AGENDA
Timnath Landing General Improvement District Board Meeting Meeting
6:00 PM - Tuesday, July 28, 2020
4750 Signal Tree Drive, Timnath, Colorado

1. CALL TO ORDER AND ROLL CALL
2. AMENDMENTS TO THE AGENDA
3. REPORTS
   3.a. Chairperson and Commissioner Reports
4. BUSINESS
   4.a. RESOLUTION NO. GID-01, SERIES 2020, A Resolution Accepting the 2019 Audit Performed by WIPFLI
       Staff Report - Pdf
       MANAGEMENT REPORT_2019
       RESOLUTION 2019 AUDIT_2019
       12.31.19 FINANCIAL STATEMENTS FINAL_2019
       Presented by: Christine Harwell
5. ADJOURNMENT

DISCLAIMER
ADA Disclaimer: The Town of Timnath will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. If you need reasonable accommodation please notify us 24 hours in advance of the service, program or activity. Please call 970-224-3211 (TTY: Dial 711 or 800-659-3656 for Relay Colorado assistance).
**DESCRIPTION**
A Resolution Accepting the 2019 Audit Performed by WIPFLI

**SUMMARY**
This Resolution accepts the Timnath Landing General Improvement District’s (District) financial statements for the year ended December 31, 2019 as audited by the District’s independent auditor. Upon completion of their audit fieldwork, the auditor had no proposed adjustments related to the District’s 2019 financial statements. A management letter summarizing their conclusions and audit process is attached for the Board’s review.

**RECOMMENDATION**
Staff recommends acceptance of the 2019 audit report and approval of the related Resolution.

**KEY POINTS**
The audited 2019 financial statements for the District present fairly, in all material respects, the respective financial position of the Town in accordance with generally accepted accounting principles.

**ADVANTAGES**
Allows the District to be in compliance with statutory filing requirements.

**DISADVANTAGES**
If the District fails to file the annual audit, the District would be in violation of state law.
FINANCIAL IMPLICATIONS
None

RECOMMENDED MOTION
Motion to approve resolution accepting the 2019 audit performed by WIPFLI.

ATTACHMENTS
Management Letter
Resolution
2019 Audit Report
Timnath Landing General Improvement District

Report to Those Charged with Governance

Year Ended December 31, 2019
To the Board of Directors of
Timnath Landing General Improvement District

We are in the process of completing our audit of the financial statements of Timnath Landing General Improvement District (the "District") for the year ended December 31, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 27, 2019 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents containing our audited financial statements.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We determined no accounting estimates that were considered significant to the financial statements as a whole that would require evaluation of assumptions used to determine the estimate.

The disclosures in the financial statements are neutral, consistent and clear. There were no financial statement disclosures that were considered particularly sensitive to financial statement users in our opinion.
Difficulties encountered in Performing the Audit

No difficulties were encountered during the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We made no adjustments to the financial statements and communicated no known or likely misstatements to management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

At the completion of the audit, we will request certain representations from management that will be included in a separate management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Wipfli LLP

June 23, 2020
WHEREAS, the Town Council of the Town of Timnath (“Town”) pursuant to C.R.S. § 31-15-103, has the power to pass resolutions; and

WHEREAS, pursuant to Ordinance No. 9, Series 2019, the Town Council approved the establishment of the Town of Timnath – Timnath Landing General Improvement District (the “District”); and

WHEREAS, attached hereto as Exhibit A is the District’s financial statements for the year ended December 31, 2019 as audited by the District’s independent auditor (“2019 Audit Report”); and

WHEREAS, the District’s Board is familiar with the 2019 Audit Report and finds it to be in the best interest of the Town, its residents, the general public, and the District to approve the 2019 Audit Report.

NOW, THEREFORE, BE IT RESOLVED BY THE TIMNATH LANDING GENERAL IMPROVEMENT DISTRICT OF THE TOWN OF TIMNATH, COLORADO AS FOLLOWS:

Section 1. Approval
The District Board accepts the 2019 Audit Report and hereby directs the District’s Accountant to file the 2019 Audit Report with the State of Colorado as required by Colorado Law.


TOWN OF TIMNATH – TIMNATH
LANDING GENERAL IMPROVEMENT
DISTRICT

Mark Soukup, Mayor/Chairman of the Board of Directors
ATTEST:

___________________________________
Milissa Peters-Garcia, CMC
Town Clerk/District Secretary
INDEPENDENT AUDITOR’S REPORT
I

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
1

STATEMENT OF ACTIVITIES
2

FUND FINANCIAL STATEMENTS

BALANCE SHEET – GOVERNMENTAL FUNDS
3

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
5

GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
6

NOTES TO BASIC FINANCIAL STATEMENTS
7

SUPPLEMENTARY INFORMATION

CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
16
Independent Auditor’s Report

Board of Directors
Timnath Landing General Improvement District
Larimer County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Timnath Landing General Improvement District (the “District”) as of December 31, 2019 and for the period from August 27, 2019 through December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(I)
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Timnath Landing General Improvement District as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund for the period from August 27, 2019 through December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District’s financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Lakewood, Colorado
June 23, 2020
TIMNATH LANDING GENERAL IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019

See accompanying Notes to Basic Financial Statements.

