



Accountant's Compilation Report

Board of Directors
High Prairie Farms Metropolitan District
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the High Prairie Farms Metropolitan District for the General Fund for the year ending December 31, 2012, including the forecasted estimate of comparative information for the year ending December 31, 2011, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2010 is presented for comparative purposes only. Such information is taken from the 2010 audit report of the District for the year ended December 31, 2010 as prepared by Simmons & Wheeler, P.C., dated March 30, 2011 in which an unqualified opinion was expressed.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to High Prairie Farms Metropolitan District.

Clifton Gunderson LLP

Greenwood Village, Colorado
November 18, 2011

HIGH PRAIRIE FARMS METROPOLITAIN DISTRICT
GENERAL FUND
FORECASTED 2012 BUDGET AS ADOPTED
WITH 2010 ACTUAL AND 2011 ESTIMATED
For the Years Ended and Ending December 31,

11/18/2011

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
BEGINNING FUND BALANCES	\$ 838,724	\$ 667,051	\$ 826,620
REVENUES			
1 Property taxes	547,503	553,527	462,349
2 Specific ownership taxes	37,484	37,228	30,070
3 Conservation Trust entitlement	8,338	7,076	8,500
4 Net investment Income	12,405	4,000	2,000
5 Other income	449	1,501	500
6 Sale of equipment	1,500	-	-
7 IREA refunds	-	237	-
8 Contributions	6,845	-	-
Total revenues	614,524	603,569	503,419
Total funds available	1,453,248	1,270,620	1,330,039
EXPENDITURES			
General and administration			
9 Accounting	59,030	50,000	48,000
10 Audit	4,100	4,100	4,300
11 Contingency	-	5,641	3,965
12 County Treasurer's fees	8,234	8,303	6,935
13 Director fees	2,600	3,000	6,000
14 Dues and membership	613	620	800
15 Election	-	-	8,000
16 Insurance	6,488	6,948	9,000
17 Legal	19,192	28,000	28,000
18 Miscellaneous	960	518	2,000
19 Operations maintenance	256,972	277,404	320,000
20 Capital outlay	428,008	59,467	106,000
Total expenditures	786,197	444,000	543,000
Total expenditures and transfers out requiring appropriation	786,197	444,000	543,000
ENDING FUND BALANCES	\$ 667,051	\$ 826,620	\$ 787,039
EMERGENCY RESERVE			
Working capital	150,000	150,000	150,000
Funded depreciation	235,000	305,000	385,000
Reserve for entryway pond	60,000	80,000	100,000
TOTAL RESERVE	\$ 463,000	\$ 553,100	\$ 650,200

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

HIGH PRAIRIE FARMS METROPOLITAIN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

11/18/2011

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
ASSESSED VALUATION -			
Residential	\$ 42,066,080	\$ 42,564,070	\$ 35,829,820
Commercial	-	762,730	756,470
Agricultural	423,540	423,540	920
Vacant Land	2,650,050	1,847,800	1,497,510
Personal Property	129,610	118,690	4,320
State Assessed	463,300	445,760	439,930
Natural resources	30	30	90
Certified Assessed Value	<u>\$ 45,732,610</u>	<u>\$ 46,162,620</u>	<u>\$ 38,529,060</u>
MILL LEVY			
GENERAL FUND	12.000	12.000	12.000
Total Mill Levy	<u>12.000</u>	<u>12.000</u>	<u>12.000</u>
PROPERTY TAXES			
GENERAL FUND	\$ 548,791	\$ 553,951	\$ 462,349
Levied property taxes	548,791	553,951	462,349
Adjustments to actual/rounding	(331)	-	-
Refund and abatements	(957)	(424)	-
Budgeted Property Taxes	<u>\$ 547,503</u>	<u>\$ 553,527</u>	<u>\$ 462,349</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 547,503	\$ 553,527	\$ 462,349
	<u>\$ 547,503</u>	<u>\$ 553,527</u>	<u>\$ 462,349</u>

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

**HIGH PRAIRIE FARMS METROPOLITAIN DISTRICT
GENERAL FUND EXPENDITURE DETAILS
FORECASTED 2012 BUDGET AS ADOPTED
WITH 2010 ACTUAL AND 2011 ESTIMATED
For the Years Ended and Ending December 31,**

11/18/2011

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
Operations maintenance			
1 Building rent	\$ 500	\$ 500	\$ 500
2 Christmas lights	5,454	6,000	6,000
3 Erosion repair - parkway mulching	30,012	375	15,000
4 Maintenance - chemical and fertilizer	3,337	3,411	5,000
5 Maintenance - contract services	103,260	108,516	118,000
6 Maintenance - equipment repairs and parts	3,391	2,835	7,500
7 Maintenance - fuel and oil	3,624	4,000	4,000
8 Maintenance - other	16,616	38,000	35,000
9 Maintenance - sprinkler	2,538	4,616	5,000
10 Maintenance - tree spraying and maintenance	2,617	2,964	20,000
11 Maintenance - weed spraying	7,107	6,054	8,000
12 Maintenance - wild fire and land mitigation	47,180	60,000	50,000
13 Security	5,422	4,862	5,000
14 Sign maintenance and additions	-	632	10,000
15 Utilities	5,848	5,418	7,000
16 Water	20,066	29,222	24,000
Total Operations maintenance	<u>\$ 256,972</u>	<u>\$ 277,404</u>	<u>\$ 320,000</u>
Capital outlay			
17 Building	-	-	5,000
18 Detention pond	-	-	20,000
19 Equipment purchase	9,454	31,342	35,000
20 Fence replacement	-	-	3,000
21 Landscaping at entrances	-	-	-
22 Open space and pocket park	59,985	8,465	20,000
23 Signage - traffic	209,377	12,953	3,000
24 Street light Beautification - Parkway	140,690	-	-
25 Trails and sidewalks	8,502	6,707	20,000
Total Capital outlay	<u>\$ 428,008</u>	<u>\$ 59,467</u>	<u>\$ 106,000</u>

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

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2012 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

High Prairie Farms Metropolitan District (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized on May 5, 1986, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was established to provide public services, including streets, safety protection, transportation and park and recreational facilities. No change in the level of service is anticipated during 2012.

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

The District prepares its budget on the modified accrual basis of accounting.

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 page 3 of the Budget at the adopted mill levy of 12.000 mills, which is the same as the 2009 levy for collection in 2010, as approved by the District's voters at an election held in November 1996.

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 forecast assumes that the District's share will be equal to approximately 6% of the property taxes collected by the General Fund.

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2012 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - continued

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 0.50%.

Conservation Trust Entitlement

The District receives revenue from the State lottery on a per capita basis ratio. The revenue is restricted for certain costs related to parks and recreational activities under State statutes. The District anticipates incurring eligible expenditures to fully use this entitlement during the budget period.

Expenditures

County Treasurer's Fees

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

Administrative and Operating Expenditures

Most administrative and operating expenditures have been assumed to be at approximately the same level since no significant changes are anticipated in the level of services provided.

Debt and Leases

The District has no outstanding debt. The District has no capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2011 as defined under TABOR.

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2012 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Reserves - continued

Reserve Fund

The District considers any additional funds available at year-end reserved for future operations.

The District has set aside funds to be used for the future replacement of such capital items as fencing, landscaping, irrigation, and the entryway pond. A formal replacement reserve study has not been undertaken; and therefore, amounts accumulated may not be adequate to meet future needs.

The 2012 Budget anticipates using \$40,000 of Reserves; \$35,000 for equipment purchases and \$5,000 security services.

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