromley Park Metropolitan District No. 6	\$5,180,510	18.000	0.000
Adams	Buckley Crossing Metropolitan District	\$20,030	0.000	0.000
Adams	Buckley Ranch Metropolitan District	\$842,780	45.000	0.000
Adams	Buffalo Highlands Metropolitan District	\$209,630	42.000	0.000
Adams	Buffalo Ridge Metropolitan District	\$13,587,700	42.653	42.653
Adams	Buffalo Run Mesa Metropolitan District	\$3,586,400	42.000	39.000
Adams	Colorado Inter. Center Metro. Dist. #10	\$30	0.000	0.000
Adams	Colorado Inter. Center Metro. Dist. #11	\$30	0.000	0.000
Adams	Colorado Inter. Center Metro. Dist. #3	\$30	50.000	40.000
Adams	Colorado Inter. Center Metro. Dist. #4	\$30	0.000	0.000
Adams	Colorado Inter. Center Metro. Dist. #5	\$30	0.000	0.000
Adams	Colorado Inter. Center Metro. Dist. #6	\$30	0.000	0.000

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		District Assessed Valuation	District Total Mill Levy	Levy (Included in Total Mill Levy)
Adams	Colorado Inter. Center Metro. Dist. #7	\$30	0.000	0.000
Adams	Colorado Inter. Center Metro. Dist. #8	\$30	0.000	0.000
Adams	Colorado Inter. Center Metro. Dist. #9	\$30	0.000	0.000
Adams	Colorado International Center Metropolitan District	\$30	0.000	0.000
Adams	Commercenter Metropolitan District	\$0	0.000	0.000
Adams	Cutler Farms Metropolitan District	\$3,870	45.000	0.000
Adams	Diedrichs Farms Metropolitan District	\$14,990	45.980	0.000
Adams	Eagle Creek Metropolitan District	\$5,379,390	64.000	26.000
Adams	Eagle Shadow Metropolitan District No. 1	\$12,746,480	43.000	38.000
Adams	Eastern Adams County Metropolitan District	\$14,620	0.000	0.000
Adams	Eastgate Commercial Metro. District	\$5,160	35.000	0.000
Adams	Eastpark70 Metropolitan District	\$1,189,700	31.000	30.000
Adams	First Creek Ranch Metropolitan District	\$357,540	60.000	0.000
Adams	Front Range Metropolitan District	\$235,960	112.530	62.530
Adams	Fronterra Village Metropolitan District	\$14,167,240	46.500	43.500
Adams	Fronterra Village Metropolitan District No. 2	\$3,384,840	44.255	0.000
Adams	Green Valley Ranch E. Metro. Dist. #1	\$0	0.000	0.000
Adams	Green Valley Ranch E. Metro. Dist. #2	\$0	0.000	0.000
Adams	Green Valley Ranch E. Metro. Dist. #3	\$0	0.000	0.000
Adams	Green Valley Ranch E. Metro. Dist. #4	\$0	0.000	0.000
Adams	Green Valley Ranch E. Metro. Dist. #5	\$0	0.000	0.000
Adams	Green Valley Ranch E. Metro. Dist. #6	\$0	0.000	0.000
Adams	Green Valley Ranch E. Metro. Dist. #7	\$0	0.000	0.000
Adams	Green Valley Ranch E. Metro. Dist. #8	\$0	0.000	0.000
Adams	Heritage Todd Creek Metropolitan District	\$1,067,700	55.000	50.000
Adams	High Point Metropolitan District	\$1,500	45.000	0.000
Adams	Horse Creek Metropolitan District	\$1,096,900	30.000	0.000
Adams	Huntington Trails Metropolitan District	\$833,700	42.827	7.840
Adams	Lambertson Lakes Metropolitan District	\$10,797,040	37.000	9.196
Adams	Laredo Metropolitan District	\$4,430,340	52.000	43.000
Adams	Larkridge Metropolitan District No. 1	\$715,310	25.000	25.000
Adams	Larkridge Metropolitan District No. 2	\$87,090	25.000	0.000
Adams	North Range Metropolitan District No. 1 Subdistrict ²	\$2,201,890	3.000	0.000
Adams	North Range Metropolitan District No. 1 ²	\$19,488,810	60.000	42.000

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Adams	North Range Metropolitan District No. 2	\$0	0.000	0.000
Adams	North Range Metropolitan District No. 3	\$0	0.000	0.000
Adams	North Range Metropolitan District No. 4	\$0	0.000	0.000
Adams	North Range Metropolitan District No. 5	\$0	0.000	0.000
Adams	North Range Village Metropolitan District	\$8,886,190	46.500	41.000
Adams	Northern Commerce Metropolitan District	\$527,940	35.000	0.000
Adams	Northern Metropolitan	\$48,407,150	17.000	17.000
Adams	Park 70 Metropolitan District	\$771,230	35.000	0.000
Adams	Potomac Farms Metropolitan District	\$5,579,940	40.000	38.000
Adams	Prairie Center Metropolitan District No. 1	\$498,530	35.000	0.000
Adams	PV Water & San. Metropolitan District	\$10	0.000	0.000
Adams	Reunion Metropolitan District	\$0	0.000	0.000
Adams	River Oaks Metropolitan District	\$263,450	40.000	0.000
Adams	Riverdale Dunes Metropolitan District No. 1	\$6,928,840	45.000	33.000
Adams	Riverdale Dunes Metropolitan District No. 2	\$210	0.000	0.000
Adams	Riverdale Peaks II Metropolitan District	\$266,190	48.000	38.000
Adams	Sagebrush Farm Metropolitan District #1	\$30	0.000	0.000
Adams	Sagebrush Farm Metropolitan District #2	\$70	0.000	0.000
Adams	Sand Creek Metro ¹	\$70,763,390	25.000	21.000
Adams	Second Creek Farm Metropolitan District No. 1	\$10	45.000	0.000
Adams	Second Creek Farm Metropolitan District No. 2	\$10	45.000	0.000
Adams	Second Creek Ranch Metropolitan District	\$12,270	60.000	0.000
Adams	Todd Creek Farms Metropolitan District No. 1	\$2,030	0.000	0.000
Adams	Todd Creek Farms Metropolitan District No. 2	\$19,654,250	15.000	13.000
Adams	Tower Metropolitan District	\$37,921,330	25.000	21.000
Adams	TR Ranch Metropolitan District	\$204,350	0.000	0.000
Adams	WH Metropolitan District No. 1	\$860	50.000	0.000
Adams	Windler Homestead Metropolitan District	\$530	27.000	0.000
Adams	Wright Farms Metropolitan District	\$21,245,060	20.000	0.000
Alamosa	Alamosa Mosquito Control District	\$83,390,280	3.505	0.000
Arapahoe	Adonea Metropolitan District No. 1	\$1,050	0.000	0.000
Arapahoe	Adonea Metropolitan District No. 2	\$489,120	56.000	50.000
Arapahoe	Arapahoe Lake Public Park District	\$7,250,620	9.520	0.000
Arapahoe	Aurora Centretech Metropolitan District	\$29,220,460	40.000	38.810

