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Accountant's Compilation Report

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

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of High Prairie Farms Metropolitan District for the year ending December 31, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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.

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 High Prairie Farms Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 4, 2016

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
GENERAL FUND
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 1,049,020	\$ 1,043,791	\$ 983,689
REVENUES			
1 Property taxes	475,534	478,956	534,736
2 Specific ownership taxes	42,672	45,000	48,126
3 Conservation Trust entitlement	10,807	10,000	10,000
4 Net investment Income	2,692	2,500	2,000
5 Reimbursed expenditures	3,342	-	-
6 Other income	4,169	2,618	1,000
7 Sale of equipment	5,000	-	-
8 IREA refunds	-	424	-
Total revenues	<u>544,216</u>	<u>539,498</u>	<u>595,862</u>
Total funds available	<u>1,593,236</u>	<u>1,583,289</u>	<u>1,579,551</u>
EXPENDITURES			
9 General and administration			
10 Accounting	56,369	57,000	59,000
11 Audit	4,200	4,200	4,300
12 Contingency	-	-	9,386
13 County Treasurer's fees	7,143	7,184	8,021
14 Director fees	5,700	8,000	8,000
15 Dues and membership	760	750	800
16 Election	1,763	-	20,000
17 Insurance	8,567	9,147	9,525
18 Legal	46,518	55,000	55,000
19 Miscellaneous	988	3,017	2,936
20 Record retention	-	5,000	5,000
21 Website and communication	575	289	3,500
22 Operations maintenance	272,683	342,386	423,132
23 Capital outlay	144,179	107,627	500,500
24 Capital outlay	-	-	40,000
Total expenditures	<u>549,445</u>	<u>599,600</u>	<u>1,149,100</u>
Total expenditures requiring appropriation	<u>549,445</u>	<u>599,600</u>	<u>1,149,100</u>
ENDING FUND BALANCES	<u>\$ 1,043,791</u>	<u>\$ 983,689</u>	<u>\$ 430,451</u>
Emergency Reserve	\$ 15,900	\$ 16,180	\$ 17,880
Working capital	78,705	103,000	127,000
Capital replacement	447,035	192,280	285,571
Reserve for fountain pond	140,000	140,000	-
TOTAL RESERVE	<u>\$ 681,640</u>	<u>\$ 451,460</u>	<u>\$ 430,451</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
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

1/4/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 37,618,690	\$ 37,959,300	\$ 42,343,670
Agricultural	1,050	1,050	730
Vacant Land	1,664,130	1,598,930	1,861,140
Personal Property	3,390	-	-
State Assessed	345,478	352,700	354,700
Natural resources	1,060	1,060	1,060
Certified Assessed Value	<u>\$ 39,633,798</u>	<u>\$ 39,913,040</u>	<u>\$ 44,561,300</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	\$ 475,606	\$ 478,956	\$ 534,736
Levied property taxes	475,606	478,956	534,736
Adjustments to actual/rounding	(72)	-	-
Budgeted Property Taxes	<u>\$ 475,534</u>	<u>\$ 478,956</u>	<u>\$ 534,736</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 475,534	\$ 478,956	\$ 534,736
	<u>\$ 475,534</u>	<u>\$ 478,956</u>	<u>\$ 534,736</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
2016 BUDGET AS ADOPTED
WITH 2014 ACTUAL AND 2015 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
Operations maintenance			
1 Building rent	\$ 500	\$ 500	\$ 500
2 Christmas lights	4,976	8,000	8,000
3 Erosion repair - walking pathways	-	-	10,000
4 Maintenance - chemical and fertilizer	2,169	4,100	5,000
5 Maintenance - contract services	118,164	130,548	135,132
6 Maintenance - equipment repairs and parts	10,973	10,000	10,000
7 Maintenance - fuel and oil	1,830	5,500	5,500
8 Maintenance - other *	17,157	20,000	30,000
9 Maintenance - sprinkler	731	2,800	8,000
10 Maintenance - tree spraying and maintenance	41,760	75,038	75,000
11 Maintenance - weed spraying	7,556	10,000	15,000
12 Maintenance - wild fire and land mitigation	21,285	40,000	40,000
13 Security and traffic safety	5,193	5,400	10,000
14 Sign maintenance and additions	-	2,500	5,000
15 Utilities	6,470	6,000	8,000
16 Erosion maintenance - parkway mulching	12,233	4,500	20,000
17 General engineering	-	-	10,000
18 Reserve study	-	-	-
19 Water	21,686	17,500	28,000
Total Operations maintenance	<u>\$ 272,683</u>	<u>\$ 342,386</u>	<u>\$ 423,132</u>
Capital outlay			
20 Building	-	-	2,500
21 Contingency	3,362	-	20,000
22 Detention ponds & storm drainage	-	-	75,000
23 Equipment purchase	39,800	16,800	40,000
24 Fence replacement	-	-	3,000
25 Fountain pond	-	-	250,000
26 Horned Owl Trail	-	10,827	-
27 Mailboxes and landscape	-	33,000	15,000
28 Open space and pocket park	14,046	15,000	15,000
29 Signage - traffic	17,237	2,000	2,000
30 Sprinkler replacement	6,280	-	8,000
31 Storm drainage (Engineering)	-	30,000	30,000
32 Trails and sidewalks	63,454	-	40,000
Total Capital outlay	<u>\$ 144,179</u>	<u>\$ 107,627</u>	<u>\$ 500,500</u>
Capital outlay			
33 Beautification	\$ -	\$ -	\$ 15,000
34 Landscaping improvements	-	-	15,000
35 Playgroud equipment	-	-	10,000
Total Capital outlay	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>

* Maintenance - other includes cost for planting and maintaining annual flowers and the maintenance of the Pinery Sculpture.

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
2016 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 2016.

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 in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

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 2014 levy for collection in 2015, 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 budget assumes that the District's share will be equal to approximately 9% of the property taxes collected by the General Fund.

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2016 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 0.20%.

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.

Expenditures for trails and sidewalks include various items such as dog stations and signage.

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 2016 as defined under TABOR.

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2016 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 fountain 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 budget.