

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)

Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

BUDGET RESOLUTION

(2022)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF ELBERT)

At the special meeting of the Board of Directors of Elkhorn Ranch Metropolitan District No. 1, County of Elbert, Colorado, 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, there were present:

Robert A. Lembke
David Daum
Kurt C. Schlegel
Laura Puca

Also present was Michael Davis and Marisa Davis of the Law Office of Michael E. Davis, LLC (“District Counsel”), and Eric Weaver and James Shultz of Marchetti & Weaver, LLC.

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that a notice of the meeting was posted on the District’s public website or at a public place within the boundaries of the District no less than 24 hours prior to the meeting and at the Elbert County Clerk and Recorder’s Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Schlegel introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAID 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:

BA273C8D1235466
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:
Laura Puca
BA273C8D1235468...

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 & DEFERRED 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.

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

| | 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 |
|--|---------------------------|---------------------------|---------------------------|-------------------|--------------------------------|--------------------------------|------------------------------------|---------------------------|------------------------------------|
| PROPERTY TAXES | | | | | | | | | |
| 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 | 17.665 | 17.665 | 17.665 | 17.665 | | | | 17.500 | Estimated Mill Levy Needed |
| Mill Levy - Debt Service Fund | 45.000 | 45.000 | 45.000 | 45.000 | | | | 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 | 228,645 | 232,551 | 232,551 | 232,551 | | | | 248,102 | AV * Mills / 1,000 |
| Property Tax Revenue - Debt Service Fund | 582,452 | 592,404 | 592,404 | 592,404 | | | | 574,179 | AV * Mills / 1,000 |
| Total Property Taxes | 811,096 | 824,955 | 824,955 | 824,955 | | | | 822,281 | |

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

| | 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 |
|--|---------------------------|---------------------------|---------------------------|--------------------|--------------------------------|--------------------------------|------------------------------------|---------------------------|--|
| COMBINED FUNDS | | | | | | | | | |
| REVENUE | | | | | | | | | |
| Property Taxes | 804,216 | 824,955 | 824,955 | 824,955 | 823,037 | 824,955 | (1,919) | 822,281 | AV * Mills / 1,000 |
| Specific Ownership Taxes | 148,698 | 123,744 | 123,744 | 148,492 | 111,170 | 92,808 | 18,362 | 123,342 | 15% of Property Taxes |
| Interest & Other Income | 3,276 | 2,500 | 2,500 | 900 | 841 | 2,083 | (1,242) | 850 | |
| 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 | 40,508 | 36,267 | (4,241) | 42,750 | Per General Fund |
| Trespass Resolution Matters | - | - | 50,000 | 50,000 | 14,096 | - | (14,096) | 75,000 | Per General Fund |
| Insurance, SDA Dues, Misc Other | 4,742 | 15,000 | 15,000 | 7,059 | 4,632 | 13,833 | 9,201 | 7,753 | Per General Fund |
| Treasurer's Fees | 24,021 | 24,749 | 24,749 | 24,749 | 24,576 | 24,749 | 172 | 24,668 | 3% of Property Taxes |
| Operations, Repairs, & Maintenance | 3,897 | 40,000 | 40,000 | 350 | 350 | 33,333 | 32,983 | 350 | Per General Fund |
| Contingency | - | 8,100 | 8,100 | - | - | 6,750 | 6,750 | 10,000 | Held In Fund Balance Reserves |
| Debt Service | | | | | | | | | |
| Interest | 332,196 | 321,265 | 459,726 | 459,726 | 343,181 | 160,633 | (182,548) | 282,316 | Paid Off In 2021 |
| Principal | 273,948 | 279,414 | 8,997,986 | 8,997,986 | 8,657,986 | - | (8,657,986) | 355,000 | Paid Off In 2021 |
| Trustee Administrative Fee | 3,000 | 3,000 | 3,000 | 3,600 | 3,501 | 3,000 | (501) | 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 | - | - | (252,535) | (252,535) | (250,535) | - | (250,535) | - | |
| 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 | 495 | 8,400 | 8,400 | 3,500 | - | - | - | 3,675 | Prepaid Insurance |
| TABOR Emergency Reserve | 8,200 | - | - | 9,000 | 9,000 | - | 9,000 | 9,000 | 3% of General Fund Revenues/ Expenses |
| Restricted For Debt Service | 91,057 | 486,103 | 31,803 | 59,025 | 489,569 | 903,851 | (414,281) | 51,689 | Per Debt Service Fund |
| Assigned- Legal Reserve | | - | - | 200,000 | | | | 125,000 | \$250K less spending in 2021 & 2022 |
| Assigned- Capital Reserve | 74,286 | 0 | 275,000 | 349,286 | 74,286 | 0 | 74,286 | 349,286 | |
| Unassigned | 358,005 | 138,886 | 183,557 | 40,391 | 554,870 | 153,749 | 401,121 | 57,587 | |
| 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

| | 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 |
|--|---------------------------|---------------------------|---------------------------|------------------|--------------------------------|--------------------------------|------------------------------------|---------------------------|---|
| GENERAL FUND | | | | | | | | | |
| REVENUE | | | | | | | | | |
| Property taxes - Operations | 226,705 | 232,551 | 232,551 | 232,551 | 232,011 | 232,551 | (541) | 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 | 269,434 | 269,434 | 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 | 10,050 | 12,500 | 2,450 | 15,750 | Based on 2021 Forecast |
| Trespass Resolution Matters | - | - | 50,000 | 50,000 | 14,096 | - | (14,096) | 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 | 1,726 | 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 |
| Directors 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) | - | (350,000) | 350,000 | (200,000) | |
| 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