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		District Assessed Valuation	District Total Mill Levy	Levy (Included in Total Mill Levy)
Arapahoe	Beacon Point Metropolitan District	\$1,274,950	56.000	50.000
Arapahoe	Centennial 25 Metropolitan District	\$20,720,470	21.400	18.900
Arapahoe	Centennial Downs Metropolitan District	\$28,216,530	33.300	28.800
Arapahoe	Chaparral Metropolitan District	\$13,298,990	18.232	14.035
Arapahoe	Cherry Hills North Metropolitan District	\$8,777,270	5.041	0.000
Arapahoe	Columbia Metropolitan District	\$57,314,360	9.244	5.000
Arapahoe	Conservatory Metropolitan District	\$16,093,910	52.059	47.059
Arapahoe	Copperleaf Metropolitan District No. 2	\$0	55.000	50.000
Arapahoe	Country Homes Metro Parcel A ²	\$9,246,810	23.792	9.142
Arapahoe	Country Homes Metro Parcel B ²	\$1,720,850	5.322	0.000
Arapahoe	Cross Creek Metropolitan District No. 1	\$280	0.000	0.000
Arapahoe	Cross Creek Metropolitan District No. 2	\$5,312,400	56.000	50.000
Arapahoe	Cross Creek Metropolitan District No. 3	\$280	0.000	0.000
Arapahoe	Dove Valley Metropolitan District ²	\$140,310,820	19.984	13.594
Arapahoe	Dove Valley Metropolitan District-Bonds Only ²	\$798,360	13.594	13.594
Arapahoe	E. Hills Metropolitan District No. 8	\$200	52.061	0.000
Arapahoe	Eagle Bend Metropolitan District No. 1	\$2,530	0.000	0.000
Arapahoe	Eagle Bend Metropolitan District No. 2	\$48,031,750	52.000	42.000
Arapahoe	East Arapahoe Metropolitan District	\$3,499,030	9.240	0.000
Arapahoe	East Plains Metropolitan District	\$11,520	0.000	0.000
Arapahoe	East Quincy Highlands Metropolitan District	\$8,830,170	24.000	20.000
Arapahoe	East Smoky Hill Metropolitan District No. 1	\$11,062,900	34.485	31.036
Arapahoe	East Smoky Hill Metropolitan District No. 2	\$44,419,490	15.000	11.500
Arapahoe	East Valley Metropolitan District	\$3,338,140	8.079	0.000
Arapahoe	Eastern Hills Metropolitan Dist. No. 1	\$200	0.000	0.000
Arapahoe	Eastern Hills Metropolitan Dist. No. 2	\$35,040	52.061	0.000
Arapahoe	Eastern Hills Metropolitan Dist. No. 3	\$7,550	52.061	0.000
Arapahoe	Eastern Hills Metropolitan Dist. No. 4	\$29,830	52.061	0.000
Arapahoe	Eastern Hills Metropolitan Dist. No. 5	\$42,450	52.061	0.000
Arapahoe	Eastern Hills Metropolitan Dist. No. 6	\$30,580	52.061	0.000
Arapahoe	Eastern Hills Metropolitan Dist. No. 7	\$8,430	52.061	0.000
Arapahoe	Estancia Metropolitan District	\$17,320	50.000	45.000
Arapahoe	Foxfield Metropolitan District No. 1	\$800,270	40.000	0.000
Arapahoe	Galleria Metro Bonds Only ²	\$6,318,040	45.000	45.000

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Arapahoe	Galleria Metro ²	\$1,661,120	65.000	45.000
Arapahoe	Goldsmith Metro - Bond ^{1,2}	\$19,018,070	10.573	10.573
Arapahoe	Goldsmith Metro ^{1,2}	\$164,865,860	17.000	10.573
Arapahoe	Goldsmith Metropolitan District Block K Subarea ²	\$1,775,860	90.000	0.000
Arapahoe	Goodman Metropolitan District	\$45,463,970	19.000	16.000
Arapahoe	Greenwood Athletic Club Metro. District	\$400,360	0.000	0.000
Arapahoe	Greenwood Metropolitan District ¹	\$57,821,400	14.085	8.500
Arapahoe	Greenwood North Metropolitan District	\$21,545,980	4.856	0.000
Arapahoe	Greenwood South Metro	\$172,847,990	4.815	0.000
Arapahoe	Heather Gardens Metropolitan District	\$31,273,110	8.103	8.103
Arapahoe	Heritage Greens Metropolitan District	\$29,294,230	6.900	4.900
Arapahoe	High Plains Metropolitan District	\$2,917,020	56.000	50.000
Arapahoe	Highland Park Metropolitan District	\$41,436,900	12.420	5.679
Arapahoe	Highline Glen Metropolitan District	\$1,449,050	25.000	17.000
Arapahoe	Hills at Cherry Creek Metro. District	\$13,285,960	13.774	7.000
Arapahoe	Interstate South Metropolitan District	\$117,524,390	20.000	6.668
Arapahoe	Inverness Metropolitan Improvement District ¹	\$147,330,920	11.820	3.300
Arapahoe	Kings Point Metropolitan District No. 1	\$50	60.000	0.000
Arapahoe	Kings Point Metropolitan District No. 2	\$6,230	60.000	0.000
Arapahoe	Landmark Metro - Bonds ²	\$4,308,730	15.000	15.000
Arapahoe	Landmark Metropolitan ²	\$14,693,140	15.000	15.000
Arapahoe	Liberty Hill Metropolitan District	\$8,076,840	5.869	0.000
Arapahoe	Liverpool Metropolitan District	\$20,578,170	29.000	15.721
Arapahoe	Lost Shoe Metropolitan District	\$5,050	0.000	0.000
Arapahoe	Murphy Creek Metropolitan District No. 1	\$161,900	0.000	0.000
Arapahoe	Murphy Creek Metropolitan District No. 2	\$6,520	36.000	0.000
Arapahoe	Murphy Creek Metropolitan District No. 3	\$18,134,690	45.000	40.000
Arapahoe	Oak Park Metropolitan District	\$755,290	35.000	0.000
Arapahoe	Oakesdale Metropolitan District	\$7,773,530	0.000	0.000
Arapahoe	Orchard Valley Metropolitan District	\$17,288,530	4.000	0.000
Arapahoe	Panorama Metropolitan District ²	\$38,221,880	15.000	11.000
Arapahoe	Panorama Metropolitan District-Bonds Only ²	\$558,510	11.000	11.000
Arapahoe	Parker Jordan Metropolitan District	\$54,203,030	25.000	18.530
Arapahoe	Parkview Metro	\$32,265,510	30.000	30.000

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Arapahoe	Piney Creek Metropolitan District	\$62,123,410	13.656	13.570
Arapahoe	Piney Creek Village Metropolitan District	\$5,643,470	42.550	40.000
Arapahoe	Polo Reserve Metropolitan District	\$6,057,220	32.193	21.462
Arapahoe	Rangeview Metropolitan District	\$39,260	25.000	0.000
Arapahoe	Saddle Rock Metropolitan District	\$22,148,700	43.000	38.000
Arapahoe	Saddle Rock South Metropolitan District No. 1	\$15,670	0.000	0.000
Arapahoe	Saddle Rock South Metropolitan District No. 2	\$15,820,970	35.000	30.000
Arapahoe	Saddle Rock South Metropolitan District No. 3	\$9,168,860	35.000	30.000
Arapahoe	Saddle Rock South Metropolitan District No. 4	\$17,930,910	35.000	30.000
Arapahoe	Sand Creek Ranch Metro. District #1	\$17,850	0.000	0.000
Arapahoe	Sand Creek Ranch Metro. District #2	\$28,910	0.000	0.000
Arapahoe	Sand Creek Ranch Metro. District #3	\$16,810	0.000	0.000
Arapahoe	Serenity Ridge Metropolitan District #1	\$1,140	0.000	0.000
Arapahoe	Serenity Ridge Metropolitan District #2	\$2,396,230	48.000	43.000
Arapahoe	Sky Ranch Metropolitan District No. 1	\$90	0.000	0.000
Arapahoe	Sky Ranch Metropolitan District No. 2	\$331,310	45.000	0.000
Arapahoe	Sky Ranch Metropolitan District No. 3	\$90	0.000	0.000
Arapahoe	Sky Ranch Metropolitan District No. 4	\$90	0.000	0.000
Arapahoe	Sky Ranch Metropolitan District No. 5	\$90	0.000	0.000
Arapahoe	Smoky Hill Metropolitan District	\$24,317,210	17.579	10.527
Arapahoe	Sorrel Ranch Metropolitan District	\$2,839,650	53.060	42.060
Arapahoe	Southeast Public Impr. Metro. District ¹	\$840,799,860	1.111	0.600
Arapahoe	Southern Metropolitan District	\$41,120,620	4.194	0.000
Arapahoe	Southgate Corp Ctr Metro	\$44,838,620	10.750	7.750
Arapahoe	Southlands Metropolitan District No. 1	\$15,290,380	40.500	34.000
Arapahoe	Southlands Metropolitan District No. 2	\$1,218,010	46.000	0.000
Arapahoe	SouthPark Metropolitan District ¹	\$45,228,380	22.969	20.000
Arapahoe	Southshore Metropolitan District No. 1	\$5,050	38.000	0.000
Arapahoe	Southshore Metropolitan District No. 2	\$1,309,490	38.000	0.000
Arapahoe	SouthTech Metropolitan District	\$32,885,360	0.000	0.000
Arapahoe	Sterling Hills Metropolitan District	\$13,457,730	30.000	0.000
Arapahoe	Sterling Hills West Metropolitan District	\$18,203,300	47.600	24.610
Arapahoe	Suburban Metropolitan District	\$91,630,860	0.896	0.000
Arapahoe	Sundance Hills Metropolitan District	\$12,695,370	6.960	4.091

