

# TIMNATH LAKES METROPOLITAN DISTRICT NO. 1

## 2021 ANNUAL REPORT

Pursuant to Section VII of the Consolidated Amended and Restated Service Plan approved by the Town of Timnath, Colorado (“Town”), on September 10, 2019, the following information is being provided:

- 1. Boundary changes made to the District’s boundaries as of December 31 of the prior year:** There were no boundary changes made during 2021.
- 2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year:** None.
- 3. Copies of the District’s Rules and Regulations, if any as of December 31, of the Prior year.** On November 8, 2021, The District acknowledged the following documents and authorized all actions in connection therewith concerning the District’s enforcement thereof:
  - First Amendment to Declaration of Architectural, Use and Maintenance Restrictions For Timnath Lakes (Residential) consented by CAC Timnath LLC, Weekley Homes, LLC, and Lennar Colorado, LLC
  - Declaration Concerning Disclosures Acknowledgments, Waivers and Construction Defect Dispute Resolution (Residential) by CAC Timnath LLC

Also, the District adopted the following resolution effective January 2, 2021 (recorded in Larimer County on January 6, 2021):

- Resolution No. 2020-11-06, Resolution of the Board of Directors of Timnath Lakes Metropolitan District No. 1 Regarding the Imposition of District Fees.

- 4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.** The District was not involved in any litigation during 2021.
- 5. Status of the District’s construction of Public Improvements as of December 31 of the prior year:** There were no facilities and/or improvements constructed during 2021.
- 6. List of Facilities and improvements constructed by the District that have been dedicated to and accepted by the Town as of December 31 of the prior year.** There were no facilities and/or improvements constructed during 2021.
- 7. The assessed valuation of the District for the current year.** A copy of the assessed valuation is attached hereto as Exhibit A.
- 8. Current year budget including a description of the Public Improvements to be constructed in such year.** The 2022 Budget is attached hereto as Exhibit B.

**9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable:** A copy of the 2021 audited financial statements of the District will be sent upon completion.

**10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument:** There were no uncured events of default by the District in 2021.

**11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.** There were no instances of the District's inability to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period during 2021.

**EXHIBIT A**  
Assessed Valuation

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 159 - TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
 IN LARIMER COUNTY ON 11/23/2021

New Entity: No

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$6,774
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$2,566,026
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$2,521,408
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$44,618
5. NEW CONSTRUCTION: **	\$214,761
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

## USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2021

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$11,793,100
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$2,709,700
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0

(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)

DELETIONS FROM TAXABLE REAL PROPERTY:

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2021

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

**EXHIBIT B**  
2022 Budget

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 11,768	\$ 11,927	\$ 1,189
REVENUES			
Property taxes	19	339	2,231
Specific ownership tax	44	852	156
URA District property taxes	-	-	126,070
Interest income	6	5	4
Intergovernmental revenues	3	-	-
Bond proceeds - Series 2020A	3,948,063	-	-
Bond proceeds - Series 2020B	607,000	-	-
Operation fees	210	-	-
Working capital fees	300	-	-
Developer advance	6,078,966	7,701	-
Total revenues	<u>10,634,611</u>	<u>8,897</u>	<u>128,461</u>
Total funds available	<u>10,646,379</u>	<u>20,824</u>	<u>129,650</u>
EXPENDITURES			
General Fund	266,580	19,628	-
Debt Service Fund	-	7	50,000
Capital Projects Fund	10,367,872	-	-
Total expenditures	<u>10,634,452</u>	<u>19,635</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>10,634,452</u>	<u>19,635</u>	<u>50,000</u>
ENDING FUND BALANCES	<u>\$ 11,927</u>	<u>\$ 1,189</u>	<u>\$ 79,650</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>			
Vacant land	\$ -	\$ 227,090	\$ 2,249,559
Commercial	-	-	20,973
Residential	-	-	288,556
Agricultural	12,254	3,612	-
State assessed	-	-	6,938
	<u>12,254</u>	<u>230,702</u>	<u>2,566,026</u>
Adjustments	(11,879)	(223,928)	(2,521,408)
Certified Assessed Value	<u>\$ 375</u>	<u>\$ 6,774</u>	<u>\$ 44,618</u>
 <b>MILL LEVY</b>			
General	50.350	0.000	0.000
Debt Service	0.000	50.000	50.000
Total mill levy	<u>50.350</u>	<u>50.000</u>	<u>50.000</u>
 <b>PROPERTY TAXES</b>			
General	\$ 19	\$ -	\$ -
Debt Service	-	339	2,231
	<u>19</u>	<u>339</u>	<u>2,231</u>
Levied property taxes	19	339	2,231
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 19</u>	<u>\$ 339</u>	<u>\$ 2,231</u>
 <b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 19</b>	<b>\$ -</b>	<b>\$ -</b>
Debt Service	<b>-</b>	<b>339</b>	<b>2,231</b>
	<u><b>\$ 19</b></u>	<u><b>\$ 339</b></u>	<u><b>\$ 2,231</b></u>

No assurance provided. See summary of significant assumptions.



