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Accountant's Compilation Report

Board of Directors
Timnath Farms North Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Timnath Farms North Metropolitan District No. 1 for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018 and the actual comparative information for the year ended December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to the Timnath Farms North Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 6, 2018

TIMNATH FARMS NORTH METROPOLITAN DISTRICT NO. 1
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

12/6/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 110	\$ 145	\$ 183
REVENUES			
Property taxes	36	39	19
Developer advance	-	-	12,050,000
Total revenues	36	39	12,050,019
Total funds available	146	184	12,050,202
EXPENDITURES			
General and administrative	1	1	50,000
Capital projects	-	-	12,000,000
Total expenditures	1	1	12,050,000
Total expenditures and transfers out requiring appropriation	1	1	12,050,000
ENDING FUND BALANCES	\$ 145	\$ 183	\$ 202
EMERGENCY RESERVE	\$ 100	\$ 100	\$ 100
TOTAL RESERVE	\$ 100	\$ 100	\$ 100

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

TIMNATH FARMS NORTH METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

12/6/18

ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
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ASSESSED VALUATION

Residential	\$ -	\$ 8,280	\$ -
Agricultural	25,473	21,748	16,122
	<u>25,473</u>	<u>30,028</u>	<u>16,122</u>
Adjustments	(24,438)	(28,928)	(15,570)
Certified Assessed Value	<u>\$ 1,035</u>	<u>\$ 1,100</u>	<u>\$ 552</u>

MILL LEVY

General	35.000	35.000	35.000
Total mill levy	<u>35.000</u>	<u>35.000</u>	<u>35.000</u>

PROPERTY TAXES

General	\$ 36	\$ 39	\$ 19
Levied property taxes	<u>36</u>	<u>39</u>	<u>19</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 36</u>	<u>\$ 39</u>	<u>\$ 19</u>

BUDGETED PROPERTY TAXES

General	\$ 36	\$ 39	\$ 19
	<u>\$ 36</u>	<u>\$ 39</u>	<u>\$ 19</u>

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

TIMNATH FARMS NORTH METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

12/6/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 110	\$ 145	\$ 183
REVENUES			
Property taxes	36	39	19
Developer advance	-	-	50,000
Total revenues	36	39	50,019
Total funds available	146	184	50,202
EXPENDITURES			
General and administrative			
Accounting	-	-	17,500
County Treasurer's fee	1	1	1
Dues and membership	-	-	500
Insurance and bonds	-	-	2,000
Legal services	-	-	20,000
Contingency	-	-	9,999
Total expenditures	1	1	50,000
Total expenditures and transfers out requiring appropriation	1	1	50,000
ENDING FUND BALANCES	\$ 145	\$ 183	\$ 202
EMERGENCY RESERVE	\$ 100	\$ 100	\$ 100
TOTAL RESERVE	\$ 100	\$ 100	\$ 100

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

TIMNATH FARMS NORTH METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,

12/6/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	12,000,000
Total revenues	-	-	12,000,000
Total funds available	-	-	12,000,000
EXPENDITURES			
Capital Projects			
Capital outlay	-	-	12,000,000
Total expenditures	-	-	12,000,000
Total expenditures and transfers out requiring appropriation	-	-	12,000,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

TIMNATH FARMS NORTH METROPOLITAN DISTRICT No. 1
2019 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 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.

Developer Advances

The District is in the development stage. As such, operating and administrative expenditures for 2019 are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds or other available revenue.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenditures.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

**TIMNATH FARMS NORTH METROPOLITAN DISTRICT No. 1
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has no outstanding indebtedness, nor any operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.