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		<u>Assessed Valuation</u>	<u>District Total Mill Levy</u>	<u>Mill Levy (Included in Total Mill Levy)</u>
Arapahoe	Tallgrass Metropolitan District	\$8,247,880	40.232	37.750
Arapahoe	Tallyn's Reach Metropolitan District No. 1	\$590	0.000	0.000
Arapahoe	Tallyn's Reach Metropolitan District No. 2	\$10,540,800	48.960	48.960
Arapahoe	Tallyn's Reach Metropolitan District No. 3	\$17,229,090	48.960	48.960
Arapahoe	Tollgate Crossing Metropolitan District No. 2	\$7,396,050	52.060	47.060
Arapahoe	Traditions Metropolitan District No. 1	\$1,120	0.000	0.000
Arapahoe	Traditions Metropolitan District No. 2	\$990,570	52.060	0.000
Arapahoe	Trails at First Creek Metro. Dist. #1	\$90	0.000	0.000
Arapahoe	Trails at First Creek Metro. Dist. #2	\$7,040	0.000	0.000
Arapahoe	Valley Club Pointe Metropolitan District	\$284,190	0.000	0.000
Arapahoe	Wheatlands Metropolitan District No. 1	\$10	0.000	0.000
Arapahoe	Wheatlands Metropolitan District No. 2	\$1,833,650	54.317	48.317
Arapahoe	Wheatlands Metropolitan District No. 3	\$196,840	0.000	0.000
Arapahoe	Willow Trace Metropolitan District	\$18,548,200	44.709	33.709
Archuleta	Alpha-Rockridge Metropolitan District	\$5,880,172	10.000	0.000
Archuleta	Aspen Springs Metropolitan District	\$12,459,685	10.420	0.000
Archuleta	Loma Linda Metropolitan District	\$4,587,786	10.000	0.000
Archuleta	Piedra Park Metropolitan Improvement District	\$2,726,160	7.384	0.000
Archuleta	San Juan River Village Metropolitan District	\$3,447,096	13.469	0.000
Boulder	Colorado Tech Center Metropolitan District	\$52,039,450	22.000	20.771
Boulder	Fairways Metropolitan District	\$19,084,110	3.651	0.000
Boulder	Superior Metropolitan District No. 2	\$81,031,670	7.400	7.400
Boulder	Superior Metropolitan District No. 3	\$40,369,180	7.000	7.000
Boulder	Superior/McCaslin Interchange Metropolitan District	\$21,590,430	35.000	22.000
Broomfield	Arista Metropolitan District	\$2,051,480	33.000	30.000
Broomfield	Bbc/Overlook Metropolitan District	\$9,900	0.000	0.000
Broomfield	Broadlands Metropolitan District No. 1	\$13,860	0.000	0.000
Broomfield	Broadlands Metropolitan District No. 2	\$58,382,970	10.000	10.000
Broomfield	Broomfield Village Metropolitan District No. 1	\$109,460	0.000	0.000
Broomfield	Broomfield Village Metropolitan District No. 2	\$23,685,520	35.000	30.000
Broomfield	Great Western Park Metropolitan District	\$148,050	25.000	0.000
Broomfield	Interlocken Consol. Metro. District ²	\$154,895,727	33.500	33.500
Broomfield	Interlocken Metro District Bonds ²	\$3,126,020	33.500	33.500
Broomfield	Jeffco Business Center Metropolitan District No. 1	\$2,659,260	30.000	28.000

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Broomfield	Lambertson Farms Metropolitan District No. 1	\$1,950	0.000	0.000
Broomfield	Lambertson Farms Metropolitan District No. 2	\$2,110	0.000	0.000
Broomfield	Lambertson Farms Metropolitan District No. 3	\$7,990	0.000	0.000
Broomfield	McKay Landing Metropolitan District No. 1	\$1,210	0.000	0.000
Broomfield	McKay Landing Metropolitan District No. 2	\$15,109,580	42.827	40.381
Broomfield	Midcities Metropolitan District No. 2	\$39,628,580	27.000	27.000
Broomfield	Northwest Metropolitan District No. 1	\$14,900	0.000	0.000
Broomfield	Northwest Metropolitan District No. 2	\$10	27.000	0.000
Broomfield	Northwest Metropolitan District No. 3	\$239,290	42.000	40.000
Broomfield	Northwest Metropolitan District No. 4	\$10	41.500	0.000
Broomfield	Parkway Circle Metropolitan District	\$20,770	30.000	0.000
Broomfield	Red Leaf Metropolitan District No. 1	\$15,290	0.000	0.000
Broomfield	Red Leaf Metropolitan District No. 2	\$6,173,650	37.300	35.000
Broomfield	Spruce Meadows Metropolitan District	\$3,180	35.000	0.000
Broomfield	Wildgrass Metropolitan District	\$2,429,390	35.000	30.000
Clear Creek	Saddleback Metropolitan District	\$1,269,400	1.288	0.000
Clear Creek	St. Mary's Glacier Metropolitan District	\$5,053,160	16.137	0.000
Costilla	Blanca/Fort Garland Metropolitan District	\$36,529,367	9.358	3.034
Delta	Delta County Mosquito Control District No. 1	\$83,413,630	2.500	0.000
Delta	Paonia Mosquito Control District	\$40,169,910	2.192	0.000
Denver	Bowles Metropolitan District ¹	\$24,460,040	40.000	21.641
Denver	Cen. Platte Valley Metro. Dist.-Debt Only ²	\$19,431,660	44.500	44.500
Denver	Central Platte Valley Metro. District ²	\$33,477,130	57.000	44.500
Denver	Denver Gateway Center Metropolitan District	\$3,662,750	32.992	26.992
Denver	Denver International Business Center Metropolitan District No. 1	\$11,971,360	40.000	23.320
Denver	Ebert Metropolitan District	\$302,010	85.000	55.000
Denver	Fairlake Metro Debt Only ²	\$9,065,850	0.000	0.000
Denver	Fairlake Metropolitan ²	\$14,063,740	42.508	28.000
Denver	First Creek Metropolitan District	\$68,780	10.845	0.000
Denver	Gateway Regional Metropolitan District	\$25,125,530	10.000	7.000
Denver	Goldsmith Metro - Bond ^{1,2}	\$24,119,790	10.573	10.573
Denver	Goldsmith Metro ^{1,2}	\$24,119,790	17.000	10.573
Denver	Greenwood Metropolitan District ¹	\$1,124,280	14.085	8.500
Denver	GVR Metropolitan District	\$88,139,590	24.294	15.950

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Metropolitan Districts in Colorado: Assessed Valuation and Mill Levies
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County	Name of Metropolitan District	District	District Debt Only
		Assessed Valuation	District Total Mill Levy (Included in Total Mill Levy)
Denver	Park Creek Metropolitan District	\$0	0.000
Denver	Sand Creek Metro ^{1,2}	\$27,178,480	25.000
Denver	Sand Creek Metropolitan - Debt ²	\$8,698,190	21.000
Denver	Sbc Metropolitan District	\$39,294,930	35.000
Denver	Section 14 Metro-Denver Excl 95 ²	\$5,903,870	11.232
Denver	Section 14 Metropolitan ^{1,2}	\$6,251,660	26.720
Denver	South Denver Metro	\$39,053,500	9.187
Denver	Southeast Public Impr. Metro. District ¹	\$204,586,230	1.111
Denver	Town Center Metropolitan District	\$352,530	55.000
Denver	Westerly Creek Metropolitan District	\$121,808,980	54.124
Douglas	Antelope Heights Metropolitan District	\$2,467,970	39.391
Douglas	BMR Metropolitan District	\$2,530	0.000
Douglas	Canterberry Crossing Metropolitan District	\$24,388,780	43.000
Douglas	Canterberry Crossing Metropolitan District II	\$10,392,870	42.827
Douglas	Canyons Metropolitan District No. 1	\$230	0.000
Douglas	Canyons Metropolitan District No. 2	\$15,690	60.000
Douglas	Canyons Metropolitan District No. 3	\$3,830	60.000
Douglas	Canyons Metropolitan District No. 4	\$2,830	60.000
Douglas	Castle Oaks Metropolitan District	\$1,372,110	50.000
Douglas	Castle Pines Commercial Metropolitan District No. 1	\$238,230	0.000
Douglas	Castle Pines Commercial Metropolitan District No. 2	\$3,426,360	0.000
Douglas	Castle Pines Commercial Metropolitan District No. 3	\$2,780,630	0.000
Douglas	Castle Pines Commercial Metropolitan District No. 4	\$73,640	0.000
Douglas	Castle Pines Commercial Metropolitan District No. 5	\$2,959,850	0.000
Douglas	Castle Pines Metropolitan District	\$117,252,810	33.834
Douglas	Castle Pines North Metro	\$123,358,910	43.000
Douglas	Castlewood Ranch Metropolitan District	\$18,482,100	50.000
Douglas	Cherokee Ridge Estates Metropolitan District	\$2,428,420	40.000
Douglas	Cherry Creek S. Metro. District #10	\$4,210	0.000
Douglas	Cherry Creek S. Metro. District #11	\$3,270	0.000
Douglas	Cherry Creek S. Metro. District #3	\$220	0.000
Douglas	Cherry Creek S. Metro. District #4	\$211,250	0.000
Douglas	Cherry Creek S. Metro. District #5	\$2,820	0.000
Douglas	Cherry Creek S. Metro. District #6	\$1,370	0.000

