



# CliftonLarsonAllen

CliftonLarsonAllen LLP  
102 S. Tejon Street, Suite 350  
Colorado Springs, CO 80903  
719-635-0330 | fax 719-473-3630  
CLAconnect.com

October 17, 2016

Board of Directors  
Morningview Metropolitan District  
El Paso County, Colorado

Re: **Morningview Metropolitan District Developer Reimbursement**

This report summarizes the results of procedures performed related to the Morningview Metropolitan District (“the District”) Developer Reimbursement. Specifically, we read invoices to determine if amounts expended supported the assertion that the costs are eligible district costs.

We did not evaluate quantity and quality measurements, which would be covered by an Engineer’s report.

We were not engaged to, and did not, conduct an examination in accordance with generally accepted auditing standards, the objective of which would be the expression of an opinion on the financial statements of the Foothills Metropolitan District. Accordingly, we do not express such an opinion. We performed our engagement as a consulting service under the AICPA Statement of Standards for Consulting Services. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

***Developer Reimbursement***

The District engaged CliftonLarsonAllen LLP to read invoices that support infrastructure costs paid by Lorson South Land Corp (“Developer”) and to determine which costs are eligible for reimbursement by the Developer.

The Developer submitted documentation for \$1,307,381.98 of expenses incurred for the period May 1, 2013 through September 30, 2014. Of the total submitted, \$1,236,078.82 was considered eligible and related to soft costs and capital outlay infrastructure improvements.

Following the electoral authorization these expenditures can be categorized as follows -

Streets	\$562,182.23
Water	205,218.10
Sewer	163,407.80
Storm Drainage	129,817.00
Parks and Recreation	<u>175,453.69</u>
Total	<u>\$1,236,078.82</u>

For additional detail on the costs incurred by the Developer, please refer to Exhibit A.

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We are not independent with respect to the Morningview Metropolitan District.

This report is intended solely for your use and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

CLIFTONLARSONALLEN LLP  
Colorado Springs, Colorado

**EXHIBIT A****Morningview Metropolitan District  
Public Improvement Costs  
2013 - 2014**

		Sanitary Sewer	Storm Drainage	Water System	Streets, Curb, Gutter	Parks Landscape
	<b>Total</b>					
Fraze Construction Co.	426,144.90	153,743.80	73,954.50	198,446.60		
Rice & Rice, Inc.	84,584.84				84,584.84	
Martin Marietta Materials	357,624.34				357,624.34	
Concrete Concepts Design Inc.	103,113.55				103,113.55	
Concrete Concepts Design Inc.	34,312.50		34,312.50			
Kameleon Concrete	3,660.00				3,660.00	
RMG Engineering - testing	20,298.00	7,164.00	5,970.00	3,582.00	3,582.00	
RMG Engineering - pavement design	3,200.00				3,200.00	
M&S Civil Consultants, Inc. - Staking	15,607.00	2,500.00	3,500.00	3,189.50	6,417.50	
Landscaping	175,453.69					175,453.69
Adherence Constructioin Mgmt	12,080.00		12,080.00			
<b>Total Public Improvement Costs</b>	<b>1,236,078.82</b>	<b>163,407.80</b>	<b>129,817.00</b>	<b>205,218.10</b>	<b>562,182.23</b>	<b>175,453.69</b>