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 11,768	\$ 11,927	\$ -
REVENUES			
Property taxes	19	-	-
Specific ownership tax	44	-	-
Interest income	5	-	-
Intergovernmental revenues	3	-	-
Operation fees	210	-	-
Developer advance	266,158	7,701	-
Working capital fees	300	-	-
Total revenues	<u>266,739</u>	<u>7,701</u>	<u>-</u>
Total funds available	<u>278,507</u>	<u>19,628</u>	<u>-</u>
EXPENDITURES			
General and administrative			
Accounting	39,175	-	-
Dues and licenses	1,044	-	-
Directors' fees	1,200	-	-
Insurance and bonds	6,145	-	-
District management	38,938	-	-
Legal services	153,199	-	-
Miscellaneous	429	1	-
Election expense	25,934	-	-
Engineering	516	-	-
Intergovernmental expenditures	-	19,627	-
Total expenditures	<u>266,580</u>	<u>19,628</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>266,580</u>	<u>19,628</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 11,927</u>	<u>\$ -</u>	<u>\$ -</u>
EMERGENCY RESERVE	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 1,189
REVENUES			
Property taxes	-	339	2,231
Specific ownership tax	-	852	156
URA District property taxes	-	-	126,070
Interest income	-	5	4
Total revenues	<u>-</u>	<u>1,196</u>	<u>128,461</u>
Total funds available	<u>-</u>	<u>1,196</u>	<u>129,650</u>
EXPENDITURES			
County Treasurer's fee	-	7	45
URA collection fee	-	-	1,891
Contingency	-	-	48,064
Total expenditures	<u>-</u>	<u>7</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>7</u>	<u>50,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ 1,189</u>	<u>\$ 79,650</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Bond proceeds - Series 2020A	3,948,063	-	-
Bond proceeds - Series 2020B	607,000	-	-
Developer advance	5,812,808	-	-
Interest income	1	-	-
Total revenues	10,367,872	-	-
Total funds available	10,367,872	-	-
EXPENDITURES			
Capital Projects			
Cost of Issuance 2020	376,579	-	-
Capital outlay	5,812,808	-	-
Repay developer advance	4,178,485	-	-
Total expenditures	10,367,872	-	-
Total expenditures and transfers out requiring appropriation	10,367,872	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was formed on June 23, 2006, to provide for the design, acquisition, construction, installation and financing of certain street, park and recreation, water, sanitation, mosquito control and safety protection improvements and services. The District was organized in conjunction with Timnath Lakes Metropolitan District Nos. 2 and 3. On September 10, 2019, the District amended and restated its service plan to include Timnath Lakes Metropolitan District Nos. 4 through 6.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirement of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**URA Property Taxes**

The URA will receive property tax revenue ("Pledged Property Tax Increment Revenue") from the Larimer County Treasurer in excess of the amount produced by the levy of those bodies that levy property taxes against the Property Tax Base Amount in the TIF District. The revenue received by the URA, net of all costs, will be remitted to the District's Bond Trustee and pledged to the payment of the Bonds.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**TIMNATH LAKES METROPOLITAN DISTRICT No. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**County Treasurer's Fees**

County Treasurer's fees have been computed at 2.0% of property tax collections.

**Debt and Leases**

On December 30, 2020 the District issued Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2020A , in the initial principal amount of \$3,948,063.20 (\$4,220,000 in Accreted Value upon conversion to current interest bonds) ("Senior Bonds") and Subordinate Limited Tax General Obligation Bonds, Series 2020B in the principal amount of \$607,000 (" Subordinate Bonds"). Proceeds from the sale of the Bonds were used to: (i) finance or reimburse the costs of public improvements related to the Development; and (ii) pay the costs of issuance of the Bonds.

The Senior Bonds were issued as capital appreciation bonds that convert to current interest bonds on the first date on which the following conditions are both met: (i) the Debt to Assessed Ratio is 50% or less; and (ii) no amounts of principal or interest on the Bonds are due but unpaid ("Conversion Date"). December 1, 2022 is the forecasted Conversion Date. Prior to the Conversion Date the Senior Bonds pay no current interest and accrete in value at an accretion rate of 3.5% compounded semiannually on each June 1 and December 1, commencing on June 1, 2021.

On the Conversion Date the Senior Bonds will cease to be capital appreciation bonds and automatically convert to current interest bonds, at which time the Senior Bonds will bear interest at the rate of 3.5%, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2023. Annual principal payments are due on December 1 of each year beginning December 1, 2024. The Senior Bonds mature on December 1, 2050. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Termination Date of December 2, 2060 and will continue to bear interest at the rate then borne by the Senior Bonds. To the extent interest on any Senior Bonds is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate borne by the Senior Bonds.

The Subordinate Bonds bear interest at a rate of 6.500% per annum, payable to the extent revenue is available on each December 15, commencing on December 15, 2021 and shall mature on December 15, 2050.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since all funds received by the District are in the Debt Service fund, an Emergency Reserve is not reflected in the District's Budget.

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