

LAW OFFICE OF MICHAEL E. DAVIS, LLC

April 29, 2022

Elbert County Clerk & Recorder
215 Comanche Street
Kiowa, CO 80117

Division of Local Government
Department of Local Affairs
1313 Sherman Street, Room 521
Denver, CO 80203

Office of the State Auditor
Local Government Audit Division
1525 Sherman Street, 7th Floor
Denver, CO 80203

RE: 2021 Annual Report

To Whom It May Concern:

Enclosed for your records is the annual report for 2021 for the below captioned District.
Please contact me with any questions or concerns. Thank you.

Elkhorn Ranch Metropolitan District No. 1

LAW OFFICE OF MICHAEL E. DAVIS, LLC



Marisa Davis, Senior Paralegal

Enclosures

**ELKHORN RANCH METROPOLITAN DISTRICT NO. 1
COUNTY OF ELBERT, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2021

Pursuant to the Service Plan for the Elkhorn Ranch Metropolitan District No. 1 (the “District”), the District is required to provide an annual report to the County of Elbert (the “County”) with regard to the following matters:

- a. Boundary changes made or proposed;
- b. Intergovernmental Agreements entered into, proposed or terminated with other governmental entities;
- c. Changes or proposed changes in the District’s policies;
- d. Changes or proposed changes in the District’s operations;
- e. Any changes in the financial status of the District including revenue projections or operating costs;
- f. A summary of any litigation involving the District;
- g. Proposed plans for the year immediately following the year summarized in the annual report;
- h. Status of construction of public improvements;
- i. The current assessed valuation of property within the District;
- j. The then-current intent to levy taxes as filed with the Weld County Board of County Commissioners;
- k. Access information to obtain a copy of the rules and regulations adopted by the Board;
- l. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality;
- m. A copy of the current year’s budget;
- n. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable;

- o. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district; and
- p. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

For the year ending December 31, 2021, the District makes the following report:

- a. Boundary changes made or proposed;

There were no boundary changes made during the reporting period.
- b. Intergovernmental Agreements entered into, proposed or terminated with other governmental entities;

No Intergovernmental Agreements were entered into or terminated during the reporting period and none are anticipated at this time.
- c. Changes or proposed changes in the District's policies;

No changes or proposed changes in the District's Policies occurred during the reporting period.
- d. Changes or proposed changes in the District's operations;

No changes or proposed changes in the District's operations occurred during the reporting period.
- e. Any changes in the financial status of the District including revenue projections or operating costs;

The financial status of the District, including revenue projections and operating costs, remains substantially unchanged from the prior reporting year.
- f. A summary of any litigation involving the District;

There is no litigation, pending or threatened, against the District of which we are aware.
- g. Proposed plans for the year immediately following the year summarized in the annual report;

The District anticipates working with the County on the maintenance and repair of roadways during 2022.

- h. Status of construction of public improvements;

The District is fully built out. There were no public improvements constructed by the District during the reporting period.

- i. The current assessed valuation of property within the District;

\$14,177,250

- j. The then-current intent to levy taxes as filed with the Weld County Board of County Commissioners;

The mill levy certification for tax year 2021 is attached hereto as **Exhibit A**.

- k. Access information to obtain a copy of the rules and regulations adopted by the Board;

The District has not adopted any rules or regulations.

- l. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality;

No facilities or improvements were dedicated to the County during 2021.

- m. A copy of the current year's budget;

A copy of the current year's budget is attached hereto as **Exhibit B**.

- n. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable;

The final 2021 audited financial statements are not presently available and will be provided when they become available.

- o. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district; and

The District does not have any uncured defaults existing for more than ninety days under any debt instrument of the special district.

- p. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

The District does not have any inability to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

EXHIBIT A
2021 Mill Levy Certification

4345 _____ County Tax Entity Code

DOLA LGID/SID 65073 / _____

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ELBERT COUNTY, Colorado.