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		Assessed Valuation	District Total Mill Levy	Mill Levy (Included in Total Mill Levy)
Douglas	Cherry Creek S. Metro. District #7	\$1,070	0.000	0.000
Douglas	Cherry Creek S. Metro. District #8	\$1,950	0.000	0.000
Douglas	Cherry Creek S. Metro. District #9	\$3,980	0.000	0.000
Douglas	Cherry Creek South Metropolitan District No. 1	\$38,159,450	20.119	17.950
Douglas	Cherry Creek South Metropolitan District No. 2	\$3,184,800	35.000	0.000
Douglas	Compark Business Campus Debt Svc ²	\$1,184,470	35.000	35.000
Douglas	Compark Business Campus Metropolitan District ²	\$19,808,600	42.000	35.000
Douglas	Concord Metropolitan District	\$8,560,870	45.000	40.000
Douglas	Consolidated Bell Mountain Ranch Metropolitan District	\$17,446,050	78.869	63.869
Douglas	Cottonwood Metropolitan District	\$41,752,420	6.800	0.000
Douglas	Crowfoot Valley Ranch Metropolitan District No. 1	\$0	0.000	0.000
Douglas	Crowfoot Valley Ranch Metropolitan District No. 2	\$62,080	35.000	30.000
Douglas	Crystal Crossing Metropolitan District	\$10,560	50.000	42.500
Douglas	Crystal Valley Metropolitan District No. 1	\$1,654,810	40.000	35.000
Douglas	Crystal Valley Metropolitan District No. 2	\$6,905,280	46.940	0.000
Douglas	Dawson Ridge Metropolitan District No. 1	\$67,340	45.000	0.000
Douglas	Dawson Ridge Metropolitan District No. 2	\$227,310	45.000	45.000
Douglas	Dawson Ridge Metropolitan District No. 3	\$149,470	45.000	45.000
Douglas	Dawson Ridge Metropolitan District No. 4	\$512,770	45.000	45.000
Douglas	Dawson Ridge Metropolitan District No. 5	\$40	45.000	45.000
Douglas	E-470 Potomac Metropolitan District	\$5,300,750	47.309	0.000
Douglas	Franktown Business Area Metropolitan District	\$3,598,710	25.000	0.000
Douglas	Heritage Hills Metro Bond Debt Svc ²	\$90	11.400	11.400
Douglas	Heritage Hills Metro ²	\$24,677,130	40.000	11.400
Douglas	High Prairie Farms Metro	\$33,448,270	12.000	0.000
Douglas	Highlands Ranch Metropolitan District No. 1	\$301,330,860	20.282	8.517
Douglas	Highlands Ranch Metropolitan District No. 2	\$282,547,220	20.282	8.517
Douglas	Highlands Ranch Metropolitan District No. 3	\$202,774,040	20.282	8.517
Douglas	Highlands Ranch Metropolitan District No. 4	\$192,969,380	20.282	8.517
Douglas	Highlands Ranch Metropolitan District No. 5	\$2,620	0.000	0.000
Douglas	Hillcrest Metropolitan District	\$110,500	0.000	0.000
Douglas	Horse Creek Metropolitan District	\$1,791,140	35.000	0.000
Douglas	Inverness Metropolitan Improvement District ¹	\$69,479,750	11.820	3.300
Douglas	Kings Point South Metropolitan District No. 1	\$410	0.000	0.000

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Douglas	Kings Point South Metropolitan District No. 2	\$1,000	0.000	0.000
Douglas	Lanterns Metropolitan District	\$75,670	45.000	0.000
Douglas	Lincoln Creek Metropolitan District	\$1,276,210	50.000	40.000
Douglas	Lincoln Meadows Metropolitan District	\$8,372,230	30.000	7.500
Douglas	Lincoln Park Metropolitan District	\$16,974,450	45.000	40.000
Douglas	Lincoln Station Metropolitan District	\$1,294,950	10.000	0.000
Douglas	Maher Ranch Metropolitan District No. 4	\$11,890,920	45.232	40.232
Douglas	Maher Ranch Metropolitan District No. 5	\$36,720	0.000	0.000
Douglas	Meadows Metropolitan District No. 1	\$39,046,820	35.000	27.559
Douglas	Meadows Metropolitan District No. 2	\$17,363,900	35.000	35.000
Douglas	Meadows Metropolitan District No. 3	\$17,700	35.000	35.000
Douglas	Meadows Metropolitan District No. 4	\$40	35.000	35.000
Douglas	Meadows Metropolitan District No. 5	\$2,615,740	35.000	35.000
Douglas	Meadows Metropolitan District No. 6	\$8,304,790	35.000	35.000
Douglas	Meadows Metropolitan District No. 7	\$1,739,700	35.000	35.000
Douglas	Meridian Metro. District-Debt Service ²	\$7,136,136	32.626	32.626
Douglas	Meridian Metro ²	\$139,088,313	39.827	32.626
Douglas	Meridian Village Metro. District #1	\$97,490	50.000	40.000
Douglas	Meridian Village Metro. District #2	\$158,150	50.000	0.000
Douglas	Meridian Village Metro. District #3	\$107,650	0.000	0.000
Douglas	Meridian Village Metro. District #4	\$97,510	0.000	0.000
Douglas	Neu Towne Metropolitan District	\$787,450	33.500	30.500
Douglas	North Meridian Metropolitan District Debt Service ²	\$144,960	32.468	32.468
Douglas	North Meridian Metropolitan District ²	\$130,850	38.818	32.468
Douglas	Olde Town Metropolitan District	\$147,630	0.000	0.000
Douglas	OmniPark Metro Bond ²	\$991,450	16.000	16.000
Douglas	OmniPark Metro ²	\$37,542,960	25.000	16.000
Douglas	Park Meadows Metro - Bond ²	\$32,193,500	0.000	0.000
Douglas	Park Meadows Metro ²	\$275,421,990	6.387	3.472
Douglas	Parker Automotive Metropolitan District	\$6,126,960	38.000	35.000
Douglas	Parker Properties Metropolitan District No. 1	\$18,090,730	23.213	23.000
Douglas	Perry Park Metropolitan District	\$32,739,260	4.733	0.000
Douglas	Pine Bluffs Metropolitan District	\$451,400	35.000	33.970
Douglas	Pinery West Metropolitan District No. 1	\$20	0.000	0.000

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		Assessed Valuation	District Total Mill Levy	Mill Levy (Included in Total Mill Levy)
Douglas	Pinery West Metropolitan District No. 2	\$15,030,510	51.727	40.232
Douglas	Pinery West Metropolitan District No. 3	\$10,433,130	40.232	28.737
Douglas	Plum Creek Metropolitan District	\$15,172,830	23.000	10.472
Douglas	Rampart Range Metropolitan District No. 1	\$270	0.000	0.000
Douglas	Rampart Range Metropolitan District No. 2	\$50,157,150	46.000	0.000
Douglas	Rampart Range Metropolitan District No. 3	\$5,150	0.000	0.000
Douglas	Rampart Range Metropolitan District No. 4	\$10,820	0.000	0.000
Douglas	Rampart Range Metropolitan District No. 5	\$9,450	0.000	0.000
Douglas	Rampart Range Metropolitan District No. 6	\$4,310	0.000	0.000
Douglas	Ravenna Metropolitan District	\$5,310	35.000	0.000
Douglas	Reata North Metropolitan District	\$4,407,610	35.000	0.000
Douglas	RockingHorse Metropolitan District No. 1	\$20	0.000	0.000
Douglas	RockingHorse Metropolitan District No. 2	\$53,630	0.000	0.000
Douglas	Roxborough Village Metropolitan District	\$46,509,260	62.087	50.000
Douglas	Solitude Metropolitan District	\$9,330	15.220	0.000
Douglas	South Meridian Metro Debt Svc #2 ²	\$5,406,220	0.000	0.000
Douglas	South Meridian Metro Debt Svc ²	\$11,265,520	32.468	32.468
Douglas	South Meridian Metropolitan District ²	\$3,309,880	38.818	32.468
Douglas	Southeast Public Impr. Metro. District ¹	\$512,669,053	1.111	0.600
Douglas	SouthPark Metropolitan District ¹	\$1,991,300	22.969	20.000
Douglas	Stone Canon Ranch Metropolitan District	\$1,759,440	28.986	25.576
Douglas	Stonegate Village Metropolitan District	\$72,480,960	27.412	26.599
Douglas	Upper Cherry Creek Metropolitan District	\$19,981,130	2.000	1.000
Douglas	Villages At Castle Rock Metro No. 4	\$787,950	5.598	0.000
Douglas	Villages At Castle Rock Metropolitan District No. 1	\$38,939,000	79.146	0.000
Douglas	Villages At Castle Rock Metropolitan District No. 6	\$108,560	50.000	0.000
Douglas	Villages At Castle Rock Metropolitan District No. 7	\$16,986,640	17.000	10.800
Douglas	Villages At Castle Rock Metropolitan District No. 9	\$10,220	0.000	0.000
Douglas	Vistas at Rock Canyon Metro. District	\$470,300	46.000	0.000
Douglas	Westfield Metropolitan District No. 1	\$348,890	10.000	0.000
Douglas	Westfield Metropolitan District No. 2	\$366,820	10.000	0.000
Eagle	Arrowhead Metropolitan District	\$86,092,500	20.000	7.976
Eagle	Avon Metro	\$148,701,600	3.283	3.283
Eagle	Avon Station Metropolitan District	\$1,628,280	45.000	0.000