(1)
### FUNCTIONS/PROGRAMS

**Primary Government:**
- **Governmental Activities:**
  - **General Government**

<table>
<thead>
<tr>
<th>Program Revenues</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,226,565</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (1,226,565)</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$ 1,226,565</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>(1,226,565)</td>
</tr>
</tbody>
</table>

**GENERAL REVENUES**

| Total General Revenues | $ - |

**CHANGE IN NET POSITION**

<table>
<thead>
<tr>
<th>Net Position - Beginning of Year</th>
<th>$ (1,226,565)</th>
</tr>
</thead>
</table>

| NET POSITION - END OF YEAR | $ (1,226,565) |

---

See accompanying Notes to Basic Financial Statements.

(2)
Total Liabilities and Fund Balances

Amounts reported for governmental activities in the statement of net position are different because:

- Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.
- Developer Advances Payable
  - (1,189,790)
- Town Advances Payable
  - (31,118)

Net Position of Governmental Activities

$ (1,226,565)
TIMNATH LANDING GENERAL IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
PERIOD ENDED DECEMBER 31, 2019

See accompanying Notes to Basic Financial Statements.
Net Change in Fund Balances - Governmental Funds  $ (5,657)

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developer Advances</td>
<td>(1,189,790)</td>
</tr>
<tr>
<td>Town Advances</td>
<td>(31,118)</td>
</tr>
<tr>
<td><strong>Change in Net Position of Governmental Activities</strong></td>
<td><strong>$ (1,226,565)</strong></td>
</tr>
</tbody>
</table>

*See accompanying Notes to Basic Financial Statements.*
# TIMNATH LANDING GENERAL IMPROVEMENT DISTRICT
## GENERAL FUND
### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
#### PERIOD ENDED DECEMBER 31, 2019

See accompanying Notes to Basic Financial Statements.

<table>
<thead>
<tr>
<th></th>
<th>Original And Final Budget</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>8,000</td>
<td>5,105</td>
<td>2,895</td>
</tr>
<tr>
<td>Legal services</td>
<td>10,000</td>
<td>1,994</td>
<td>8,006</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>500</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Organizational costs</td>
<td>25,000</td>
<td>29,676</td>
<td>29,676</td>
</tr>
<tr>
<td>Contingency</td>
<td>6,500</td>
<td>(4,676)</td>
<td>(4,676)</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>50,000</td>
<td>(6,500)</td>
<td>13,225</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(50,000)</td>
<td>(36,775)</td>
<td>13,225</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town Advances</td>
<td>50,000</td>
<td>31,118</td>
<td>(18,882)</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>50,000</td>
<td>31,118</td>
<td>(18,882)</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance - Beginning of Year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCES - END OF YEAR</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

See accompanying Notes to Basic Financial Statements.
NOTE 1  DEFINITION OF REPORTING ENTITY

Timnath Landing General Improvement District (the District), a public improvement district and a quasi-municipal corporation, was duly organized pursuant to Part 6, Article 25, Title 31, Colorado Revised Statutes (C.R.S.) and Ordinance of the Town of Timnath (the “Town”) on August 27, 2019. The District is its own local governmental entity, separate from the Town and the Timnath Development Authority. Pursuant to Section 31-25-609, C.R.S., the Town Council constitutes the Board of Directors of the District.

The District was created to reimburse the Developer for extra-ordinary improvements including public streets, park and recreation, water, sanitation, and safety.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is a component unit of the City for financial statement reporting purposes.

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

NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.
NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)
The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets
In accordance with the State Budget Law, the District's Board of Directors hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

Pooled Cash and Investments
The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility.

Property Taxes
Property taxes are levied by the District's Board. The levy is based on assessed valuations determined by the City Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the Denver City Council to put the tax lien on the individual properties as of January 1 of the following year. The City 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 City Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets
All extraordinary capital assets are to be constructed by the Town. As such the District does not record any capital assets.

Equity
Net Position
For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance
Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

Deficits
The General Fund reported a deficit in the fund financial statements as of December 31, 2019. This deficit will be eliminated with Town advances in 2020.

NOTE 3 CASH AND INVESTMENTS

Deposits with Financial Institutions
The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.
NOTE 3  CASH AND INVESTMENTS (CONTINUED)

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District had no cash deposits.