On behalf of the ELKHORN RANCH METROPOLITAN DISTRICT NO. 1,
(taxing entity)^A

the BOARD OF DIRECTORS,
(governing body)^B


of the ELKHORN RANCH METROPOLITAN DISTRICT NO. 1,
(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 13,164,530
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation
(AV) different than the GROSS AV due to a Tax
Increment Financing (TIF) Area^F the tax levies must be \$ _____
calculated using the NET AV. The taxing entity's total (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
property tax revenue will be derived from the mill levy USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED
multiplied against the NET assessed valuation of: BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/20 for budget/fiscal year 2021.
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>17.665</u> mills	\$ <u>232,551</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	<u>17.665</u> mills	\$ <u>232,551</u>
3. General Obligation Bonds and Interest ^J	<u>45.000</u> mills	\$ <u>592,404</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>62.665</u> mills	\$ <u>824,955</u>

Contact person: _____ Daytime
(print) Sue Blair, CRS of Colorado, LLC phone: 303-381-4977
Signed:  Title: District Manager

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continued
ELKHORN RANCH METROPOLIAN DISTRICT NO. 1

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^j:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | General Obligation Refunding and Improvement Loan |
| | Series: | 2018 |
| | Date of Issue: | June 19, 2018 |
| | Coupon Rate: | 3.99% |
| | Maturity Date: | June 1, 2028 |
| | Levy: | 45.000 |
| | Revenue: | \$592,404 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^k:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to report all bond and contractual obligations.

EXHIBIT B
2022 Budget Resolution
ELKHORN RANCH METROPOLITAN DISTRICT NO. 1

Via email – dlg-filing@state.co.us

January 24, 2022

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Elkhorn Ranch Metropolitan District No. 1

LG ID# 65073

Attached is the 2022 Budget for the Elkhorn Ranch Metropolitan District No. 1 in Elbert County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 19, 2021. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060 Ext. 6.

The mill levy certified to the County Commissioners of Elbert County is 17.500 mills for all general operating purposes subject to statutory and/or TABOR limitations; 40.500 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$14,177,250, the total property tax revenue is \$822,280.51. A copy of the certification of mill levies sent to the County Commissioners for Elbert County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Elbert County, Colorado.

Sincerely,



Eric Weaver
District Accountant

Enclosure(s)

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE ELKHORN RANCH METROPOLITAN DISTRICT NO. 1, ELBERT COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2022 AND ENDING ON THE LAST DAY OF DECEMBER, 2022.

WHEREAS, the Board of Directors (the "Board") of the Elkhorn Ranch Metropolitan District No. 1 (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2021; and

WHEREAS, the proposed 2022 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on November 18, 2021 in the Elbert County News, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 1:00 PM on Friday, November 19, 2021, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ELKHORN RANCH METROPOLITAN DISTRICT NO. 1, ELBERT COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2022 Revenues and 2022 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2022, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022.

Section 3. 2022 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$248,102, and that the 2021 valuation for assessment, as certified by the Elbert County Assessor, is \$14,177,250. That for the purposes of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 17.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2021.

Section 4. 2022 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$574,179 and that the 2021 valuation for assessment, as certified by the Elbert County Assessor, is \$14,177,250. That for the purposes of meeting all debt retirement expenses of the District during the 2022 budget year, there is hereby levied a tax of 40.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2021.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Elbert County Board of County Commissioners, no later than December 15, 2021, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Daum.

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 19, 2021.

ELKHORN RANCH METROPOLITAN DISTRICT NO. 1

By:


Robert A. Lembke, President

ATTEST:

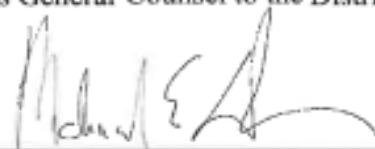
DocuSigned by:



BA273C8D-1235688

Laura Puca, Secretary/Treasurer

APPROVED AS TO FORM:
LAW OFFICE OF MICHAEL E. DAVIS, LLC
As General Counsel to the District



STATE OF COLORADO
COUNTY OF ELBERT
ELKHORN RANCH METROPOLITAN DISTRICT NO. 1

I, Laura Puca, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Elkhorn Ranch Metropolitan District No. 1 (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 1:00 PM on Friday, November 19, 2021, by videoconference at <https://us06web.zoom.us/j/82581677107>, and by teleconference at +1 669 900 6833, Meeting ID: 825 8167 7107, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2022; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on November 19, 2021.