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		Assessed Valuation	District Total Mill Levy	Mill Levy (Included in Total Mill Levy)
Eagle	Bachelor Gulch Metropolitan District	\$136,096,320	30.000	18.000
Eagle	Beaver Creek Metro	\$301,834,130	25.317	5.000
Eagle	Bellyache Ridge Metropolitan District	\$4,852,710	22.500	0.000
Eagle	Berry Creek Metropolitan District	\$55,494,030	15.746	7.000
Eagle	Buckhorn Valley Metropolitan District No. 1	\$50	0.000	0.000
Eagle	Buckhorn Valley Metropolitan District No. 2	\$3,220,310	43.000	43.000
Eagle	Cascade Village Metropolitan District	\$38,938,450	12.224	2.500
Eagle	Chatfield Corners Metropolitan District	\$4,748,520	42.844	32.844
Eagle	Confluence Metropolitan District	\$7,000	45.000	0.000
Eagle	Cordillera Metropolitan District	\$85,340,290	21.121	21.121
Eagle	Cordillera Metropolitan District	\$108,941,830	25.231	0.000
Eagle	Cordillera Mountain Metropolitan District	\$23,601,540	35.893	35.893
Eagle	Cordillera Valley Club Metropolitan District	\$16,218,050	25.000	0.000
Eagle	Cotton Ranch Metropolitan District	\$9,046,300	45.345	44.000
Eagle	Eagle Ranch Metropolitan District	\$31,291,250	25.000	0.000
Eagle	Eagle-Vail Metropolitan District	\$67,832,410	14.835	9.400
Eagle	Edwards Metropolitan District	\$125,886,620	1.691	0.000
Eagle	Holland Creek Metropolitan District	\$44,220	45.000	0.000
Eagle	Horse Mountain Ranch Metropolitan District	\$1,536,870	15.000	0.000
Eagle	Lake Creek Metropolitan District	\$11,405,050	10.869	7.403
Eagle	Mid Valley Metropolitan District ¹	\$54,020,970	6.232	5.767
Eagle	Mountain Vista Metropolitan District	\$4,996,520	45.000	20.000
Eagle	Red Sky Ranch Metropolitan District	\$19,939,320	45.000	30.000
Eagle	Saddle Ridge Metropolitan District	\$583,420	35.100	0.000
Eagle	Smith Creek Metropolitan District	\$182,980	0.000	0.000
Eagle	Squaw Creek Metropolitan District	\$46,940	0.000	0.000
Eagle	Traer Creek Metropolitan District	\$36,530	0.000	0.000
Eagle	Two Rivers Metropolitan District	\$2,084,530	30.000	0.000
Eagle	Valagua Metropolitan District	\$476,220	15.000	0.000
Eagle	Village Metropolitan District	\$15,869,600	15.000	0.000
El Paso	Bobcat Meadows Metropolitan District	\$2,456,130	10.000	10.000
El Paso	Cascade Metropolitan District No. 1	\$46,310	0.000	0.000
El Paso	Cascade Metropolitan District No. 2	\$112,850	25.000	0.000
El Paso	Cathedral Pines Metropolitan District	\$1,150	0.000	0.000

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		<u>Assessed Valuation</u>	<u>District Total Mill Levy</u>	<u>Mill Levy (Included in Total Mill Levy)</u>
El Paso	Central Marksheffel Metro. District	\$5,898,900	40.000	35.000
El Paso	Cherokee Metropolitan District	\$134,577,020	0.000	0.000
El Paso	Cheyenne Creek Metropolitan Park & Water District	\$6,265,510	0.800	0.000
El Paso	Colorado Centre Metro ²	\$11,996,310	25.000	0.000
El Paso	Colorado Centre-Developer Owned ²	\$777,600	100.000	0.000
El Paso	Constitution Heights Metro. District	\$119,140	25.000	25.000
El Paso	Cross Creek Metropolitan District	\$11,029,940	10.000	0.000
El Paso	Crystal Park Metropolitan District	\$4,520,830	4.192	0.000
El Paso	Falcon Highlands Metropolitan District	\$155,000	35.000	30.000
El Paso	Flying Horse Metropolitan District No. 1	\$90	0.000	0.000
El Paso	Flying Horse Metropolitan District No. 2	\$753,600	35.000	25.000
El Paso	Flying Horse Metropolitan District No. 3	\$4,380	35.000	25.000
El Paso	Forest Lakes Metropolitan District	\$16,240	0.000	0.000
El Paso	Fountain Mutual Metropolitan District	\$10,719,250	10.000	0.000
El Paso	Glen Metropolitan District No. 1	\$1,262,480	20.000	0.000
El Paso	Glen Metropolitan District No. 2	\$69,440	10.000	0.000
El Paso	Glen Metropolitan District No. 3	\$149,160	10.000	0.000
El Paso	Gold Hill Mesa Metropolitan District #1	\$290	0.000	0.000
El Paso	Gold Hill Mesa Metropolitan District #2	\$95,620	0.000	0.000
El Paso	Lorson Ranch Metropolitan District No. 1	\$20	10.000	0.000
El Paso	Lorson Ranch Metropolitan District No. 2	\$51,760	10.000	0.000
El Paso	Lorson Ranch Metropolitan District No. 3	\$900	10.000	0.000
El Paso	Lorson Ranch Metropolitan District No. 4	\$1,400	10.000	0.000
El Paso	Lorson Ranch Metropolitan District No. 5	\$600	10.000	0.000
El Paso	Lorson Ranch Metropolitan District No. 6	\$1,850	10.000	0.000
El Paso	Lorson Ranch Metropolitan District No. 7	\$35,540	10.000	0.000
El Paso	Lowell Metropolitan District	\$2,447,130	48.940	43.940
El Paso	Manitou Springs Metropolitan District	\$5,513,060	2.068	1.477
El Paso	Meridian Ranch Metropolitan District	\$10,085,000	25.000	20.000
El Paso	Meridian Service Metropolitan District	\$2,180	25.000	0.000
El Paso	Mesa Ridge Metropolitan District No. 1	\$110	0.000	0.000
El Paso	Mesa Ridge Metropolitan District No. 2	\$158,200	37.000	30.000
El Paso	Metex Metropolitan District	\$277,199,790	10.450	10.062
El Paso	Old Ranch Metropolitan District	\$10	0.000	0.000

