

**RESOLUTION OF THE BOARD OF DIRECTORS
4-WAY RANCH METROPOLITAN DISTRICT NO. 1**

BUDGET RESOLUTION FOR THE DISTRICT FOR THE CALENDAR YEAR
BEGINNING ON THE FIRST DAY OF JANUARY 2021 AND ENDING ON THE
LAST DAY OF DECEMBER 2021.

WHEREAS, the Board has authorized its treasurer, accountant and/or legal counsel to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

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

WHEREAS, upon due and proper notice, published in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 19, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Summary of 2021 Revenues and 2021 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2021, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District fiscal year 2021. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 2 shall be deemed ratified by the Board.

Section 3. 2021 Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of 10.809 mills upon each dollar of the total valuation of assessment of all taxable property within the District. Of this 10.809 mills, a temporary tax reduction of 0.000 mills shall be applied for the 2021 year only.

Section 4. 2021 Levy for Debt Service Obligations. For the purpose of meeting all debt service obligations of the District during the 2021 budget year, there is hereby a levied tax of 37.829 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. 2021 Levy for Contractual Obligation Expenses. For the purpose of meeting all contractual obligation of the District during the 2021 budget year, there is

hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of El Paso County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures below are specifically appropriated for the general purposes thereof and no other:

General Fund Appropriation:	\$18,333
Debt Service Fund Appropriation:	\$52,366

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget and budget message with the Division of Local Government by January 30 of the ensuing year.


Section 9. Budget Certification. The budget shall be certified by a board member of the District, the general counsel for the District, or the District Accountant, and made a part of the public records of the District.

The foregoing resolution was moved by Director Westra, seconded by Director Learn, and unanimously approved.

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RESOLUTION APPROVED AND ADOPTED THIS 19th DAY OF NOVEMBER, 2020.

**4-WAY RANCH
METROPOLITAN DISTRICT NO.
1**




Andrew Westra (Dec 9, 2020 09:53 MST)

Officer of the District

STATE OF COLORADO
COUNTY OF EL PASO
4-WAY RANCH METROPOLITAN DISTRICT NO. 1

I hereby certify that the forgoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on Monday, November 19, 2020, via videoconference at the hour of 5:00 p.m., as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name.

 November 12, 2021 13:51 EST

Brian K. Matis
General Counsel for 4-Way Ranch Metropolitan
District No. 1



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

Accountant's Compilation Report

Board of Directors
4-Way Ranch Metropolitan District No. 1
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of 4-Way Ranch Metropolitan District No. 1 (District), for the year ending December 31, 2021, including the estimate of comparative information for the year ending December 31, 2020, and the actual comparative information for the year ending December 31, 2019, in the format required by Colorado Revised Statutes 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The actual comparative information for the year ending December 31, 2019 is presented for comparative purposes as required by Colorado Revised Statutes 29-1-105. Such information is taken from the audited financial statements of the District for the year ended December 31, 2019. Logan and Associated, L.L.C. audited the financial statements for the year ended December 31, 2019, whose report was dated April 2, 2020.

The budget is presented in accordance with the requirements of Colorado Revised Statutes 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to 4-Way Ranch Metropolitan District No. 1.

SCHILLING & COMPANY, INC.

Highlands Ranch, CO
December 11, 2020

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET AS ADOPTED
WITH 2019 ACTUAL AND 2020 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	ACTUAL 2019	ADOPTED 2020	ADOPTED 2021
Assessed Valuation			
El Paso County	\$ 1,804,580	\$ 1,996,620	\$ 2,056,280
Total Assessed Valuation	\$ 1,804,580	\$ 1,996,620	\$ 2,056,280
Mill Levy			
General Fund	10.668	10.766	10.809
	10.668	10.766	10.809
Debt Service Fund	38.026	38.026	37.829
Total	48.694	48.792	48.638
Tax Revenue Levied			
General Fund	\$ 19,251	\$ 21,496	\$ 22,226
Debt Service Fund	68,621	75,923	77,787
Total Tax Revenue Levied	\$ 87,872	\$ 97,419	\$ 100,013

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

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2021 BUDGET AS ADOPTED
WITH 2019 ACTUAL AND 2020 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2019</u>	<u>ESTIMATED 2020</u>	<u>ADOPTED BUDGET 2021</u>
Beginning Funds Available	<u>\$ (17,729)</u>	<u>\$ (35,608)</u>	<u>\$ (20,852)</u>
Revenue			
Property Taxes	19,310	21,190	22,226
Specific Ownership Taxes	2,331	2,345	2,223
Interest Income	-	13	-
Other revenues	21	1,621	-
Total Revenue	<u>21,662</u>	<u>25,169</u>	<u>24,449</u>
Transfer from other funds	-	16,125	-
Total Funds Available	<u>3,933</u>	<u>5,686</u>	<u>3,597</u>
Expenditures			
Legal	20,522	11,604	6,000
Accounting	6,172	4,314	3,500
Audit	9,300	4,400	4,400
Insurance	2,860	2,662	3,000
Director's fees	375	150	600
Treasurer fees	290	331	333
Other expenses	22	77	-
Contingency	-	3,000	1,000
Total Expenditures requiring appropriation	<u>39,541</u>	<u>26,538</u>	<u>18,833</u>
Ending Funds Available	<u>\$ (35,608)</u>	<u>\$ (20,852)</u>	<u>\$ (15,236)</u>
Emergency Reserve Requirement	<u>\$ 650</u>	<u>\$ 755</u>	<u>\$ 733</u>