DocuSigned by:

8A073CED1336466

Laura Puca, Secretary/Treasurer

EXHIBIT A
2022 BUDGET DOCUMENT & BUDGET MESSAGE FOR
ELKHORN RANCH METROPOLITAN DISTRICT NO. 1

Elkhorn Ranch Metropolitan District No. 1
Statement of Net Position
October 31, 2021

	General Fund	Debt Service Fund	Capital Fund	Fixed Assets & LTD	Total
ASSETS					
CASH					
BOK - Checking	660,022				660,022
Key Checking	(25)				(25)
ColoTrust	378,521				378,521
BOK - Loan Payment Fund		0			0
BOK - Fees Account		1			1
BOK - Revenue Fund		4			4
BOK - Loan Payment Fund 2021		90,923			90,923
Pooled Cash	(472,928)	398,642	74,286		-
TOTAL CASH	565,590	489,569	74,286	-	1,129,446
OTHER CURRENT ASSETS					
Due From County Treasurer	-	-			-
Property Taxes Receivable	540	1,378			1,918
Prepaid Expense	-				-
TOTAL OTHER CURRENT ASSETS	540	1,378	-	-	1,918
FIXED ASSETS					
Open Space				240,000	240,000
Landscaping & Parks				21,766	21,766
Accumulated Depreciation				(16,325)	(16,325)
TOTAL FIXED ASSETS	-	-	-	245,441	245,441
TOTAL ASSETS	566,131	490,947	74,286	245,441	1,376,805
LIABILITIES & DEFERED INFLOWS					
CURRENT LIABILITIES					
Accounts Payable	1,721				1,721
Accrued Payroll Taxes	-				-
TOTAL CURRENT LIABILITIES	1,721	-	-	-	1,721
DEFERRED INFLOWS					
Deferred Property Taxes	540	1,378			1,918
TOTAL DEFERRED INFLOWS	540	1,378	-	-	1,918
LONG-TERM LIABILITIES					
Loan Payable - Series 2021				9,000,000	9,000,000
Accrued Interest- Series 2021 Loan				-	-
TOTAL LONG-TERM LIABILITIES	-	-	-	9,000,000	9,000,000
TOTAL LIAB & DEF INFLOWS	2,261	1,378	-	9,000,000	9,003,639
NET POSITION					
Inv in Capital Assets				245,441	245,441
Amount to be Provided for Debt				(9,000,000)	(9,000,000)
Fund Balance- Non-Spendable	-				-
Fund Balance- Restricted	9,000	489,569	74,286		572,856
Fund Balance- Unassigned	554,870				554,870
TOTAL NET POSITION	563,870	489,569	74,286	(8,754,559)	(7,626,834)
	=	=	=	=	=

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Statement of Revenues, Expenditures, & Changes in Fund Balance
Modified Accrual Basis For the Period Indicated

PROPERTY TAXES	2020	2021	2021	2021	YTD Thru	YTD Thru	Variance	2022	Budget Notes/Assumptions
	Audited Actual	Adopted Budget	Amended Budget	Forecast	10/31/21 Actual	10/31/21 Budget	Positive (Negative)	Adopted Budget	
Total Assessed Valuation	12,943,370	13,164,530	13,164,530	13,164,530				14,177,250	November Final AV
Mill Levy - General Fund	17.663	17.663	17.663	17.663				17.500	Estimated Mill Levy Needed
Mill Levy - Debt Service Fund	43.000	43.000	43.000	43.000				40.500	40.5 Mills Needed To Pay 2021 Loan
Total Mill Levy	62.665	62.665	62.665	62.665				58.000	
Property Tax Revenue - General Fund	226,643	232,331	232,331	232,331				248,102	AV * Mills / 1.000
Property Tax Revenue - Debt Service Fund	392,432	392,404	392,404	392,404				374,179	AV * Mills / 1.000
Total Property Taxes	811,096	824,935	824,935	824,935				822,281	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Statement of Revenues, Expenditures, & Changes in Fund Balance
Modified Accrual Basis for the Period Indicated

