

CUCHARS RANCH METROPOLITAN DISTRICT

El Paso County, Colorado

**FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	I
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Government Funds to the Statement of Activities	5
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	6
Notes to Financial Statements	7
SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund	20
OTHER INFORMATION	
Schedule of Debt Service Requirements to Maturity	21
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	22



Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cuchares Ranch Metropolitan District
El Paso County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Cuchares Ranch Metropolitan District (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

8200 South Quebec Street, Suite A3259, Centennial, Colorado 80112
303-905-0809 • info@dazziocpa.com

• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplemental Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the Other Information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Duggio & Associates, P.C.

September 13, 2022

BASIC FINANCIAL STATEMENTS

CUCHARS RANCH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

	Governmental Activities
ASSETS	
Cash and investments - unrestricted	\$ 84,257
Cash and investments - restricted	114,564
Due from County Treasurer	4,070
Property taxes receivable	274,063
Total assets	476,954
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	379,547
Total deferred outflows of resources	379,547
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	
Accounts payable	1,198
Accrued bond interest payable	13,891
Loan payable:	
Due within one year	90,000
Due in more than one year	5,485,000
Total liabilities	5,590,089
 DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes revenues	274,063
Total deferred inflows of resources	274,063
 NET POSITION	
Restricted:	
Emergency reserves	1,233
Debt service	104,402
Unrestricted	(5,113,286)
Total net position	\$ (5,007,651)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**CUCHARS RANCH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General government	\$ 33,936	\$ -	\$ -	\$ -	\$ (33,936)
Interest and fiscal charges	377,841	-	-	-	(377,841)
Total governmental activities	<u>\$ 411,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(411,777)</u>
General revenues:					
Taxes:					
Property taxes					439,154
Specific ownership taxes					51,571
Net investment income					248
Total general revenues					<u>490,973</u>
Change in net position					79,196
Net position - Beginning of year					<u>(5,086,847)</u>
Net position - End of year					<u>\$ (5,007,651)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**CUCHARS RANCH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and investments - unrestricted	\$ 84,257	\$ -	\$ 84,257
Cash and investments - restricted	-	114,564	114,564
Due from County Treasurer	341	3,729	4,070
Property taxes receivable	37,153	236,910	274,063
TOTAL ASSETS	\$ 121,751	\$ 355,203	\$ 476,954
 LIABILITIES , DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,198	\$ -	\$ 1,198
Total liabilities	1,198	-	1,198
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	37,153	236,910	274,063
Total deferred inflows of resources	37,153	236,910	274,063
FUND BALANCES			
Spendable:			
Restricted for emergencies	1,233	-	1,233
Restricted for debt service	-	118,293	118,293
Assigned for subsequent year's expenditures	21,789	-	21,789
Unassigned	60,378	-	60,378
Total fund balances	83,400	118,293	201,693
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 121,751	\$ 355,203	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some deferred outflows of resources do not affect the current period, and, therefore, are not reported in the Balance Sheet - Governmental Funds not reported in the Balance Sheet - Governmental Funds.

Deferred loss on refunding 379,547

Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Accrued bond interest payable (13,891)
Bonds payable (5,575,000)
(5,209,344)

Net position of governmental activities \$ (5,007,651)

These financial statements should be read only in connection with the accompanying notes to financial statements.

