

2023 ANNUAL REPORT
TIMNATH LAKES METROPOLITAN DISTRICT NO. 1

As required by Section 32-1-207(3)(c), C.R.S. and Section VII of the Consolidated Amended and Restated Service Plan, the following report of the activities of Timnath Lakes Metropolitan District No. 1 (the “**District**”) from January 1, 2023 to December 31, 2023 is hereby submitted.

- A. Boundary changes made: The District approved the inclusion of approximately 5.367 acres of real property owned by CAC Timnath LLC on April 19, 2023.
- B. Intergovernmental Agreements entered into or terminated: The District did not enter into or terminate any Intergovernmental Agreements in 2023.
- C. Access information to obtain a copy of rules and regulations adopted: Copies of the rules and regulations of the District, if any, may be accessed on the District’s website: <https://timnathlakesmetrodistricts1-6.com/>
- D. Summary of litigation involving the District’s public improvements: There is no litigation of which we are aware, currently pending or anticipated, involving the District.
- E. Status of the District’s construction of public improvements: Construction of public improvements continued during 2023.
- F. Conveyances or dedications of facilities or improvements, constructed by the District, to the Town of Timnath: No facilities or improvements were dedicated and accepted by the Town of Timnath in 2023.
- G. Final assessed valuation of the District for the reporting year: \$78,294 (NET).
- H. Current year’s budget: A copy of the District’s 2024 budget is attached hereto as **Exhibit A**.
- I. Audited financial statements for the reporting year (or application for exemption from audit): The 2023 Audit is not yet completed, and will be provided when available.
- J. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument: To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.
- K. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period: To our knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A
2024 BUDGET

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 7,826	\$ 43,820	\$ 113,845
REVENUES			
Property taxes	2,230	3,991	8,071
Specific ownership taxes	9,178	9,859	18,313
URA District property taxes	128,062	136,855	253,543
Interest income	1,915	450	8,700
Other revenue	-	-	9,809
Bond issuance proceeds	7,899,965	-	-
Total revenues	<u>8,041,350</u>	<u>151,155</u>	<u>298,436</u>
TRANSFERS IN			
	<u>-</u>	<u>-</u>	<u>51,515</u>
Total funds available	<u>8,049,176</u>	<u>194,975</u>	<u>463,796</u>
EXPENDITURES			
General Fund	-	-	56,500
Debt Service Fund	8,005,356	81,130	13,985
Total expenditures	<u>8,005,356</u>	<u>81,130</u>	<u>70,485</u>
TRANSFERS OUT			
	<u>-</u>	<u>-</u>	<u>51,515</u>
Total expenditures and transfers out requiring appropriation	<u>8,005,356</u>	<u>81,130</u>	<u>122,000</u>
ENDING FUND BALANCES	<u>\$ 43,820</u>	<u>\$ 113,845</u>	<u>\$ 341,796</u>

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/25/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 288,556	\$ 1,505,556	\$ 3,245,451
Commercial	20,973	45,101	47,202
State assessed	6,938	48,100	77,100
Vacant land	2,249,559	1,164,027	586,472
	2,566,026	2,762,784	3,956,225
Adjustments	(2,521,408)	(2,684,490)	(3,834,178)
Certified Assessed Value	\$ 44,618	\$ 78,294	\$ 122,047

MILL LEVY

Debt Service	50.000	50.980	66.127
Total mill levy	50.000	50.980	66.127

PROPERTY TAXES

Debt Service	2,231	3,991	8,071
Levied property taxes	2,231	3,991	8,071
Adjustments to actual/rounding	(1)	-	-
Budgeted property taxes	\$ 2,230	\$ 3,991	\$ 8,071

BUDGETED PROPERTY TAXES

Debt Service	\$ 2,230	\$ 3,991	\$ 8,071
	\$ 2,230	\$ 3,991	\$ 8,071

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Other revenue	-	-	4,985
Total revenues	-	-	4,985
TRANSFERS IN			
Transfers from other funds	-	-	51,515
Total funds available	-	-	56,500
EXPENDITURES			
General and administrative			
Contingency	-	-	4,985
Intergovernmental expenditures	-	-	51,515
Total expenditures	-	-	56,500
Total expenditures and transfers out requiring appropriation	-	-	56,500
ENDING FUND BALANCES	\$ -	\$ -	\$ -

TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 7,826	\$ 43,820	\$ 113,845
REVENUES			
Property taxes	2,230	3,991	8,071
Specific ownership taxes	9,178	9,859	18,313
URA District property taxes	128,062	136,855	253,543
Interest income	1,915	450	8,700
Other revenue	-	-	4,824
Bond issuance proceeds	7,899,965	-	-
Total revenues	8,041,350	151,155	293,451
Total funds available	8,049,176	194,975	407,296
EXPENDITURES			
General and administrative			
County Treasurer's fee	45	80	161
Intergovernmental expenditures	2,876,864	50,000	-
Paying agent fees	7,000	9,000	9,000
Contingency	-	-	4,824
Debt Service			
Repay to escrow account	4,919,947	-	-
Bond issue costs	201,500	22,050	-
Total expenditures	8,005,356	81,130	13,985
TRANSFERS OUT			
Transfers to other fund	-	-	51,515
Total expenditures and transfers out requiring appropriation	8,005,356	81,130	65,500
ENDING FUND BALANCES	\$ 43,820	\$ 113,845	\$ 341,796

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2024 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.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

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.

Interest Income

Interest earned on the District’s available funds has been estimated based on historical interest earnings.

Expenditures

Intergovernmental Expenditures

The District collected property and specific ownership taxes. The District will transfer \$51,515 of funds collected to District No. 6 in 2024 to help fund administrative and operating expenditures. The amount transferred will increase 1% each year thereafter.

County Treasurer’s Fees

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

Debt and Leases

On December 29, 2022 the District issued Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A, in the initial principal amount of \$5,313,965.20 (\$5,860,000 in Accreted Value upon conversion to current interest bonds) (“Senior Bonds”) and Subordinate Limited Tax General Obligation Bonds, Series 2022B in the principal amount of \$2,586,000 (“ 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; (ii) pay the costs of issuance of the Bonds and (iii) refund the Series 2020A bonds.

The District has no operating or capital leases.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

\$5,313,965 Limited Tax General
Obligation Bonds
Series 2022A
Interest 3.375%
Dated December 29, 2022
Interest Payable June 1 and December 1
Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Account Bond Balance	Accreted	Principal	Interest	Total
2022	\$ 5,313,965	\$ -	\$ -	\$ -	\$ -
2023	5,480,565	166,600	-	-	-
2024	5,667,089	186,524	-	-	-
2025	5,860,000	192,911	-	-	-
2026	-	-	100,000	197,775	297,775
2027	-	-	105,000	194,400	299,400
2028	-	-	115,000	190,856	305,856
2029	-	-	120,000	186,975	306,975
2030	-	-	130,000	182,925	312,925
2031	-	-	135,000	178,538	313,538
2032	-	-	145,000	173,981	318,981
2033	-	-	150,000	169,088	319,088
2034	-	-	160,000	164,025	324,025
2035	-	-	165,000	158,625	323,625
2036	-	-	180,000	153,056	333,056
2037	-	-	185,000	146,981	331,981
2038	-	-	195,000	140,738	335,738
2039	-	-	205,000	134,156	339,156
2040	-	-	220,000	127,238	347,238
2041	-	-	225,000	119,813	344,813
2042	-	-	240,000	12,219	252,219
2043	-	-	245,000	104,119	349,119
2044	-	-	265,000	95,850	360,850
2045	-	-	270,000	86,906	356,906
2046	-	-	290,000	77,794	367,794
2047	-	-	300,000	68,006	368,006
2048	-	-	315,000	57,881	372,881
2049	-	-	325,000	47,250	372,250
2050	-	-	345,000	36,281	381,281
2051	-	-	355,000	24,638	379,638
2052	-	-	375,000	12,656	387,656
Total	<u>\$ 5,860,000</u>	<u>\$ 546,035</u>	<u>\$ 5,860,000</u>	<u>\$ 3,242,770</u>	<u>\$ 9,102,770</u>

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.