

**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	10,634,611	8,897	128,461
Total funds available	10,646,379	20,824	129,650
EXPENDITURES			
General Fund	266,580	19,628	-
Debt Service Fund	-	7	50,000
Capital Projects Fund	10,367,872	-	-
Total expenditures	10,634,452	19,635	50,000
Total expenditures and transfers out requiring appropriation	10,634,452	19,635	50,000
ENDING FUND BALANCES	\$ 11,927	\$ 1,189	\$ 79,650
EMERGENCY RESERVE	\$ 100	\$ -	\$ -
TOTAL RESERVE	\$ 100	\$ -	\$ -

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
----------------	-------------------	----------------

**ASSESSED VALUATION**

Vacant land	\$ -	\$ 227,090	\$ 2,249,559
Commercial	-	-	20,973
Residential	-	-	288,556
Agricultural	12,254	3,612	-
State assessed	-	-	6,938
	12,254	230,702	2,566,026
Adjustments	(11,879)	(223,928)	(2,521,408)
Certified Assessed Value	\$ 375	\$ 6,774	\$ 44,618

**MILL LEVY**

General	50.350	0.000	0.000
Debt Service	0.000	50.000	50.000
Total mill levy	50.350	50.000	50.000

**PROPERTY TAXES**

General	\$ 19	\$ -	\$ -
Debt Service	-	339	2,231
Levied property taxes	19	339	2,231
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 19	\$ 339	\$ 2,231

**BUDGETED PROPERTY TAXES**

General	\$ 19	\$ -	\$ -
Debt Service	-	339	2,231
	\$ 19	\$ 339	\$ 2,231

**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	266,739	7,701	-
Total funds available	278,507	19,628	-
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	266,580	19,628	-
Total expenditures and transfers out requiring appropriation	266,580	19,628	-
ENDING FUND BALANCES	\$ 11,927	\$ -	\$ -
EMERGENCY RESERVE	\$ 100	\$ -	\$ -
TOTAL RESERVE	\$ 100	\$ -	\$ -

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	-	1,196	128,461
Total funds available	-	1,196	129,650
EXPENDITURES			
County Treasurer's fee	-	7	45
URA collection fee	-	-	1,891
Contingency	-	-	48,064
Total expenditures	-	7	50,000
Total expenditures and transfers out requiring appropriation	-	7	50,000
ENDING FUND BALANCES	\$ -	\$ 1,189	\$ 79,650

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	\$ -	\$ -	\$ -

**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.**