**CUCHARS RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property tax	\$ 36,782	\$ 402,372	\$ 439,154
Specific ownership tax	4,319	47,252	51,571
Net investment income	10	238	248
Total revenues	<u>41,111</u>	<u>449,862</u>	<u>490,973</u>
EXPENDITURES			
Current:			
Accounting	4,107	-	4,107
Audit	3,900	-	3,900
Legal	16,524	-	16,524
Insurance and bonds	2,324	-	2,324
County Treasurer's fees	552	6,037	6,589
Bank service charges	120	48	168
Dues and subscriptions	324	-	324
Debt service:			
Paying agent fees	-	377	377
Principal	-	260,000	260,000
Interest	-	148,668	148,668
Bond issuance costs	-	143,344	143,344
Total expenditures	<u>27,851</u>	<u>558,474</u>	<u>586,325</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>13,260</u>	<u>(108,612)</u>	<u>(95,352)</u>
OTHER FINANCING SOURCES (USES)			
Refunding loan issued	-	5,835,000	5,835,000
Payment to refunded bonds escrow	-	(6,215,802)	(6,215,802)
Total other financing sources (uses)	<u>-</u>	<u>(380,802)</u>	<u>(380,802)</u>
NET CHANGE IN FUND BALANCES	13,260	(489,414)	(476,154)
FUND BALANCES - BEGINNING OF YEAR	70,140	607,707	677,847
FUND BALANCES - END OF YEAR	<u>\$ 83,400</u>	<u>\$ 118,293</u>	<u>\$ 201,693</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**CUCHARS RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ (476,154)</u>
<p>Long-term debt (e.g. bonds, loans) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>	
Refunding loan issued	(5,835,000)
Payment to refunded bonds escrow - principal	6,107,772
Principal paid	260,000
Change in bond interest payable	35,803
Amortization of deferred loss on refunding	<u>(13,225)</u>
	<u>555,350</u>
Change in net position - Governmental activities	<u><u>\$ 79,196</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**CUCHARS RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2021**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property tax	\$ 36,782	\$ 36,782	\$ -
Specific ownership tax	3,678	4,319	641
Net investment income	-	10	10
Total revenues	<u>40,460</u>	<u>41,111</u>	<u>651</u>
EXPENDITURES			
Accounting	6,000	4,107	1,893
Audit	4,000	3,900	100
Legal	25,000	16,524	8,476
Insurance and bonds	3,000	2,324	676
County Treasurer's fees	552	552	-
Office supplies	100	-	100
Bank service charges	120	120	-
Dues and subscriptions	500	324	176
Contingency	20,000	-	20,000
Total expenditures	<u>59,272</u>	<u>27,851</u>	<u>31,421</u>
NET CHANGE IN FUND BALANCE	(18,812)	13,260	32,072
FUND BALANCE - BEGINNING OF YEAR	<u>70,471</u>	<u>70,140</u>	<u>(331)</u>
FUND BALANCE - END OF YEAR	<u>\$ 51,659</u>	<u>\$ 83,400</u>	<u>\$ 31,741</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**CUCHARS RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Cuchares Ranch Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on December 20, 2007 and is governed pursuant to provisions of the Colorado Special District Act. The District's boundaries are located in El Paso County, Colorado. The District was established to provide financing for the construction, operation and maintenance of public infrastructure improvements within and without the District's boundaries. Since organization, all District services have been provided by the Colorado Centre Metropolitan District pursuant to an addendum to an inclusion agreement (See Note 5), or the County.

The District has no employees and all operations and administrative functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows, and liabilities and deferred inflows of the District being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CUCHARES RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to adopt the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**CUCHARS RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

For the year ended December 31, 2021, supplementary appropriations approved by the District modified the appropriation from \$449,109 to \$6,787,077 in the Debt Service Fund.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each funds' average equity balance in total cash. Investments are carried at fair value.

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 certified by December 15 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 30 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Fund Equity

Fund balance for governmental funds are reported in the categories listed below to make the nature and extent of the constraints placed on a government's fund balances more transparent. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

**CUCHARS RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position

Cash and investments - unrestricted	\$ 84,257
Cash and investments - restricted	114,564
Total cash and investments	\$ 198,821

Cash and investments as of December 31, 2021, consist of the following:

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2021, the District's cash deposits with financial institutions that had a bank balance of \$198,821 and carrying balance of \$198,821.

Investments

The District has not adopted a formal investment policy, however, the District follows state statutes regarding investments. Colorado State Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks

**CUCHARES RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2021, the District did not have any investments:

Restricted Cash and Investments

As of December 31, 2021, the District reports cash and investments in the amount of \$114,564 which are restricted for debt service on the District's outstanding bonds.

NOTE 4 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2021.

	<u>Balance December 31, 2020</u>	<u>Additions</u>	<u>Refundings/ Retirements</u>	<u>Balance December 31, 2021</u>	<u>Current Portion</u>
Governmental Activities:					
G.O. Limited Tax Refunding and					
Improvement Bonds Series 2016A	\$ 5,045,000	\$ -	\$ (5,045,000)	\$ -	\$ -
Subordinate General Obligation					
Limited Tax Bonds Series 2016B	670,000	-	(670,000)	-	-
Direct Borrowing:					
Taxable (Converting to Tax-Exempt)					
Refunding Loan, Series 2021	-	5,835,000	(260,000)	5,575,000	90,000
	<u>\$ 5,715,000</u>	<u>\$ 5,835,000</u>	<u>\$ (5,975,000)</u>	<u>\$ 5,575,000</u>	<u>\$ 90,000</u>