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		<u>Assessed Valuation</u>	<u>District Total Mill Levy</u>	<u>Mill Levy (Included in Total Mill Levy)</u>
El Paso	Paint Brush Hills Metropolitan District	\$11,860,730	22.573	0.000
El Paso	Pinon Pines Metropolitan District No. 1	\$32,250	41.000	0.000
El Paso	Pinon Pines Metropolitan District No. 2	\$314,460	41.000	0.000
El Paso	Pinon Pines Metropolitan District No. 3	\$833,390	41.000	0.000
El Paso	Santa Fe Springs Metro. District #1	\$30	0.000	0.000
El Paso	Santa Fe Springs Metro. District #2	\$22,520	0.000	0.000
El Paso	Santa Fe Springs Metro. District #3	\$3,610	0.000	0.000
El Paso	Stetson Ridge Metropolitan District No. 1	\$340	0.000	0.000
El Paso	Stetson Ridge Metropolitan District No. 2	\$10,464,880	20.000	15.000
El Paso	Sunset Metropolitan District	\$65,860	0.000	0.000
El Paso	Triview Metropolitan District	\$29,895,090	25.000	25.000
El Paso	Upper Cottonwood Creek Metropolitan District	\$4,621,820	20.000	0.000
El Paso	Village Center Metropolitan District	\$26,380	30.000	25.000
El Paso	Woodmen Heights Metro. District #1	\$10	0.000	0.000
El Paso	Woodmen Heights Metro. District #2	\$10,030	35.000	25.000
El Paso	Woodmen Heights Metro. District #3	\$1,400	35.000	25.000
El Paso	Woodmen Hills Metropolitan District	\$41,065,970	0.000	0.000
El Paso	Woodmen Road Metropolitan District	\$28,210,890	10.000	10.000
Elbert	Elbert and Highway 86 Commercial Metropolitan District	\$10	10.000	0.000
Elbert	Elbert and Highway 86 Metropolitan District	\$1,190,220	48.000	38.000
Elbert	Elkhorn Ranch Metropolitan District No. 1	\$3,376,820	55.000	50.000
Elbert	North Pines Metropolitan District	\$2,947,140	42.000	30.000
Elbert	Spring Valley Metropolitan District #3	\$30,150	40.000	0.000
Elbert	Spring Valley Metropolitan District No. 1	\$340	0.000	0.000
Elbert	Spring Valley Metropolitan District No. 2	\$3,410	40.000	35.000
Elbert	Sterling Crossing Commercial Metro. Dist	\$520	0.000	0.000
Elbert	Sterling Crossing Residential Metro. Dis	\$3,420	0.000	0.000
Elbert	Summit Park Metropolitan District	\$416,940	35.000	0.000
Fremont	Four Mile Ranch Metro. Dist. No. 1	\$4,748,100	40.000	35.000
Fremont	Four Mile Ranch Metro. Dist. No. 2	\$738,850	5.000	0.000
Fremont	Four Mile Ranch Metro. Dist. No. 3	\$738,630	5.000	0.000
Fremont	Four Mile Ranch Metro. Dist. No. 4	\$734,320	5.000	0.000
Garfield	Battlement Mesa Metropolitan District	\$193,280	0.000	0.000
Garfield	Consolidated Metropolitan District	\$19,527,260	11.860	11.860

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Garfield	Glenwood Meadows Metro. District #1	\$12,600	0.000	0.000
Garfield	Glenwood Meadows Metro. District #2	\$1,949,740	5.000	0.000
Garfield	Glenwood Meadows Metro. District #3	\$680,370	5.000	0.000
Garfield	Mid Valley Metropolitan District ¹	\$4,689,637	6.232	5.767
Garfield	River Park Metropolitan District	\$288,270	45.000	0.000
Gilpin	Miners Mesa Commercial Metropolitan District	\$2,261,320	4.000	0.000
Gilpin	Silver Dollar Metropolitan District	\$179,900,700	8.039	7.039
Grand	Blue Valley Metropolitan District	\$2,783,630	19.819	14.819
Grand	Byers View Metropolitan District	\$30	0.000	0.000
Grand	Rendezvous Commercial Metropolitan District	\$11,240	5.000	0.000
Grand	Rendezvous Residential Metropolitan District ²	\$10	0.000	0.000
Grand	Rendezvous Residential Metropolitan District-Bond ²	\$4,978,100	40.000	40.000
Grand	SolVista Metropolitan District	\$2,213,140	25.000	0.000
Grand	SolVista Metropolitan District No. 1	\$2,450	50.000	0.000
Grand	SolVista Metropolitan District No. 2	\$2,915,550	50.000	0.000
Grand	West Meadow Metropolitan District	\$92,110	50.000	0.000
Grand	West Mountain Metropolitan District	\$8,660	50.000	0.000
Gunnison	Crested Butte South Metropolitan District	\$17,395,580	14.237	1.953
Gunnison	Reserve Metropolitan District No. 1	\$3,120	50.000	0.000
Gunnison	Reserve Metropolitan District No. 2	\$8,165,850	50.000	0.000
Gunnison	Skyland Metropolitan District	\$17,836,930	22.080	6.261
Huerfano	Walsenburg Gateway Metropolitan District	\$3,420	14.616	0.000
Jefferson	Aspen Park Metropolitan District	\$1,189,720	50.064	45.000
Jefferson	Bowles Metropolitan District ¹	\$23,785,000	40.000	21.641
Jefferson	Chimney Rock Metropolitan District	\$12,648,990	41.908	36.708
Jefferson	Church Ranch Metropolitan District	\$12,716,600	25.773	15.700
Jefferson	Conifer Metropolitan District	\$68,390	50.000	0.000
Jefferson	Countrydale Metropolitan District	\$44,498,530	45.000	31.500
Jefferson	Deer Creek Metropolitan District	\$18,329,600	34.200	25.000
Jefferson	Denver West Metro District Ex 04 ²	\$2,309,080	13.922	13.922
Jefferson	Denver West Metro District Ex 98 ²	\$2,407,600	13.922	13.922
Jefferson	Denver West Metro ²	\$132,740,950	35.000	32.363
Jefferson	Eagle View Metropolitan District	\$2,305,420	40.232	24.232
Jefferson	El Rancho Metropolitan District	\$10,811,790	33.057	30.000

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<u>County</u>	<u>Name of Metropolitan District</u>	<u>District</u>		<u>District Debt Only</u>
		<u>Assessed Valuation</u>	<u>District Total Mill Levy</u>	<u>Mill Levy (Included in Total Mill Levy)</u>
Jefferson	Evergreen Metropolitan District	\$81,292,730	0.000	0.000
Jefferson	Forest Hills Metropolitan District	\$7,724,200	53.280	28.995
Jefferson	Indiana Valley Metropolitan District	\$59,248,730	0.000	0.000
Jefferson	Jefferson Center Metro. District #2	\$10	0.000	0.000
Jefferson	Jefferson Center Metro. District #3	\$3,860	50.000	0.000
Jefferson	Jefferson Center Metro. District #4	\$100	50.000	0.000
Jefferson	Jefferson Center Metro. District #5	\$2,340	50.000	0.000
Jefferson	Jefferson Center Metro. District #6	\$100	50.000	0.000
Jefferson	Jefferson Center Metropolitan District No. 1	\$22,115,560	25.000	0.000
Jefferson	Ken-Caryl Ranch Metropolitan District	\$154,445,800	14.420	0.000
Jefferson	Kipling Ridge Metropolitan District	\$2,438,140	25.000	20.000
Jefferson	Lena Gulch Metropolitan District	\$200	0.000	0.000
Jefferson	Meadowbrook-Fairview Metropolitan District	\$35,312,380	9.381	0.000
Jefferson	Mount Carbon Metro - /Bond Indbt ²	\$2,950	20.000	20.000
Jefferson	Mount Carbon Metro ²	\$3,510,910	37.000	20.000
Jefferson	Mount Carbon Metro-EX 00 ²	\$467,530	20.000	20.000
Jefferson	Mount Vernon Country Club Metropolitan District	\$3,316,300	15.110	0.000
Jefferson	NBC Metropolitan District	\$12,134,870	43.000	38.000
Jefferson	Plains Metropolitan District	\$41,674,120	8.000	0.000
Jefferson	Plaza Metropolitan District No. 1	\$7,900	0.000	0.000
Jefferson	Plaza Metropolitan District No. 2	\$34,045,650	25.000	18.000
Jefferson	Plaza Metropolitan District No. 3	\$3,506,780	20.000	20.000
Jefferson	Pleasant View Metropolitan District	\$134,978,290	4.516	0.000
Jefferson	Section 14 Metro-Jefferson Excl 94 ²	\$2,875,190	8.714	8.714
Jefferson	Section 14 Metropolitan District Ex 04 ²	\$1,361,000	11.232	11.232
Jefferson	Section 14 Metropolitan ^{1,2}	\$36,683,210	26.720	23.000
Jefferson	South Sheridan Water, Sanitary Sewer & Storm Drainage District	\$17,188,320	7.896	0.000
Jefferson	Southwest Plaza Metropolitan District	\$36,800,110	16.200	0.000
Jefferson	Spring Mesa Metropolitan District	\$2,270,600	30.000	0.000
Jefferson	Tablerock Metropolitan District	\$6,485,720	57.475	52.475
Jefferson	Timbers Estates Metropolitan District	\$2,480,560	36.282	0.000
Jefferson	TrailMark Metropolitan District	\$23,215,370	66.027	43.508
Jefferson	Vance Street Metropolitan District No. 1	\$14,480	0.000	0.000
Jefferson	Vance Street Metropolitan District No. 2	\$14,420	0.000	0.000