REVENUE	COMBINED FUNDS				Variance			2022 Adopted Budget	Budget Notes/Assumptions
	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	10/31/21 Actual	10/31/21 Budget	Positive (Negative)		
Property Taxes	804,216	824,933	824,933	824,933	823,037	824,933	(1,919)	822,261	AV * Miller / 1,000
Specific Ownership Taxes	148,698	123,744	123,744	148,492	111,170	92,808	18,362	123,342	13% of Property Taxes
Interest & Other Income	3,276	2,300	2,300	900	841	2,083	(1,242)	830	
TOTAL REVENUE	956,190	951,198	951,198	974,348	935,047	919,846	15,201	946,473	
EXPENDITURES									
Administration									
Accounting, Legal, Management, & Audit	43,362	42,600	49,100	49,184	40,308	36,267	(4,241)	42,730	Per General Fund
Trespass Resolution Matters	*	*	30,000	30,000	14,096	*	(14,096)	73,000	Per General Fund
Insurance, SDA Dues, Misc Other	4,742	13,000	13,000	7,039	4,632	13,833	9,201	7,733	Per General Fund
Treasurer's Fees	24,021	24,749	24,749	24,749	24,376	24,749	172	24,668	3% of Property Taxes
Operations, Repairs, & Maintenance	3,897	40,000	40,000	350	350	33,333	32,983	330	Per General Fund
Contingency	*	8,100	8,100	*	*	6,730	6,730	10,000	Held in Fund Balance Reserves
Debt Service									
Interest	332,196	321,263	439,726	439,726	343,181	160,633	(182,349)	282,316	Paid Off in 2021
Principal	273,948	279,414	8,997,986	8,997,986	8,637,986	*	(8,637,986)	333,000	Paid Off in 2021
Trustee Administrative Fee	3,000	3,000	3,000	3,600	3,301	3,000	(301)	3,600	Based on 2021 Forecast
Contingency	*	*	10,000	*	*	*	*	10,000	Allowance For Unforeseen Needs
Capital Outlay	*	74,286	74,286	*	*	74,286	74,286	200,000	Mastic Repairs on Remaining 11 Miles of Road
TOTAL EXPENDITURES	685,166	808,414	9,731,946	9,592,653	9,088,830	352,851	(8,735,979)	1,011,437	
REVENUE OVER / (UNDER) EXPENDITURES	271,024	142,785	(8,780,748)	(8,618,306)	(8,153,782)	566,995	(8,720,778)	(64,965)	
OTHER SOURCES / (USES)									
Loan Proceeds	*	*	9,000,000	9,000,000	9,000,000	*	9,000,000	*	
Loan Cost of Issuance	*	*	(232,333)	(232,333)	(230,333)	*	(230,333)	*	
TOTAL OTHER SOURCES / (USES)	*	*	8,747,465	8,747,465	8,749,465	*	8,749,465	*	
CHANGE IN FUND BALANCE	271,024	142,785	(33,283)	129,159	595,682	566,995	28,687	(64,965)	
BEGINNING FUND BALANCE	261,019	490,604	532,043	532,043	532,043	490,604	41,439	661,202	
ENDING FUND BALANCE	532,043	633,389	498,760	661,202	1,127,725	1,057,600	70,126	596,237	
COMPONENTS OF FUND BALANCE									
Non-Spendable	483	8,400	8,400	3,300	*	*	*	3,673	Prepaid Insurance
TBOR Emergency Reserve	8,200	*	*	9,000	9,000	*	9,000	9,000	3% of General Fund Revenues/Expenses
Restricted For Debt Service	91,037	486,103	31,803	59,023	489,369	903,831	(414,281)	31,669	Per Debt Service Fund
Assigned- Legal Reserve		*	*	200,000		0		123,000	\$230K less spending in 2021 & 2022
Assigned- Capital Reserve	74,286	0	273,000	349,286	74,286		74,286	349,286	
Unassigned	338,003	138,886	183,237	40,391	334,870	133,749	401,121	37,367	
TOTAL ENDING FUND BALANCE	532,043	633,389	498,760	661,202	1,127,725	1,057,600	70,126	596,237	
= = = = =									