General Obligation Limited Tax Refunding and Improvement Bonds Series 2016A

On March 8, 2016, the District issued \$5,205,000 General Obligation Limited Tax Refunding and Improvement Bonds, Series 2016A to reimburse a Developer-related entity for the costs of certain public improvements, pay the costs of issuance of the bonds, and pay the costs of refunding the General Obligation Limited Tax Capital Appreciation Bonds, Series 2011. The bonds are term bonds maturing on December 1, 2045 and bear interest at 5.000%. Interest is due to be paid semiannually on June 1 and December 1, beginning in 2016 through 2045. The bonds are subject to mandatory sinking fund redemption beginning in 2018 through 2044, with final non-sinking fund redemption in 2045. The bonds are subject to redemption prior to maturity on December 1, 2021, and on any date thereafter, upon payment of par, accrued interest and redemption premium as follows: 3.00% for dates of redemption December 1, 2021 to November 30, 2022; 2.00% for dates of redemption December 1, 2022 to November 30, 2023; 1.00% for dates of redemption December 1, 2023 to November 30, 2024; and no redemption premium on December 1, 2024 and thereafter. These bonds were refunded, defeased and called during 2021 and no longer outstanding as of December 31, 2021.

In anticipation of the issuance of the 2016 bonds, the District and Developer entered into a Termination of Infrastructure Acquisition Agreement on February 11, 2016. The parties agreed

**CUCHARES RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

that as long as the Developer received at least \$700,000 in net proceeds from the issuance of the bonds, the Infrastructure Acquisition Agreement, dated November 3, 2008, would be terminated. The terms of the Termination of Infrastructure Agreement were met and the Infrastructure Acquisition Agreement was terminated effective March 8, 2016, and all amounts due to the Developer under the Infrastructure Acquisition Agreement were written off by the Developer and are no longer owed by the District.

The Series 2016A Senior Bonds are limited tax general obligations of the District secured by and payable from the Senior Pledged Revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Senior Required Mill Levy; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

The Series 2016A Senior Bonds are also secured by amounts held by the Trustee in the Senior Reserve Fund and Surplus Fund, if any.

The Senior Required Mill Levy is defined as follows:

- (a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient, when combined with other legally available moneys then in the Senior Bond Fund (not including moneys in the Senior Reserve Fund or the Surplus Fund) to pay the principal of, premium if any, and interest on the Series 2016A Senior Bonds as the same become due and payable, and to fund the Senior Reserve Fund up to the Required Reserve, but (i) not in excess of forty-five (45) mills less the amount of the Operations Mill Levy, and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than forty-five (45) mills less the amount of the Operations Mill Levy, or such lesser mill levy which, when combined with other legally available moneys then in the Senior Bond Fund, will permit the District to fully fund the Senior Bond Fund for the next Senior Bond Year and pay the Series 2016A Senior Bonds as they come due, to fund the Senior Reserve Fund up to the Required Reserve, and to fund the Surplus Fund up to the Maximum Surplus Amount; provided, however, that in the event the method of calculating assessed valuation is or was changed on or after January 1, 2007, the mill levy provided in the Senior Indenture will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.
- (b) Notwithstanding anything in the Senior Indenture to the contrary, in no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

**CUCHARES RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

- (c) The Operations Mill Levy is defined to mean, with respect to any particular levy year, the number of mills necessary to produce the dollar amount of the Operations Deduction for the collection year. The "Operations Deduction" is defined in the Indentures to mean the amount reasonably determined by the District as being necessary to pay the District's operations and maintenance expenses, but not in excess of the following: (i) for levy year 2015 (for collection in 2016), the amount of \$35,000, and (ii) for each levy year thereafter, the dollar amount produced in the prior year plus 1%.

Subordinate General Obligation Limited Tax Bonds Series 2016B

On March 8, 2016, the District issued \$670,000 Subordinate General Obligation Limited Tax Bonds, Series 2016B to reimburse a Developer-related entity for the costs of certain public improvements and pay the costs of issuance of the bonds. The bonds are term bonds maturing on December 15, 2045 bear interest at 7.750%. Interest is due to be paid annually on December 1, beginning in 2016 through 2045 and principal on December 31, 2045 to the extent of Subordinate Pledged Revenue. These bonds were refunded, defeased and called during 2021 and no longer outstanding as of December 31, 2021.

