



**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

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### **Accountant's Compilation Report**

Board of Directors  
Highway 119 Metropolitan District No. 1  
Weld County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Highway 119 Metropolitan District No. 1 (District), for the year ending December 31, 2022, including the estimate of comparative information for the year ending December 31, 2021, and the actual comparative information for the year ending December 31, 2020, in the format required 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.

The actual comparative information for the year ending December 31, 2020 is presented for comparative purposes as required by Colorado Revised Statutes 29-1-105. Such information is taken from the application for exemption from audit of the district for the year ended December 31, 2020. Schilling & Company, Inc. compiled the application for exemption from audit for the year ended December 31, 2020, whose report was dated February 10, 2021.

The budget is presented in accordance with the requirements of Colorado Revised Statutes 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 Highway 119 Metropolitan District No. 1.

*SCHILLING & COMPANY, INC.*

Highlands Ranch, Colorado  
December 7, 2021

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1  
PROPERTY TAX SUMMARY INFORMATION  
2022 BUDGET AS ADOPTED  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<b>ACTUAL 2020</b>	<b>ADOPTED 2021</b>	<b>ADOPTED 2022</b>
Assessed Valuation			
Weld County	\$ 10	\$ 10	\$ 10
Total Assessed Valuation	\$ 10	\$ 10	\$ 10
Mill Levy			
General Fund	-	-	-
Total Mill Levy	-	-	-
Tax Revenue			
General Fund	\$ -	\$ -	\$ -
Total Tax Revenue	\$ -	\$ -	\$ -

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

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2022 BUDGET AS ADOPTED  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2020</u>	<u>ESTIMATED 2021</u>	<u>ADOPTED BUDGET 2022</u>
<b>Beginning Funds Available</b>	\$ 418,223	\$ 826,407	\$ 1,007,383
<b>Revenue</b>			
Interest Income	2,889	456	600
Intergovernmental transfer from District No. 2	470,897	236,226	115,692
<b>Total Revenue</b>	<u>473,786</u>	<u>236,682</u>	<u>116,292</u>
<b>Total Funds Available</b>	<u>892,009</u>	<u>1,063,089</u>	<u>1,123,675</u>
<b>Expenditures</b>			
Management Fees	1,754	-	-
Accounting	7,322	10,331	10,500
Audit	8,000	-	-
Legal	38,125	33,444	60,000
Election	2,925	-	10,000
Engineering	192	-	-
Insurance	7,099	5,185	6,000
Office expenses	185	120	200
Capital outlay:			
Design/engineering	-	6,626	-
Oligarchy Ditch relocation project	-	-	600,000
Contingency	-	-	10,000
<b>Total Expenditures requiring appropriation</b>	<u>65,602</u>	<u>55,706</u>	<u>696,700</u>
<b>Ending Funds Available</b>	<u>\$ 826,407</u>	<u>\$ 1,007,383</u>	<u>\$ 426,975</u>
<b>Emergency Reserve</b>	<u>\$ 14,220</u>	<u>\$ 7,200</u>	<u>\$ 3,500</u>

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

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2022 BUDGET AS ADOPTED  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2020</u>	<u>ESTIMATED 2021</u>	<u>ADOPTED BUDGET 2022</u>
<b>Beginning Funds Available</b>	\$ 1,903,309	\$ 1,876,286	\$ 1,234,910
<b>Revenue</b>			
Contractual obligation - District No. 2	-	7,681	-
Interest earnings	12,724	972	1,100
<b>Total Revenue</b>	<u>12,724</u>	<u>8,653</u>	<u>1,100</u>
<b>Total Funds Available</b>	<u>1,916,033</u>	<u>1,884,939</u>	<u>1,236,010</u>
<b>Expenditures</b>			
Service Plan Amendment	-	-	30,000
Legal	5,768	7,046	15,000
Engineering	33,979	34,742	50,000
Inspection and maintenance	-	4,527	10,000
Capital outlay - water infrastructure	-	603,714	1,131,010
<b>Total Expenditures requiring appropriation</b>	<u>39,747</u>	<u>650,029</u>	<u>1,236,010</u>
<b>Ending Funds Available</b>	<u>\$ 1,876,286</u>	<u>\$ 1,234,910</u>	<u>\$ -</u>

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

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2022 annual budget. Actual results may differ from the prospective results contained in the budget.

**SERVICES PROVIDED**

The District was organized in 2009 along with Highway 119 Metropolitan District Nos. 2, 3, 4, 5 and 6. District Nos. 7, 8, 9 and 10 were organized in 2017. All of the Districts combined are referred to as the Districts. The Districts were organized in Weld County, Colorado and are governed pursuant to provisions of the Colorado Special District Act. The Districts were organized to finance, construct, acquire, and, if required or authorized by an intergovernmental agreement with the Town of Firestone, operate and maintain certain streets, traffic safety controls, street lighting, water, sanitary sewer, landscaping, storm sewers, flood and surface drainage and park and recreation improvements.

The District obtained voter approval to retain and spend any excess revenues collected under Article X, Section 20 of the Colorado Constitution.

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

**REVENUE**

*Intergovernmental Transfers*

Highway 119 Metropolitan District No. 2 (District No. 2) levies taxes for operations and transfers those collections to the District. All of the administrative costs of both districts are then paid by the District.

District No. 2 also levies taxes as required by the Capital Pledge Agreement and transfers them to the District. The revenues collected under this contractual obligation have been recorded in the Capital Projects Fund. As of December 31, 2021, District No. 2 had fulfilled its obligation under the agreement and therefore, no debt service mill has been levied.

*Investment Income*

Interest earned on the District's available funds has been estimated based on interest earnings from the prior year.

**EXPENDITURES**

District expenditures are forecasted based on prior years' amounts expended adjusted for known variations. The District has budgeted inflationary increases for 2022 with no significant changes in the level of services provided. It is anticipated that the District will be amending the service plan and therefore has budgeted \$30,000 in legal fees to amend the service plan.

**HIGHWAY 119 METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**CAPITAL OUTLAY**

The District anticipates paying for the design and construction of a water infrastructure and the relocation of a water ditch during 2022.

**RESERVES**

The District has provided for an emergency reserve fund to at least 3% of fiscal year spending for 2022, as defined under TABOR.

This information is an integral part of the accompanying budget.