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Elkhorn Ranch Metropolitan District No. 1
Statement of Revenues, Expenditures, & Changes in Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/22/2022

GENERAL FUND	2020	2021	2021	2021	YTD Thru 10/31/21 Actual	YTD Thru 10/31/21 Budget	Variance Positive (Negative)	2022 Adopted Budget	Budget Notes/Assumptions
	Audited Actual	Adopted Budget	Amended Budget	Forecast					
REVENUE									
Property taxes - Operations	226,709	232,591	232,591	232,591	232,011	232,591	(581)	248,102	Estimated Mill Levy Needed
Specific Ownership Taxes	41,645	34,883	34,883	41,859	31,338	26,162	5,176	37,215	15% of Property Taxes
Interest Income	1,776	2,000	2,000	350	335	1,666	(1,332)	350	Based on 2021 Forecast
TOTAL REVENUE	270,126	269,474	269,474	274,761	263,684	260,380	3,304	285,667	
EXPENDITURES - GENERAL									
Administration									
Accounting	*	*	23,000	23,000	19,275	*	(19,275)	18,000	Decrease in Activity Level
Audit	4,600	4,600	4,600	4,600	4,600	4,600	*	5,000	Based on 2021 Forecast
District Management	27,019	23,000	6,500	6,584	6,584	19,167	12,583	*	Now Split Between Accounting & Legal
Elections	*	*	*	*	*	*	*	4,000	Assume Canceled
Legal	11,743	15,000	15,000	15,000	10,000	12,500	2,450	15,750	Based on 2021 Forecast
Trespass Resolution Matters	*	*	50,000	50,000	14,086	*	(14,086)	75,000	Open Space Trespass Issue
Insurance & SDA Dues	3,105	8,000	8,000	2,906	2,906	8,000	5,094	3,500	Based on 2021 Forecast
Office Supplies, Bank & Bill.com Fees, Other	22	5,000	5,000	2,000	1,756	4,167	2,441	2,100	Based on 2021 Forecast
Treasurer's fees	6,771	6,977	6,977	6,977	6,928	6,977	49	7,443	3% of Property Taxes
Director's Fees	1,385	2,000	2,000	2,000	*	1,667	1,667	2,000	Assuming Quarterly Meetings
Payroll Taxes	230	*	*	153	*	*	*	153	FICA & Medicare
Permits	350	*	*	350	350	*	(350)	350	Dept of Health & Environment Annual Fee
Repairs and Maintenance	3,547	30,000	30,000	*	*	25,000	25,000	*	Roads: Now Capital Fund
Support Services		10,000	10,000	*		8,333	8,333	*	Nothing Anticipated
Utilities						*	*		
Emergency Reserve		8,100	8,100	*		6,750	6,750	*	Held in Fund Balance Reserves
Contingency		*	*	*		*	*	10,000	Allowance For Unforeseen Needs
TOTAL EXPENDITURES	58,772	112,677	169,177	113,570	66,514	97,160	30,646	143,296	
REVENUE OVER / (UNDER) EXPENDITURES	211,354	156,757	100,257	161,191	197,170	163,220	33,950	142,371	
OTHER SOURCES / (USES)									
Transfers In/(Out) GF		(350,000)	(275,000)	(275,000)	*	(350,000)	350,000	(200,000)	Transfer to Capital Fund
TOTAL OTHER SOURCES / (USES)	*	(350,000)	(275,000)	(275,000)					
CHANGE IN FUND BALANCE	211,354	(193,243)	(174,743)	(113,809)	197,170	(186,780)	383,950	(57,629)	
BEGINNING FUND BALANCE	155,346	340,529	366,700	366,700	366,700	340,529	26,171	252,891	
ENDING FUND BALANCE	366,700	147,286	191,957	252,891	563,870	153,749	410,121	195,262	
	=	=	=	=	=	=	=	=	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