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County	Name of Metropolitan District	District		District Debt Only
		Assessed Valuation	District Total Mill Levy	Mill Levy (Included in Total Mill Levy)
Jefferson	Vintage Reserve Metropolitan District	\$1,586,280	50.000	45.000
Jefferson	West Meadows Metropolitan District	\$22,266,630	3.500	0.000
Jefferson	West Point Metropolitan District	\$15,852,220	41.119	5.874
Jefferson	Westglenn Metropolitan District	\$25,004,800	23.000	21.000
Jefferson	Westgold Meadows Metropolitan District	\$16,049,570	11.382	9.000
La Plata	Animas Mosquito Control District	\$513,501,110	0.990	0.000
La Plata	Aspen Trails Metropolitan District	\$1,746,010	14.224	9.224
La Plata	Durango West Metropolitan District No. 1	\$3,510,770	38.800	38.800
La Plata	Durango West Metropolitan District No. 2	\$9,648,240	21.822	21.822
La Plata	Edgemont Ranch Metropolitan District	\$8,905,690	14.402	6.547
La Plata	El Rancho Florida Metropolitan District	\$2,885,550	0.000	0.000
La Plata	Florida Mosquito Control District	\$514,678,990	0.700	0.000
La Plata	Forest Lakes Metropolitan District	\$16,415,850	35.524	0.000
La Plata	Purgatory Metropolitan District	\$14,626,970	27.313	0.000
La Plata	Tamarron Metropolitan District	\$8,478,400	40.000	0.000
La Plata	Van Den Berg Metropolitan District	\$474,740	0.000	0.000
Lake	Brooklyn Metropolitan District	\$362,525	25.000	0.000
Lake	Sylvan Lakes Metropolitan District	\$892,691	2.418	0.000
Larimer	Centerra Metropolitan District No. 1	\$150	0.000	0.000
Larimer	Centerra Metropolitan District No. 2	\$10,144,850	35.000	0.000
Larimer	Centerra Metropolitan District No. 3	\$14,827	0.000	0.000
Larimer	Centerra Metropolitan District No. 4	\$10,144,850	0.000	0.000
Larimer	Lincoln Place Metropolitan District	\$174,880	55.000	35.000
Larimer	Loveland Midtown Metro. District #1	\$2,890	0.000	0.000
Larimer	Thompson Crossing Metropolitan District No. 1	\$10	0.000	0.000
Larimer	Thompson Crossing Metropolitan District No. 2	\$711,980	20.000	0.000
Larimer	Thompson Crossing Metropolitan District No. 3	\$81,270	0.000	0.000
Larimer	VDW Metropolitan District No. 1	\$0	0.000	0.000
Larimer	VDW Metropolitan District No. 2	\$2,734,990	0.000	0.000
Larimer	VDW Metropolitan District No. 3	\$573,120	45.980	0.000
Larimer	Waterfront Metropolitan District	\$4,926,480	45.979	40.979
Larimer	Windsor Highlands Metro. District #1	\$2,496,040	30.000	0.000
Larimer	Windsor Highlands Metro. District #2	\$1,490,530	30.000	0.000
Larimer	Windsor Highlands Metro. District #3	\$189,260	30.000	0.000

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<u>County</u>	<u>Name of Metropolitan District</u>	<u>District</u>		<u>District Debt Only</u>
		<u>Assessed Valuation</u>	<u>District Total Mill Levy</u>	<u>Mill Levy (Included in Total Mill Levy)</u>
Larimer	Windsor Highlands Metro. District #4	\$484,880	30.000	0.000
Larimer	Windsor Highlands Metro. District #5	\$150	30.000	0.000
Las Animas	Santa Fe Trail Ranch Metropolitan District	\$2,057,550	0.000	0.000
Las Animas	Stone Ridge Metropolitan District No. 1	\$10,320	0.000	0.000
Mesa	Grand River Mosquito Control District	\$393,189,680	1.820	0.000
Mesa	Panorama Improvement District A ²	\$5,936,830	12.041	0.000
Mesa	Panorama Improvement District B ²	\$3,778,210	0.452	0.000
Mesa	Powderhorn Metropolitan District No. 1	\$15,030	0.000	0.000
Mesa	Powderhorn Metropolitan District No. 2	\$3,062,490	52.590	0.000
Mesa	Ridges Metro	\$22,909,920	5.900	5.900
Montezuma	Montezuma Mosquito Control District	\$240,776,470	0.702	0.000
Ouray	Cornerstone Metropolitan District No. 2	\$53,880	0.000	0.000
Park	Deer Creek Metropolitan District	\$791,737	35.000	0.000
Park	Will-O-Wisp Metropolitan District	\$2,708,497	23.820	0.000
Pitkin	Aspen Highlands Commercial Metropolitan District	\$4,905,030	34.977	0.000
Pitkin	Aspen Highlands Residential Metropolitan District	\$38,271,550	34.977	21.310
Pitkin	Aspen Village Metropolitan District	\$2,516,340	99.662	0.000
Pitkin	Base Village Metropolitan District No. 1	\$13,920	0.000	0.000
Pitkin	Base Village Metropolitan District No. 2	\$13,785,250	8.270	0.000
Pitkin	Brush Creek Metropolitan District	\$14,643,880	25.926	15.567
Pitkin	Buttermilk Metro District - Water ²	\$30,914,740	13.522	10.391
Pitkin	Buttermilk Metropolitan District ²	\$22,022,380	7.650	3.901
Pitkin	East Aspen Metropolitan District	\$156,877,240	0.560	0.000
Pitkin	Five Trees Metropolitan District	\$19,292,200	15.000	0.000
Pitkin	Gateway Metropolitan District	\$4,005,960	22.740	0.000
Pitkin	Holland Hills Metropolitan District	\$2,268,960	55.435	50.143
Pitkin	Starwood Metropolitan District	\$43,845,530	20.290	3.184
Pitkin	W/J Metropolitan District	\$2,107,150	48.500	0.000
Pueblo	Colorado City Metropolitan District	\$18,311,440	16.745	0.000
Pueblo	Pueblo West Metropolitan District	\$158,391,270	18.934	0.000
Routt	Lake Catamount No. 2 Metropolitan District	\$17,237,890	5.000	0.000
Routt	Steamboat II Metropolitan District	\$10,627,170	30.700	7.785
Routt	Tree Haus Metropolitan District	\$5,663,100	17.275	10.074
San Miguel	Mountain Village Metropolitan District	\$249,694,660	23.598	13.484

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<u>County</u>	<u>Name of Metropolitan District</u>	<u>District</u>		<u>District Debt Only</u>
		<u>Assessed Valuation</u>	<u>District Total Mill Levy</u>	<u>Mill Levy (Included in Total Mill Levy)</u>
San Miguel	Wilson Mesa At Telluride Metropolitan District	\$8,075,440	14.647	0.000
Summit	Alpine Metropolitan District	\$810	20.000	0.000
Summit	Breckenridge Mountain Metro. District	\$6,321,310	20.000	0.000
Summit	Buffalo Mountain Metropolitan District	\$43,716,480	15.000	0.000
Summit	Copper Mountain Consolidated Metropolitan District	\$54,874,210	22.780	0.000
Summit	Corinthian Hill Metropolitan District	\$5,873,370	9.349	0.000
Summit	Dillon Valley Metropolitan District	\$15,581,610	0.000	0.000
Summit	Eagles Nest Metropolitan District	\$36,968,130	17.000	12.880
Summit	Hamilton Creek Metropolitan District	\$7,211,610	40.000	40.000
Summit	Swan's Nest Metropolitan District	\$4,056,470	35.000	30.000
Summit	Willow Brook Metropolitan District ²	\$5,217,060	48.563	17.037
Summit	Willow Brook Metropolitan District-Bond Only ²	\$22,660	17.037	17.037
Teller	Arabian Acres Metropolitan District	\$3,584,320	12.000	12.000
Teller	Divide MPC Metropolitan District No. 1	\$230	0.000	0.000
Teller	Divide MPC Metropolitan District No. 2	\$1,062,680	44.257	0.000
Weld	Altamira Metropolitan District No. 1	\$10	45.000	0.000
Weld	Altamira Metropolitan District No. 2	\$10	45.000	0.000
Weld	Altamira Metropolitan District No. 3	\$10	45.000	0.000
Weld	Altamira Metropolitan District No. 4	\$10	45.000	0.000
Weld	Altamira Metropolitan District No. 5	\$10	45.000	0.000
Weld	Altamira Metropolitan District No. 6	\$10	45.000	0.000
Weld	Beebe Draw Farms Metropolitan District No. 1	\$23,756,710	40.000	8.500
Weld	Beebe Draw Farms Metropolitan District No. 2	\$18,067,930	0.000	0.000
Weld	Blue Lake Metropolitan District No. 1	\$10	0.000	0.000
Weld	Blue Lake Metropolitan District No. 2	\$10	45.000	0.000
Weld	Blue Lake Metropolitan District No. 3	\$10	15.000	0.000
Weld	Bromley Park Metropolitan District No. 2 ¹	\$2,700	61.725	57.475
Weld	Cottonwood Hollow Commercial Metro. Dist	\$5,520	0.000	0.000
Weld	Cottonwood Hollow Residential Metro. Dis	\$15,640	5.000	0.000
Weld	Deer Trails Metropolitan District	\$868,740	30.000	0.000
Weld	Eagle Meadow Metropolitan District	\$108,410	31.934	0.000
Weld	Erie Commons Metropolitan District No. 1	\$20	0.000	0.000
Weld	Erie Commons Metropolitan District No. 2	\$276,940	43.000	40.000
Weld	Erie Corporate Center Metro. Dist. #1	\$10	0.000	0.000

