



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, 2024, including the estimate of comparative information for the year ending December 31, 2023, and the actual comparative information for the year ending December 31, 2022, 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, 2022 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, 2022. Logan and Associates, L.L.C. audited the financial statements for the year ended December 31, 2022, whose report was dated September 8, 2023.

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, Colorado
January 7, 2024

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET AS ADOPTED
WITH 2022 ACTUAL AND 2023 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2022</u>	<u>ESTIMATED 2023</u>	<u>ADOPTED 2024</u>
Assessed Valuation			
El Paso County	\$ 2,192,400	\$ 1,995,290	\$ 2,340,700
Total Assessed Valuation	<u>\$ 2,192,400</u>	<u>\$ 1,995,290</u>	<u>\$ 2,340,700</u>
Mill Levy			
General Fund	10.812	11.181	11.636
Abatements and refunds	1.830	0.000	0.000
	<u>12.642</u>	<u>11.181</u>	<u>11.636</u>
Debt Service Fund	<u>37.843</u>	<u>39.134</u>	<u>40.727</u>
Total	<u>50.485</u>	<u>50.315</u>	<u>52.363</u>
Tax Revenue Levied			
General Fund	\$ 23,704	\$ 22,309	\$ 27,236
Debt Service Fund	<u>82,978</u>	<u>78,096</u>	<u>95,330</u>
Total Tax Revenue Levied	<u>\$ 106,682</u>	<u>\$ 100,405</u>	<u>\$ 122,566</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
GENERAL FUND
2024 BUDGET AS ADOPTED
WITH 2022 ACTUAL AND 2023 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2022</u>	<u>ESTIMATED 2023</u>	<u>ADOPTED BUDGET 2024</u>
Beginning Funds Available	\$ (14,496)	\$ (38,501)	\$ (41,454)
Revenue			
Property Taxes	24,599	22,309	27,236
Specific Ownership Taxes	2,558	2,052	2,724
Interest Income	195	207	-
Total Revenue	<u>27,352</u>	<u>24,568</u>	<u>29,960</u>
Total Funds Available	<u>12,856</u>	<u>(13,933)</u>	<u>(11,494)</u>
Expenditures			
Management fees	7,659	9,669	10,152
Legal - general counsel	-	2,000	2,000
Legal - litigation	29,852	2,175	-
Accounting	4,250	6,110	6,416
Audit	4,400	4,400	5,000
Election	1,933	-	-
Insurance	2,772	2,783	3,150
Treasurer fees	372	336	409
Other expenses	119	48	100
Contingency	-	-	1,000
Total Expenditures requiring appropriation	<u>51,357</u>	<u>27,521</u>	<u>28,227</u>
Ending Funds Available	<u>\$ (38,501)</u>	<u>\$ (41,454)</u>	<u>\$ (39,721)</u>
Emergency Reserve Requirement	<u>\$ 830</u>	<u>\$ 740</u>	<u>\$ 900</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
2024 BUDGET AS ADOPTED
WITH 2022 ACTUAL AND 2023 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	ACTUAL 2022	ESTIMATED 2023	ADOPTED BUDGET 2024
Beginning Funds Available	\$ 93,700	\$ 140,509	\$ 185,551
Revenues			
Property Tax	86,084	78,084	95,330
Specific Ownership taxes	8,951	8,079	9,533
Facility fees	-	3,016	-
Net investment income	1,676	5,340	5,000
Total Revenue	96,711	94,519	109,863
Total Funds Available	190,411	235,028	295,414
Expenditures			
Bond interest expense - 2011A	37,600	36,800	36,000
Bond principal	10,000	10,000	15,000
Paying agent fees	1,000	1,500	2,000
Treasurer fees	1,302	1,177	1,430
Total Expenditures requiring appropriation	49,902	49,477	54,430
Ending Funds Available	\$ 140,509	\$ 185,551	\$ 240,984

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
2024 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 2024 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.

DEFICIT FUND BALANCE

The District has a deficit fund balance in the General Fund due to significant legal bills incurred during the time when the District's Board of Directors changed from being developer-controlled to resident-controlled. In addition, the District has incurred legal costs in defending the District against a lawsuit that was filed in 2021. The District is focused on keeping annual expenditures under revenues collected and will make payments on the outstanding legal bills when funds are available. Until the District can repay the legal bills or the bills can be written off, the District will continue to have a deficit fund balance in the General Fund.

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 2023 by the General Fund and Debt Service Fund.

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS
AND SERVICES PROVIDED**

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.

Debt Service

The debt service payments for the District are provided based upon the debt amortization schedule for \$470,000 Limited Tax General Obligation Bonds, Series 2011A (2011A Bonds). The District's debt amortization schedules are on page 7. The Debt Service Fund levies taxes for the debt service payments 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 2024, 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**

<u>For the Year Ending December 31,</u>	<u>LIMITED TAX GENERAL OBLIGATION BONDS SERIES 2011A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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>\$ 450,000</u>	<u>\$ 386,000</u>	<u>\$ 836,000</u>

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____, Colorado.

On behalf of the _____,
(taxing entity)^A
the _____,
(governing body)^B
of the _____,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ _____ 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 property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ _____ (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: _____ for budget/fiscal year _____.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	_____ mills	\$ _____
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
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]	_____ mills	\$ _____

Contact person: _____ Phone: () _____
Signed: _____ Title: _____

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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

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: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 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.