Elkhorn Ranch Metropolitan District No. 1
Statement of Revenues, Expenditures, & Changes in Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/22/2022

DEBT SERVICE FUND									
	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast	YTD Thru 10/31/21 Actual	YTD Thru 10/31/21 Budget	Variance Positive (Negative)	2022 Adopted Budget	Budget Notes/Assumptions
REVENUE									
Property Taxes	377,311	392,404	392,404	392,404	391,026	392,404	(1,378)	374,179	40.3 Mills Needed To Pay 2021 Loan
Specific Ownership Taxes	107,032	88,861	88,861	106,633	79,832	66,646	13,186	86,127	13% of Property Taxes
Interest Income	1,301	300	300	330	306	417	89	300	
TOTAL REVENUE	686,064	681,765	681,765	699,587	671,364	659,466	11,897	660,806	
EXPENDITURES									
Treasurer's Fees	17,230	17,772	17,772	17,772	17,648	17,772	124	17,229	3% of Property Taxes
Note Principal-Series 2018	273,948	279,414	8,031,766	8,031,766	8,031,766	*	(8,031,766)	*	Paid Off in 2021
Note Interest-Series 2018	332,196	321,265	193,632	193,632	193,632	160,633	(33,019)	*	Paid Off in 2021
Note Principal-Series 2021	*	*	340,000	340,000	*	*	*	335,000	Per Amortization Schedule
Note Interest-Series 2021	*	*	116,343	116,343	*	*	*	282,316	Per Amortization Schedule
Subordinate Note Principal-Series 2018A	*	*	193,671	193,671	193,671	*	(193,671)	*	Paid Off in 2021
Subordinate Note Interest-Series 2018A	*	*	30,443	30,443	30,443	*	(30,443)	*	Paid Off in 2021
Subordinate Note Principal-Series 2018B	*	*	210,349	210,349	210,349	*	(210,349)	*	Paid Off in 2021
Subordinate Note Interest-Series 2018B	*	*	34,278	34,278	34,278	*	(34,278)	*	Paid Off in 2021
Subordinate Note Principal-Series 2018C	*	*	200,000	200,000	200,000	*	(200,000)	*	Paid Off in 2021
Subordinate Note Interest-Series 2018C	*	*	44,808	44,808	44,808	*	(44,808)	3,600	Paid Off in 2021
Paying Agent / Trustee Fees	3,000	3,000	3,000	3,600	3,301	3,000	(301)	10,000	Based on 2021 Forecast
Contingency	*	*	10,000	*	*	*	*	*	Allowance For Unforeseen Needs
TOTAL EXPENDITURES	626,394	621,451	9,488,484	9,479,084	9,022,316	181,405	(8,840,911)	668,141	
REVENUE OVER / (UNDER) EXPENDITURES	59,670	60,314	(8,806,719)	(8,779,497)	(8,350,952)	478,061	(8,829,014)	(7,336)	
OTHER SOURCES / (USES)									
Transfers In/(Out)		330,000	*	*		330,000	(330,000)	*	
Loan Proceeds			9,000,000	9,000,000	9,000,000	*	9,000,000	*	Loan Refunded in 2021
Cost of Issuance			(232,333)	(232,333)	(230,333)	*	(230,333)	*	Loan Refunded in 2021
TOTAL OTHER SOURCES / (USES)	*	330,000	8,747,465	8,747,465	8,749,465	330,000	8,399,465	*	
CHANGE IN FUND BALANCE	59,670	410,314	(59,254)	(32,032)	398,513	828,061	(429,549)	(7,336)	
BEGINNING FUND BALANCE	31,387	75,789	91,057	91,057	91,057	75,789	15,268	59,025	
ENDING FUND BALANCE	91,057	486,103	31,803	59,025	489,569	903,851	(414,281)	51,689	
COMPONENTS OF FUND BALANCE:									
Loan Payment Fund	96	*	*	*	0	*	*	*	
Fees Account	1,300	1,300	*	*	1	*	*	*	
Revenue Fund	67,296	477,198	16,993	41,233	4	37,334		37,334	
Internal & Other Balances	22,163	7,403	14,810	17,772	489,364	14,333		14,333	
TOTAL ENDING FUND BALANCE	91,057	486,103	31,803	59,025	489,569	903,851	(414,281)	51,689	