Notwithstanding anything in the Subordinate Indenture to the contrary, all of the Series 2016B Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2056 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing shall not relieve the District of the obligation to impose the Subordinate Required Mill Levy each year prior to the Termination Date and apply the Subordinate Pledged Revenue in the manner required in the Subordinate Indenture.

The bonds are subject to redemption prior to maturity on December 15, 2021, and on any date thereafter, upon payment of par, accrued interest and redemption premium as follows: 3.00% for dates of redemption December 15, 2021 to December 14, 2022; 2.00% for dates of redemption December 15, 2022 to December 14, 2023; 1.00% for dates of redemption December 15, 2023 to December 14, 2024; and no redemption premium on December 15, 2024 and thereafter.

The Series 2016B Subordinate Bonds are limited tax general obligations of the District secured by and payable from the Subordinate Pledged Revenue, consisting of moneys derived by the District from the following sources, net of any costs of collection: (i) the Subordinate Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

The Subordinate Required Mill Levy is defined as follows:

- (a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of (i) forty-five (45) mills less the amount of the Operations Mill Levy and the Senior Bond Mill Levy (discussed below), or (ii) such lesser mill levy which, after deduction of the Operations Mill Levy and the Senior Bond Mill Levy, and when combined with other Subordinate Pledged Revenue legally available in the Subordinate Bond Fund, will permit the District to fully fund the Subordinate Bond Fund for the next Subordinate Bond Year and pay all of the

**CUCHARES RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

principal of and interest on the Series 2016B Subordinate Bonds in full; provided, however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2007, the mill levy provided in the Subordinate Indenture will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. It is the intent of the Subordinate Indenture that if the amount of the Senior Bond Mill Levy equals or exceeds forty-five (45) mills less the amount of the Operations Mill Levy in any year, adjusted for changes in law as aforesaid, the Subordinate Required Mill Levy for that year shall be zero.

- (b) Notwithstanding anything in the Subordinate Indenture to the contrary, in no event may the Subordinate Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted By the District's electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Taxable (Converting to Tax-Exempt) Refunding Loan Series 2021

On March 11, 2021, the District entered into a \$5,835,000 Taxable (Converting to Tax-Exempt) Refunding Loan (Loan) with BBVA Mortgage Corporation (now PNC Bank) to advance refund and defease the outstanding General Obligation Limited Tax Refunding and Improvement Bonds Series 2016A and Subordinate General Obligation Limited Tax Bonds Series 2016B (together the Bonds) in the amounts of \$5,045,000 and \$670,000, respectively. The Loan was issued with an initial taxable fixed rate of 3.78% through September 17, 2021, which upon conversion will be a 2.99% tax-exempt fixed rate from September 18, 2021 until December 1, 2035, and then 4.00% thereafter. Interest is payable on the loan on June 1 and December 1 and principal is payable on December 1 of each year, commencing on June 1, 2021. The Loan may be prepaid in on any interest payment date prior to June 1, 2028 upon payment the Loan principal being prepaid plus accrued interest thereon to the date of such prepayment together with any prepayment premium. If the Loan is prepaid on or after June 1, 2028 the prepayment shall equal the principal amount of the Loan being prepaid, plus accrued interest thereon to the date of prepayment, without prepayment premium.

The Loan is secured by and payable from pledged revenue consisting of moneys derived by the District from the following sources, net of any costs of collection: (a) the Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (c) any payment in lieu of taxes revenue, and (d) any other legally available moneys which the District determines, in its sole discretion, to apply as pledged revenue.

The Required Mill Levy is defined as follows:

- (a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount which, when combined with any moneys in the loan payment account not required to be applied to the payment of the

**CUCHARES RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Loan in the then-current fiscal year, and excluding moneys in the reserve fund, will generate property tax revenues of not less than the debt requirements for the next fiscal year, but not in excess of 45 mills less the amount of the Operations Mill Levy, or such lesser mill levy which will fund the loan payment account for the relevant loan year and pay the debt requirements when due; provided however, that in the event the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is or was changed after January 1, 2007, the maximum mill levy provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board of Directors in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. The District hereby determines that, pursuant to the above formula, as of the closing date, the foregoing maximum mill levy of 45 mills has adjusted upwards to 50.098 mills (commencing levy year 2021).

