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CliftonLarsonAllen LLP

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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, 2014, including the forecasted estimate of comparative information for the year ending December 31, 2013, 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 2012 is presented for comparative purposes only. Such information is taken from the 2012 audit report of the District for the year ended December 31, 2012 as prepared by Simmons & Wheeler, P.C., dated March 18, 2013 in which an unmodified 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.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
November 20, 2013

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
GENERAL FUND
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,**

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 860,012	\$ 964,474	\$ 1,018,749
REVENUES			
1 Property taxes	461,956	463,386	475,606
2 Specific ownership taxes	35,524	37,500	33,292
3 Conservation Trust entitlement	10,830	10,000	10,000
4 Net investment Income	3,984	2,100	1,100
5 Other income	25,604	12,013	1,000
Total revenues	537,898	524,999	520,998
Total funds available	1,397,910	1,489,473	1,539,747
EXPENDITURES			
6 General and administration			
7 Accounting	49,392	50,000	53,000
8 Audit	4,000	4,200	4,300
9 Contingency	-	-	9,406
10 County Treasurer's fees	6,944	6,951	7,134
11 Director fees	2,400	3,400	8,500
12 Dues and membership	611	653	700
13 Election	-	-	20,000
14 Insurance	7,321	7,501	9,200
15 Legal	31,532	32,000	32,000
16 Miscellaneous	704	1,000	2,000
17 Website development	15,707	1,789	-
18 Operations maintenance	275,342	314,329	473,164
19 Capital outlay	14,664	23,901	380,500
Total expenditures	433,436	470,724	1,025,904
Total expenditures requiring appropriation	433,436	470,724	1,025,904
ENDING FUND BALANCES	\$ 964,474	\$ 1,018,749	\$ 513,843
Emergency Reserve	\$ 15,900	\$ 15,300	\$ 15,700
Working capital	150,000	78,705	78,705
Funded depreciation	385,000	475,000	279,179
Reserve for entryway pond	100,000	120,000	140,000
TOTAL RESERVE	\$ 650,900	\$ 689,005	\$ 513,584

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
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 35,829,820	\$ 36,157,020	\$ 37,618,690
Commercial	756,470	765,510	-
Agricultural	920	920	1,050
Vacant Land	1,497,510	1,233,760	1,664,130
Personal Property	4,320	3,730	3,390
State Assessed	439,930	490,670	345,478
Natural resources	90	90	1,060
Certified Assessed Value	<u>\$ 38,529,060</u>	<u>\$ 38,651,700</u>	<u>\$ 39,633,798</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	\$ 462,349	\$ 463,820	\$ 475,606
Levied property taxes	462,349	463,820	475,606
Adjustments to actual/rounding	(252)	-	-
Refund and abatements	(141)	(434)	-
Budgeted Property Taxes	<u>\$ 461,956</u>	<u>\$ 463,386</u>	<u>\$ 475,606</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 461,956	\$ 463,386	\$ 475,606
	<u>\$ 461,956</u>	<u>\$ 463,386</u>	<u>\$ 475,606</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
GENERAL FUND EXPENDITURE DETAILS
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,**

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
Operations maintenance			
1 Building rent	\$ 500	\$ 500	\$ 500
2 Christmas lights	6,053	6,000	7,000
3 Erosion repair - walking pathways	-	-	50,000
4 Maintenance - chemical and fertilizer	3,641	5,000	5,000
5 Maintenance - contract services	112,524	112,524	118,164
6 Maintenance - equipment repairs and parts	6,651	5,000	10,000
7 Maintenance - fuel and oil	3,967	4,750	5,500
8 Maintenance - other	28,026	30,000	38,000
9 Maintenance - sprinkler	4,016	2,000	6,000
10 Maintenance - tree spraying and maintenance	30,078	50,000	50,000
11 Maintenance - weed spraying	2,248	10,155	15,000
12 Maintenance - wild fire and land mitigation	52,055	75,000	125,000
13 Security	5,266	5,400	5,000
14 Sign maintenance and additions	82	-	10,000
15 Utilities	7,643	8,000	8,000
16 Erosion maintenance - parkway mulching	-	-	20,000
17 Repairs and maintenance	12,592	-	-
18 Water	24,819	25,000	26,000
Total Operations maintenance	<u>\$ 275,342</u>	<u>\$ 314,329</u>	<u>\$ 473,164</u>
Capital outlay			
19 Building	-	-	2,500
20 Contingency	-	-	50,000
21 Detention pond	-	-	20,000
22 Equipment purchase	11,967	23,901	30,000
23 Fence replacement	-	-	3,000
24 Open space and pocket park	-	-	40,000
25 Signage - traffic	2,697	-	5,000
26 Sprinkler replacement - Entryway	-	-	5,000
27 Trails and sidewalks	-	-	225,000
Total Capital outlay	<u>\$ 14,664</u>	<u>\$ 23,901</u>	<u>\$ 380,500</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
2014 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 2014.

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 2012 levy for collection in 2013, 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 8% of the property taxes collected by the General Fund.

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2014 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 0.12%.

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.

Capital Outlay

The District anticipates improvements to trails and sidewalks in 2014. The trail improvements will be completed in Prairie Lake Trails - \$50,000, Pocket Park Trails -\$25,000 and Timber Creek Trails \$150,000.

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 2013 as defined under TABOR.

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2014 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.

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