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		<u>Assessed Valuation</u>	<u>District Total Mill Levy</u>	<u>Mill Levy (Included in Total Mill Levy)</u>
Weld	Erie Corporate Center Metro. Dist. #2	\$46,980	40.000	0.000
Weld	Erie Corporate Center Metro. Dist. #3	\$47,430	11.000	0.000
Weld	Greens Metropolitan District	\$376,820	40.190	0.000
Weld	Greenspire Metropolitan District No. 1	\$2,780	0.000	0.000
Weld	Greenspire Metropolitan District No. 2	\$18,190	20.000	0.000
Weld	Greenspire Metropolitan District No. 3	\$12,500	20.000	0.000
Weld	Hills Metropolitan District No. 1	\$273,500	40.000	0.000
Weld	Hills Metropolitan District No. 2	\$18,960	40.000	0.000
Weld	Hills Metropolitan District No. 3	\$150	40.000	0.000
Weld	Hudson Hills Metropolitan District	\$15,480	45.000	0.000
Weld	Hunter Hill Metropolitan District No. 1	\$6,680	0.000	0.000
Weld	Hunter Hill Metropolitan District No. 2	\$339,100	0.000	0.000
Weld	Kohler Farms Metropolitan District	\$147,350	40.000	0.000
Weld	Peaks Metropolitan District	\$7,280	35.000	0.000
Weld	Pinnacle Farms Metropolitan District	\$379,840	38.000	0.000
Weld	Poudre Tech Metropolitan District	\$230	0.000	0.000
Weld	Resource Colo. Water & San. Metro. Dist.	\$20,303	0.000	0.000
Weld	Ridge Lands Metropolitan District	\$2,680	0.000	0.000
Weld	Saddler Ridge Metropolitan District	\$22,410	45.000	35.000
Weld	Silver Peaks Metropolitan District No. 1	\$57,570	43.680	0.000
Weld	Silver Peaks Metropolitan District No. 2	\$20	43.680	0.000
Weld	Silver Peaks Metropolitan District No. 3	\$20	43.680	0.000
Weld	Silver Peaks Metropolitan District No. 4	\$20	43.680	0.000
Weld	Silver Peaks Metropolitan District No. 5	\$20	43.680	0.000
Weld	SMPG Metropolitan District No. 1	\$60	0.000	0.000
Weld	SMPG Metropolitan District No. 2	\$23,810	0.000	0.000
Weld	SMPG Metropolitan District No. 3	\$10	0.000	0.000
Weld	SMPG Metropolitan District No. 4	\$10	0.000	0.000
Weld	SMPG Metropolitan District No. 5	\$10	0.000	0.000
Weld	SMPG Metropolitan District No. 6	\$10	0.000	0.000
Weld	South Weld Metropolitan District	\$139,070	10.000	0.000
Weld	Stoneridge Metropolitan District	\$19,240	40.000	35.000
Weld	Sweetgrass Metropolitan District No. 1	\$10	0.000	0.000
Weld	Sweetgrass Metropolitan District No. 2	\$1,332,370	43.000	40.000

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		<u>Assessed Valuation</u>	<u>District Total Mill Levy</u>	<u>Mill Levy (Included in Total Mill Levy)</u>
Weld	Sweetgrass Metropolitan District No. 3	\$2,110	12.000	11.000
Weld	Tri-Pointe Commercial Metropolitan District	\$4,475,860	35.000	30.000
Weld	Tri-Pointe Residential Metropolitan District	\$3,191,380	35.000	35.000
Weld	Vista Ridge Metropolitan District	\$25,627,000	54.332	42.827
Weld	Water Valley Metropolitan District No. 1	\$21,459,270	20.000	10.000
Weld	Water Valley Metropolitan District No. 2	\$3,193,980	20.000	20.000
Weld	Windsor Northwest Metropolitan District No. 1	\$2,271,280	30.000	0.000
Weld	Windsor Northwest Metropolitan District No. 2	\$2,430,510	30.000	0.000
Weld	Windsor Northwest Metropolitan District No. 3	\$38,360	30.000	0.000
Weld	Windsor Northwest Metropolitan District No. 4	\$1,180	30.000	0.000
Weld	Winter Farm Metropolitan District No. 1	\$660	0.000	0.000
Weld	Winter Farm Metropolitan District No. 2	\$30,680	0.000	0.000
Weld	Winter Farm Metropolitan District No. 3	\$120	0.000	0.000
Weld	Wyndham Hill Metropolitan District No. 1	\$10	0.000	0.000
Weld	Wyndham Hill Metropolitan District No. 2	\$11,960	43.000	40.000
Weld	Wyndham Hill Metropolitan District No. 3	\$302,250	12.000	11.000

Source: Colorado Department of Local Affairs, Division of Property Taxation, 2005 Annual Report

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Appendix B: Fiscal Health Indicators for Metropolitan Districts

Developed by the Office of the State Auditor

Fiscal Health Indicators

These indicators should be calculated over a minimum of three years, and the change in indicators should be evaluated to observe fiscal trends within the district.

Indicator 1: Property Tax Coverage of Expenditures

Formula:
$$\frac{\text{Intergovernmental Revenues [from other districts] + Property Taxes}}{\text{(Total Expenditures + Transfers to Other Districts)}}$$

This ratio focuses on the relationship between revenues and other inflows to expenditures and other outflows. This ratio measures the coverage of the existing property taxes to the current expenditures, including debt service, operations or capital projects, and the transfers out to other districts.

The intergovernmental revenues in the numerator and transfers to other districts in the denominator are included because some districts centralize the collection and allocation of property tax revenue within one district, and another related district pays out funds to service debt or provide for capital construction.

Warning trend: Consistent decline in the ratio.

This decline could be attributed to rising expenditures, shrinking taxes, larger transfers needed by other districts, or a combination of these factors.

Indicator 2: Developer Advances Required

Formula:
$$\frac{\text{Net Developer Advances}}{\text{(Total Expenditures + Transfers to Other Districts)}}$$

This ratio is another measure of the coverage of expenditures and indicates whether or not the district is requiring more and more funding by the developer. The net amount of developer advances is used in order to reflect any repayments to the developer by the district.

Warning trend: Consistent increase in the ratio.

This could indicate a greater need each year for developer advances, which could lead to higher taxes or issuance of more debt.

Indicator 3: Stability of Growth to Debt

Formula:
$$\frac{\text{Outstanding General Obligation Bonds}}{\text{Assessed Valuation}}$$

This ratio focuses on how stable the growth of the district is in relation to the amount of outstanding general obligation bonds.

Warning trend: Consistent increase in the ratio.

If the assessed valuation is not growing sufficiently in relation to debt, or the assessed valuation is shrinking in relation to debt, the district may need to raise the mill levy to increase property tax collections.

Indicator 4: Capacity for Increased Debt

Formula:
$$\frac{\text{Authorized but Unissued Debt}}{\text{Assessed Valuation}}$$

This ratio evaluates the amount of the remaining debt that has not yet been issued to the assessed property value of the district .

Warning trend: Consistent increase in the ratio.

This may indicate that the assessed valuation is shrinking and the district cannot support additional debt.

Indicator 5: Principal Payments to Total Debt

Formula Factors: District has outstanding debt for three consecutive years, and principal payments equal zero for all three years.

This calculation is not a ratio but is designed to evaluate whether total outstanding debt has consistently increased over three years while no principal payments have been paid on the debt.

Warning trend: Consistent increase in debt, without any principal payments being made.

This may indicate additional debt being issued without a corresponding increase in payments against the debt. This could be attributed to a longer term for the debt, graduated payments, or balloon payments in future years. These possibilities could lead to higher taxes or a longer amount of time required to support the debt.

Indicator 6: Mill Levy Changes

Formula:
$$\frac{\text{Debt Service Mill Levy}}{\text{Total Mill Levy}}$$

This ratio measures the relationship between the mill levy tied to debt and the district's total mill levy.

Warning trend: Consistent increase in the ratio.

This would indicate that the debt-related mill levy is increasing, or the total mill levy is decreasing. This could mean the growth projected in the district's service plan has not been realized.

The electronic version of this report is available on the Web site of the
Office of the State Auditor
www.state.co.us/auditor

A bound report may be obtained by calling the
Office of the State Auditor
303.869.2800

Please refer to the Report Control Number below when requesting this report.

Report Control Number 1812