(b) Notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive property tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

The Operations Mill Levy and Operations Deduction are defined as follows:

Operations Mill Levy means, with respect to any particular levy year, the number of mills necessary to produce the dollar amount of the Operations Deduction for the collection year. The Operations Deduction means the amount reasonably determined by the District as being necessary to pay or reimburse the District's operations and maintenance expenses, but not in excess of the following: (i) for levy year 2020 (for collection in 2021), the amount of \$36,786, and (ii) for each levy year thereafter, the dollar amount paid or reimbursed in the prior year plus 1% of such amount.

The Loan also requires a debt service reserve of \$87,400. As of December 31, 2021, the balance in the reserve account was \$87,408, in compliance with the requirement.

Bond Refunding

On March 11, 2021, the District advance refunded and defeased the outstanding General Obligation Limited Tax Refunding and Improvement Bonds Series 2016A and Subordinate General Obligation Limited Tax Bonds Series 2016B (together the Bonds) in the amounts of \$5,045,000 and \$670,000, respectively. The 2016A bonds and 2016B bonds were issued with fixed interest rates of 5.00% and 7.75%, respectively. The defeased bonds are not considered a liability of the District since sufficient funds (\$6,215,802) were deposited with a trustee and invested in U.S. Government securities for the purpose of paying the principal and interest of the defeased bonds when due. The 2016A and 2016B bonds were called on December 1, 2021 and December 15, 2021, respectively, and are no longer outstanding.

**CUCHARES RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

The District advance refunded the Bonds to reduce its total debt service payments over the next 30 years by almost \$865,707 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$688,558.

The District's long-term obligations are expected to mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 90,000	\$ 166,693	\$ 256,693
2023	95,000	164,001	259,001
2024	100,000	161,161	261,161
2025	105,000	158,171	263,171
2026	115,000	155,032	270,032
2027-2031	655,000	721,038	1,376,038
2032-2036	805,000	649,680	1,454,680
2037-2041	875,000	656,000	1,531,000
2042-2046	1,155,000	459,600	1,614,600
2047-2051	1,580,000	202,400	1,782,400
	<u>\$ 5,575,000</u>	<u>\$ 3,493,776</u>	<u>\$ 9,068,776</u>

As of December 31, 2021, the District's authorized but unissued debt was as follows:

<u>Purpose</u>	<u>Amount Authorized 11/4/2008</u>	<u>Amount Used 5/1/2012</u>	<u>Amount Used 3/8/2016</u>	<u>Amount Used 3/11/2021</u>	<u>Authorized But Unissued</u>
Water	\$ 4,000,000	\$ (1,042,169)	\$ (502,123)	\$ -	\$ 2,455,708
Sanitation	4,000,000	(1,487,124)	(650,185)	-	1,862,691
Streets	4,000,000	(1,845,724)	-	-	2,154,276
Safety protection	4,000,000	-	-	-	4,000,000
Park and recreation	4,000,000	(169,983)	-	-	3,830,017
Public transportation	4,000,000	-	-	-	4,000,000
Mosquito control	4,000,000	-	-	-	4,000,000
Operations	4,000,000	-	-	-	4,000,000
Refunding	4,000,000	-	(177,692)	(3,822,308)	-
	<u>\$ 36,000,000</u>	<u>\$ (4,545,000)</u>	<u>\$ (1,330,000)</u>	<u>\$ (3,822,308)</u>	<u>\$ 26,302,692</u>

NOTE 5 – INTERGOVERNMENTAL AGREEMENTS

On February 26, 2009, concurrent with the inclusion of properties into the Colorado Centre Metropolitan District ("CCMD"), the District and CCMD entered into an Addendum to Inclusion Petition Agreement (the "Addendum"). The Addendum provides, inter alia: 1) consent for the overlapping of district boundaries for the District and CCMD pursuant to §32-1-107(3), C.R.S.; 2) CCMD will provide all services to properties located within the District, absent separate agreement authorizing the provision of services by the District; 3) the District continues to be empowered to finance construct, acquire and install public improvements authorized under the District's Service Plan, as amended, provided that such improvements are dedicated to other governmental entities for ongoing operation and maintenance; 4) CCMD will not object to the incurring of debt or other obligations or expenses for the benefit of the District to allow the District to finance, construct,

**CUCHARS RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

acquire and install public improvements necessary to receive services by CCMD; and 5) in the event the District were required to consolidate with another district, the District agrees to continue to pay its outstanding general obligation debt, if any. The remaining provisions of the Addendum are terms, conditions and agreements between the Petitioners and CCMD and do not involve the District.