No assurance is provided on these financial statements;
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Elkhorn Ranch Metropolitan District No. 1
Statement of Revenues, Expenditures, & Changes in Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 1/22/2022

	CAPITAL FUND				YTD Thru 10/31/21 Actual	YTD Thru 10/31/21 Budget	Variance Positive (Negative)	2022 Adopted Budget	Budget Notes/Assumptions
	2020 Audited Actual	2021 Adopted Budget	2021 Amended Budget	2021 Forecast					
REVENUE									
Interest Income	*	*	*	*	*	*	*	*	
Miscellaneous Revenue	*	*	*	*	*	*	*	*	
TOTAL REVENUE	*	*	*	*	*	*	*	*	
EXPENDITURES									
Road Improvements		74,286	74,286	*		74,286	74,286	200,000	Mastic Repairs on Remaining 11 Miles of Road
Contingency		*	*	*		*	*	*	
TOTAL EXPENDITURES	*	74,286	74,286	*	*	74,286	74,286	200,000	
REVENUE OVER / (UNDER) EXPENDITURES	*	(74,286)	(74,286)	*	*	(74,286)	74,286	(200,000)	
OTHER SOURCES / (USES)									
Transfers In/(Out)			275,000	275,000	*	*	*	200,000	Funding of Reserve for Roads & Other Needs
TOTAL OTHER SOURCES / (USES)	*	*	275,000	275,000	*	*	*	200,000	
CHANGE IN FUND BALANCE	*	(74,286)	200,714	275,000	*	(74,286)	74,286	*	
BEGINNING FUND BALANCE	74,286	74,286	74,286	74,286	74,286	74,286	*	349,286	
ENDING FUND BALANCE	74,286	0	275,000	349,286	74,286	0	74,286	349,286	
=	=	=	=	=	=	=	=	=	

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ELKHORN RANCH METROPOLITAN DISTRICT NO. 1

2022 BUDGET MESSAGE

Elkhorn Ranch Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized on June 18, 2002, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area boundaries are located entirely in Elbert County, Colorado.

The District was established principally to coordinate the construction, acquisition, financing and maintenance of public improvements, including streets and safety control, landscaping, water, sewer, storm drainage, television relay, and park and recreation improvements and facilities. Upon completion of construction and installation, it is the District's intent to dedicate all public improvements to the County or its designee for operation and maintenance. Certain landscaping, park and recreation improvements, and street lighting may be maintained by the District or by a homeowners' association.

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.

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 Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

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.

For 2022, the District adopted a general fund mill levy of 17.500, yielding \$248,101.88 in property taxes as well as debt service mill levy of 40.500 mills, yielding \$574,178.63 in property taxes. The total mill levy certified is 58.000 mills generating \$822,280.51 in property taxes.

Elkhorn Ranch Metropolitan District No. 1
Page Two

Fees

The District imposes certain development impact and facility fees on property within the District. The fees are required to be paid prior to the issuance of a building permit by the County. The District records the revenue when the fees are paid and received. The infrastructure fee for road improvements is to be used solely for the improvement of certain access roads into the District.

Facility fee - \$3,500

Infrastructure fee for road improvements - \$2,220

Water surcharge fee - \$3,940

Infrastructure support fee - \$250

Debt Service

During 2021 the District refinanced 4 series of Notes issued in 2018 into a single Series 2021 Loan at a fixed interest rate of 3.26%, which allowed the District to lower the debt service mill levy from 45 mills in 2021 to 40.50 mills in 2022. Debt service payments for the Series 2021 Loan are accounted for in the Debt Service Fund on page 5 of the financial statements.

Leases

The District has no operating or capital leases.

Emergency Reserves

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