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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, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, 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 2013 is presented for comparative purposes only. Such information is taken from the 2013 audit report of the District for the year ended December 31, 2013 as prepared by Simmons & Wheeler, P.C., dated March 5, 2014 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
December 4, 2014

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
GENERAL FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2013 ACTUAL AND 2014 ESTIMATED
For the Years Ended and Ending December 31,

12/4/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ 964,474	\$ 1,049,020	\$ 880,308
REVENUES			
1 Property taxes	464,021	475,606	478,956
2 Specific ownership taxes	38,897	42,838	38,316
3 Conservation Trust entitlement	11,858	10,000	10,000
4 Net investment Income	2,779	2,400	2,000
5 Other income	7,741	9,169	1,000
6 Sale of equipment	6,100	-	-
Total revenues	<u>531,396</u>	<u>540,013</u>	<u>530,272</u>
Total funds available	<u>1,495,870</u>	<u>1,589,033</u>	<u>1,410,580</u>
EXPENDITURES			
7 General and administration			
8 Accounting	48,117	53,000	57,000
9 Audit	4,200	4,200	4,300
10 Contingency	-	-	9,377
11 County Treasurer's fees	6,973	7,134	7,184
12 Director fees	3,200	8,500	8,500
13 Dues and membership	673	760	700
14 Election	-	1,763	-
15 Insurance	7,523	8,567	9,200
16 Legal	25,038	36,000	45,000
17 Miscellaneous	1,026	1,000	2,091
18 Website development	1,789	575	3,500
19 Operations maintenance	302,021	395,564	503,948
20 Capital outlay	26,201	167,662	415,500
Total expenditures	<u>446,850</u>	<u>708,725</u>	<u>1,099,300</u>
Total expenditures requiring appropriation	<u>446,850</u>	<u>708,725</u>	<u>1,099,300</u>
ENDING FUND BALANCES	<u>\$ 1,049,020</u>	<u>\$ 880,308</u>	<u>\$ 311,280</u>
Emergency Reserve	\$ 15,300	\$ 15,700	\$ 16,000
Working capital	78,705	78,705	78,705
Funded depreciation	475,000	447,035	216,575
Reserve for entryway pond	120,000	140,000	-
TOTAL RESERVE	<u>\$ 689,005</u>	<u>\$ 681,440</u>	<u>\$ 311,280</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,

12/4/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 35,829,820	\$ 37,618,690	\$ 37,959,300
Commercial	756,470	-	-
Agricultural	920	1,050	1,050
Vacant Land	1,233,760	1,664,130	1,598,930
Personal Property	3,730	3,390	-
State Assessed	490,670	345,478	352,700
Natural resources	90	1,060	1,060
Certified Assessed Value	\$ 38,315,460	\$ 39,633,798	\$ 39,913,040
MILL LEVY			
GENERAL FUND	12.000	12.000	12.000
Total Mill Levy	12.000	12.000	12.000
PROPERTY TAXES			
GENERAL FUND	\$ 459,786	\$ 475,606	\$ 478,956
Levied property taxes	459,786	475,606	478,956
Adjustments to actual/rounding	4,376	-	-
Refund and abatements	(141)	-	-
Budgeted Property Taxes	\$ 464,021	\$ 475,606	\$ 478,956
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 464,021	\$ 475,606	\$ 478,956
	\$ 464,021	\$ 475,606	\$ 478,956

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 2015 BUDGET AS ADOPTED
WITH 2013 ACTUAL AND 2014 ESTIMATED
For the Years Ended and Ending December 31,

12/4/2014

	ACTUAL 2013	ESTIMATED 2014	ADOPTED 2015
Operations maintenance			
1 Building rent	\$ 500	\$ 500	\$ 500
2 Christmas lights	4,976	6,000	8,000
3 Erosion repair - walking pathways	-	50,000	50,000
4 Maintenance - chemical and fertilizer	112	5,000	5,000
5 Maintenance - contract services	112,524	118,164	130,548
6 Maintenance - equipment repairs and parts	6,112	10,000	10,000
7 Maintenance - fuel and oil	4,354	5,500	5,500
8 Maintenance - other	18,269	38,000	38,000
9 Maintenance - sprinkler	915	6,000	8,000
10 Maintenance - tree spraying and maintenance	40,120	50,000	60,000
11 Maintenance - weed spraying	10,155	15,000	15,000
12 Maintenance - wild fire and land mitigation	92,588	60,000	125,000
13 Security	5,411	5,400	5,400
14 Sign maintenance and additions	-	5,000	5,000
15 Utilities	5,985	6,000	8,000
16 Erosion maintenance - parkway mulching	-	15,000	30,000
17 Reserve study	-	-	7,000
18 Water	20,089	24,000	26,000
Total Operations maintenance	\$ 302,021	\$ 395,564	\$ 503,948
Capital outlay			
19 Building	-	-	2,500
20 Contingency	-	3,362	20,000
21 Detention ponds	-	-	75,000
22 Equipment purchase	26,201	39,800	30,000
23 Fence replacement	-	-	3,000
24 Fountain pond	-	-	140,000
25 Mailboxes	-	-	20,000
26 Open space and pocket park	-	15,000	15,000
27 Signage - traffic - Filing 29/30	-	8,000	10,000
28 Sprinkler replacement - Entryway	-	6,500	-
29 Storm drainage (Includes Engineering)	-	20,000	50,000
30 Trails and sidewalks	-	75,000	50,000
Total Capital outlay	\$ 26,201	\$ 167,662	\$ 415,500

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
2015 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 2015.

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 2013 levy for collection in 2014, 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
2015 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.

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 2015 as defined under TABOR.

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2015 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.