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

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2021 BUDGET AS ADOPTED
WITH 2019 ACTUAL AND 2020 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2019</u>	<u>ESTIMATED 2020</u>	<u>ADOPTED BUDGET 2021</u>
Beginning Funds Available	\$ 23,290	\$ 51,867	\$ 98,040
Revenues			
Property Tax	68,829	75,266	77,787
Specific Ownership taxes	8,308	7,445	7,779
Facility fees	3,355	2,750	-
Tap fees		12,000	-
Net investment income	119	82	-
Total Revenue	80,611	97,543	85,566
Total Funds Available	103,901	149,410	183,606
Expenditures			
Bond interest expense - 2011A	41,000	39,200	39,200
Bond principal	10,000	10,000	10,000
Paying agent fees	-	1,000	2,000
Treasurer fees	1,034	1,170	1,167
Total Expenditures requiring appropriation	52,034	51,370	52,367
Ending Funds Available	\$ 51,867	\$ 98,040	\$ 131,239

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

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
WATER/SEWER ENTERPRISE FUND
2021 BUDGET AS ADOPTED
WITH 2019 ACTUAL AND 2020 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2019</u>	<u>ESTIMATED 2020</u>	<u>ADOPTED BUDGET 2021</u>
Beginning Funds Available	<u>\$ (81,971)</u>	<u>\$ (81,971)</u>	<u>\$ -</u>
Revenue			
Water service fees	-	16,125	-
Write off - court ordered obligation	-	81,971	-
Total Revenue	<u>-</u>	<u>98,096</u>	<u>-</u>
Total Funds Available	<u>(81,971)</u>	<u>16,125</u>	<u>-</u>
Expenditures			
Transfer to General Fund	-	16,125	-
Total Expenditures requiring appropriation	<u>-</u>	<u>16,125</u>	<u>-</u>
Ending Funds Available	<u><u>\$ (81,971)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS
AND SERVICES PROVIDED**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2021 annual budget. Actual results may differ from the prospective results contained in the budget.

4-Way Ranch Metropolitan District No. 1 (District), a quasi-municipal corporation was organized in 2005 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado. The District was established to develop and provide financing, construction, acquisition and installation of street improvements, water and sanitation infrastructure and other improvements within the boundaries of the District. The District's primary revenue is property taxes. The District is governed by an elected Board of Directors.

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.

REVENUE

Property Tax

A significant source of revenue is property taxes. Property taxes are budgeted based on the mill levy adopted applied to the annual assessed valuation. The calculation of the taxes levied is displayed on page 2.

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 consistent with amounts collected during 2020 by the General Fund and Debt Service Fund.

EXPENDITURES

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, and other administrative expenses.

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS
AND SERVICES PROVIDED**

Debt Service

The debt service payments for the District are provided based upon the debt amortization schedule for \$530,000 Limited Tax General Obligation Bonds, Series 2011A (2011A Bonds). The District's debt amortization schedules are on page 9. The Debt Service Fund levies taxes for the debt service payments on the 2011A Bonds. The District also has \$2,450,000 of Subordinate Limited Tax General Obligation Bonds, Series 2011B (2011B Bonds) outstanding. No debt service payments have been budgeted nor has a debt amortization schedule been provided for the 2011B Bonds. Payment of principal and interest on the 2011B Bonds is to be made only after payment of the principal and interest due for the current calendar year on the 2011A Bonds.

The District has no outstanding operating or capital leases.

RESTRICTIONS

The District has provided for an emergency reserve equal to 3% of fiscal year spending for 2021, as defined under TABOR.

This information is an integral part of the accompanying budget.

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE TO MATURITY**

LIMITED TAX GENERAL OBLIGATION BONDS SERIES 2011A			
<u>For the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	\$ 10,000	\$ 38,400	\$ 48,400
2022	10,000	37,600	47,600
2023	10,000	36,800	46,800
2024	15,000	36,000	51,000
2025	15,000	34,800	49,800
2026	15,000	33,600	48,600
2027	15,000	32,400	47,400
2028	20,000	31,200	51,200
2029	20,000	29,600	49,600
2030	20,000	28,000	48,000
2031	25,000	26,400	51,400
2032	25,000	24,400	49,400
2033	25,000	22,400	47,400
2034	30,000	20,400	50,400
2035	30,000	18,000	48,000
2036	35,000	15,600	50,600
2037	35,000	12,800	47,800
2038	40,000	10,000	50,000
2039	40,000	6,800	46,800
2040	45,000	3,600	48,600
	<u>\$ 480,000</u>	<u>\$ 498,800</u>	<u>\$ 978,800</u>

NOTE: The timing of payments on the Subordinate Limited Tax General Obligation Bonds, Series 2011B is uncertain, therefore no schedule is presented.

This information is an integral part of the accompanying budget.