| | 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 |
|--|---------------------------|---------------------------|---------------------------|--------------------|--------------------------------|--------------------------------|------------------------------------|---------------------------|------------------------------------|
| DEBT SERVICE FUND | | | | | | | | | |
| REVENUE | | | | | | | | | |
| Property Taxes | 577,511 | 592,404 | 592,404 | 592,404 | 591,026 | 592,404 | (1,378) | 574,179 | 40.5 Mills Needed To Pay 2021 Loan |
| Specific Ownership Taxes | 107,052 | 88,861 | 88,861 | 106,633 | 79,832 | 66,646 | 13,186 | 86,127 | 15% of Property Taxes |
| Interest Income | 1,501 | 500 | 500 | 550 | 506 | 417 | 89 | 500 | |
| TOTAL REVENUE | 686,064 | 681,765 | 681,765 | 699,587 | 671,364 | 659,466 | 11,897 | 660,806 | |
| EXPENDITURES | | | | | | | | | |
| Treasurer's Fees | 17,250 | 17,772 | 17,772 | 17,772 | 17,648 | 17,772 | 124 | 17,225 | 3% of Property Taxes |
| Note Principal- Series 2018 | 273,948 | 279,414 | 8,051,766 | 8,051,766 | 8,051,766 | - | (8,051,766) | - | Paid Off In 2021 |
| Note Interest- Series 2018 | 332,196 | 321,265 | 193,652 | 193,652 | 193,652 | 160,633 | (33,019) | - | Paid Off In 2021 |
| Note Principal- Series 2021 | - | - | 340,000 | 340,000 | - | - | - | 355,000 | Per Amortization Schedule |
| Note Interest- Series 2021 | - | - | 116,545 | 116,545 | - | - | - | 282,316 | Per Amortization Schedule |
| Subordinate Note Principal- Series 2018A | - | - | 195,671 | 195,671 | 195,671 | - | (195,671) | - | Paid Off In 2021 |
| Subordinate Note Interest- Series 2018A | - | - | 50,443 | 50,443 | 50,443 | - | (50,443) | - | Paid Off In 2021 |
| Subordinate Note Principal- Series 2018B | - | - | 210,549 | 210,549 | 210,549 | - | (210,549) | - | Paid Off In 2021 |
| Subordinate Note Interest- Series 2018B | - | - | 54,278 | 54,278 | 54,278 | - | (54,278) | - | 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) | - | Paid Off In 2021 |
| Paying Agent / Trustee Fees | 3,000 | 3,000 | 3,000 | 3,600 | 3,501 | 3,000 | (501) | 3,600 | Based on 2021 Forecast |
| Contingency | - | - | 10,000 | - | - | - | - | 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) | - | 350,000 | - | - | - | 350,000 | (350,000) | - | |
| Loan Proceeds | - | - | 9,000,000 | 9,000,000 | 9,000,000 | - | 9,000,000 | - | Loan Refunded In 2021 |
| Cost of Issuance | - | - | (252,535) | (252,535) | (250,535) | - | (250,535) | - | Loan Refunded In 2021 |
| TOTAL OTHER SOURCES / (USES) | - | 350,000 | 8,747,465 | 8,747,465 | 8,749,465 | 350,000 | 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 | 1,500 | 1,500 | - | - | 1 | - | - | - | |
| Revenue Fund | 67,296 | 477,198 | 16,993 | 41,253 | 4 | - | - | 37,334 | |
| Internal & Other Balances | 22,165 | 7,405 | 14,810 | 17,772 | 489,564 | - | - | 14,355 | |
| 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;
 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

| | 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 |
|--|---------------------------|---------------------------|---------------------------|------------------|--------------------------------|--------------------------------|------------------------------------|---------------------------|--|
| CAPITAL FUND | | | | | | | | | |
| 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 | |
| | = | = | = | | = | = | = | = | |

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

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.

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 assessed valuation of: \$ 14,177,250
(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 property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 14,177,250
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/2021 for budget/fiscal year 2022
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples) | LEVY² | REVENUE² |
|--|----------------------------|-----------------------------|
| 1. General Operating Expenses ^H | <u>17.500</u> mills | <u>\$ 248,101.88</u> |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | <u>(0.000)</u> mills | <u>\$ -</u> |
| SUBTOTAL FOR GENERAL OPERATING: | <u>17.500</u> mills | <u>\$ 248,101.88</u> |
| 3. General Obligation Bonds and Interest ^J | <u>40.500</u> mills | <u>\$ 574,178.63</u> |
| 4. Contractual Obligations ^K | <u>0.000</u> mills | <u>\$ -</u> |
| 5. Capital Expenditures ^L | <u>0.000</u> mills | <u>\$ -</u> |
| 6. Refunds/Abatements ^M | <u>0.000</u> mills | <u>\$ -</u> |
| 7. Other ^N (specify): _____ | <u>0.000</u> mills | <u>\$ -</u> |
| | <u>0.000</u> mills | <u>\$ -</u> |
| TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] | <u>58.000</u> mills | <u>\$ 822,280.51</u> |

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6
(print)
Signed:  Title: District Accountant

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, Colorado 80203. Questions? Call DLG (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

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, 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: | <u>Refunding of Series 2018 Loan & Subordinate Notes</u> |
| Series: | <u>General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Loan Series 2021</u> |
| Date of Issue: | <u>July 8, 2021</u> |
| Coupon rate: | <u>3.26%</u> |
| Maturity Date: | <u>December 1, 2038</u> |
| Levy: | <u>40.500</u> |
| Revenue: | <u>\$574,178.63</u> |

| | |
|----------------------|-------|
| 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 separately report all bond and contractual obligations per 32-1-1603, C.R.S.