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Accountant's Compilation Report

Board of Directors
Hance Ranch Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Hance Ranch Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105, and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. 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 budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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 Hance Ranch Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 30, 2019



An independent member of Nexia International

**HANCE RANCH METROPOLITAN DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/19

	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -
REVENUE		
Property taxes	-	34,557
Specific ownership tax	-	2,765
Developer advance	50,000	13,778
Total revenue	50,000	51,100
Total funds available	50,000	51,100
EXPENDITURES		
General and administrative		
Accounting	10,000	20,000
County Treasurer's fee	-	518
Dues	-	500
Insurance	-	2,000
Legal	15,000	25,000
Election	-	1,500
Contingency	25,000	482
Total expenditures	50,000	50,000
Total expenditures and transfers out requiring appropriation	50,000	50,000
ENDING FUND BALANCE	\$ -	\$ 1,100
EMERGENCY RESERVE	\$ -	\$ 1,100
TOTAL RESERVE	\$ -	\$ 1,100

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

**HANCE RANCH METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/30/19

ESTIMATED	BUDGET
2019	2020

ASSESSED VALUATION

Vacant land	\$	-	\$	457,562
Certified Assessed Value	\$	-	\$	457,562

MILL LEVY

General		0.000		75.524
Total mill levy		0.000		75.524

PROPERTY TAXES

General	\$	-	\$	34,557
Budgeted property taxes	\$	-	\$	34,557

BUDGETED PROPERTY TAXES

General	\$	-	\$	34,557
	\$	-	\$	34,557

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

**HANCE RANCH METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Hance Ranch Metropolitan District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order of the District Court in Jefferson County on November 19, 2019, and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District's service area is location in Jefferson County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$6,000,000. In the future, the District may issue a portion or all of the authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts' service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District has no employees and all administrative functions are contractual.

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 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Developer Advances

The District's general and administrative costs in 2020 will be partially funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bonds proceeds (if applicable) and other legally available revenue.

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, sale 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 the property tax summary information page of the budget.

**HANCE RANCH METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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 8% of the property taxes collected.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

Debt and Leases

The District has no debt, nor any capital and operating leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending.

This information is an integral part of the accompanying budget.