Investments
The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
* Local government investment pools

As of December 31, 2019, the District had no investments.
NOTE 4  LONG-TERM OBLIGATIONS

The District has the following long-term obligations for the year ended December 31, 2019:

<table>
<thead>
<tr>
<th></th>
<th>Balance -</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balance -</th>
<th>Due Within</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>August 27,</td>
<td>December 31,</td>
<td></td>
<td>One Year</td>
<td></td>
</tr>
<tr>
<td>Developer Advances</td>
<td>$ -</td>
<td>$ 1,189,790</td>
<td>$ -</td>
<td>$ 1,189,790</td>
<td>$ -</td>
</tr>
<tr>
<td>Town Advances</td>
<td>$ -</td>
<td>$ 31,118</td>
<td>$ -</td>
<td>$ 31,118</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ -</td>
<td>$ 1,220,908</td>
<td>$ -</td>
<td>$ 1,220,908</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Developer Advances**

The Town and CAC Timnath, LLC (the “Developer”) entered into a certain Amended and Restated Master Subdivision Improvement Agreement for Timnath Landing, dated October 24, 2017 (“SIA”). Pursuant to the SIA, the Town and Developer agreed to cooperate to organize a general improvement district for the purpose of reimbursing the Developer for its share of the extra-ordinary improvements described in the SIA and associated with the project known as Timnath Landing. The District is authorized to pay or repay, by ad valorem property taxes imposed against all taxable real and personal property within the District, the total cost of the Developer extraordinary improvements which are estimated to total approximately $10.1 million. The District is authorized to impose an aggregate of 15 mills for up to 40 years, after which any outstanding reimbursement debts shall be forgiven in their entirety. The costs of organizing and administering the District are reimbursed to the Town on a first priority basis, followed by reimbursement of the Developer share of extra-ordinary costs. The Developer’s reimbursed share consists of the actual amount contributed by the Developer. The Developer is not entitled to interest on these reimbursed amounts.

**Town Advances**

On December 10, 2019, The District entered into an intergovernmental agreement to repay advances made by the Town for the District’s annual operating costs as well as District organizational costs. Pursuant to the agreement, the Town agrees to loan to the District sums of money not to exceed $50,000 per year for five years, up to $250,000. The District agrees to reimburse the Town for such advances prior to any advances to be reimbursed to the Developer.
NOTE 4  LONG-TERM OBLIGATIONS (CONTINUED)

**Authorized Debt**

On November 5, 2019, the District’s voters authorized total indebtedness of $240,000,000 for construction of public improvements, operations and maintenance expenditures, and debt refunding. At December 31, 2019, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Authorized on November 5, 2019</th>
<th>Authorized But Unissued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Improvements</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Parks and Recreation</td>
<td>20,000,000</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Potable and Non-Potable Water</td>
<td>20,000,000</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Sanitation/Storm Water</td>
<td>20,000,000</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Traffic and Safety</td>
<td>20,000,000</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Operations and Maintenance Debt</td>
<td>20,000,000</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Refunding Debt</td>
<td>120,000,000</td>
<td>120,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$240,000,000</strong></td>
<td><strong>$240,000,000</strong></td>
</tr>
</tbody>
</table>

NOTE 5  NET POSITION

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of long-term obligations for public improvements constructed by the Town and paid by the Developer as well as advances made by the Town for District operating and organizational costs.

NOTE 6  TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.
NOTE 6  TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Since all revenues received in 2019 are related to developer advances or advances from the Town, no emergency revenue has been provided for.

The District’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.
### TIMNATH LANDING GENERAL IMPROVEMENT DISTRICT
### CAPITAL PROJECTS FUND
### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
### PERIOD ENDED DECEMBER 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Original And Final Budget</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timnath Landing Parkway</td>
<td>271,260</td>
<td>271,260</td>
<td>-</td>
</tr>
<tr>
<td>Harmony Road Prior Costs</td>
<td>729,550</td>
<td>729,550</td>
<td>-</td>
</tr>
<tr>
<td>Harmony Road Future Costs</td>
<td>113,960</td>
<td>113,960</td>
<td>-</td>
</tr>
<tr>
<td>Boxelder Floodplain</td>
<td>75,020</td>
<td>75,020</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>1,189,790</td>
<td>1,189,790</td>
<td>-</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>(1,189,790)</td>
<td>(1,189,790)</td>
<td>-</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developer Advances</td>
<td>1,189,790</td>
<td>1,189,790</td>
<td>-</td>
</tr>
<tr>
<td>Total Other Financing Sources (Uses)</td>
<td>1,189,790</td>
<td>1,189,790</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance - Beginning of Year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCES - END OF YEAR</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

(16)