The District was initially organized pursuant to a service plan approved by the County on May 24, 2007, which service plan was amended in July 2008 (collectively, the "Original Service Plan"). The Original Service Plan was subsequently amended and superseded in its entirety on September 22, 2015 (as amended and currently exists, the "Service Plan"), to limit the District's powers under Article 1 of Title 32, Colorado Revised Statutes, as amended ("C.R.S") to the financing and refinancing the construction, acquisition, installation and replacement of water, wastewater, storm sewer and drainage, fire protection, streets, street lights, traffic signals, bridges, parks and recreation, mosquito control and safety protection facilities and improvements (the "Public Improvements"). Such Public Improvements, upon construction, are to be conveyed to Colorado Centre or another governmental entity for ownership, operation and maintenance. The District does not provide and has no responsibility to provide any utility services to its residents, as all such services, including water, wastewater, street lights, fire protection, trash collection, internet, and parks and recreation, are provided by Colorado Centre.

NOTE 6 - FUND EQUITY

As of December 31, 2021, the District reported the following classifications of fund equity.

Restricted Fund Balance

The restricted fund balance in the amount of \$1,233 in the General Fund is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 9).

The restricted fund balance in the Debt Service Fund in the amount of \$118,293 is to be used exclusively for debt service requirements (see Note 4).

Assigned Fund Balance

The assigned fund balance in the General Fund in the amount of \$21,789 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

NOTE 7 - NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

The District had restricted net position as of December 31, 2021 as follows:

**CUCHARES RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Restricted:	
Emergencies	\$ 1,233
Debt service	<u>104,402</u>
	<u><u>\$ 105,635</u></u>

In the government-wide financial statements, the District's had an unrestricted net position deficit of \$5,113,286 as a result of capital improvements that were funded with long-term debt that have been dedicated to other entities, while the long-term debt remains an obligation of the District.

NOTE 8 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, as amended from time to time, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2021. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability and boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability and public officials' liability. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 4, 2008, the voters of the District authorized the District taxes to be increased by \$2,000,000 annually, or by such lesser annual amount necessary to pay the District's operations, maintenance, and other expenses, such amount to consist of an ad valorem mill levy imposed without limitation of rate. The proceeds of these taxes and the investment income thereon to be collected and spent by the District as a voter-approved revenue change in 2009 and in each year

**CUCHARS RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

thereafter, without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, or Section 29-1-301, Colorado Revised Statutes, and without limiting in any year the amount of other revenues that may be collected by the District.

Also on November 4, 2008, the voters of the District authorized the District to collect, retain and spending any and all amounts annually from any revenue sources, whatsoever other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, income, or charge imposed, collected, or authorized by law to be imposed or collected by the District. Such revenues to be collected and spent by the District as a voter-approved revenue changes without regard to any spending, revenue-raising, or other limitation within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected and spent by the District.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

**CUCHARS RANCH METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2021**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Property tax	\$ 402,372	\$ 402,372	\$ 402,372	\$ -
Specific ownership tax	40,238	40,238	47,252	7,014
Net investment income	6,500	500	238	(262)
Total revenues	<u>449,110</u>	<u>443,110</u>	<u>449,862</u>	<u>6,752</u>
EXPENDITURES				
County Treasurer's fees	6,035	6,035	6,037	(2)
Bank service charges	1,000	1,000	48	952
Paying agent fees	4,500	4,500	377	4,123
Principal	65,000	260,000	260,000	-
Interest	367,574	149,820	148,668	1,152
Bond issuance costs	-	144,920	143,344	1,576
Contingency	5,000	5,000	-	5,000
Total expenditures	<u>449,109</u>	<u>571,275</u>	<u>558,474</u>	<u>12,801</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1</u>	<u>(128,165)</u>	<u>(108,612)</u>	<u>19,553</u>
OTHER FINANCING SOURCES (USES)				
Refunding loan issued	-	5,835,000	5,835,000	-
Payment to refunded bonds escrow	-	<u>(6,215,802)</u>	<u>(6,215,802)</u>	-
Total other financing sources (uses)	<u>-</u>	<u>(380,802)</u>	<u>(380,802)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1	(508,967)	(489,414)	19,553
FUND BALANCE - BEGINNING OF YEAR	<u>600,500</u>	<u>607,707</u>	<u>607,707</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 600,501</u>	<u>\$ 98,740</u>	<u>\$ 118,293</u>	<u>\$ 19,553</u>

OTHER INFORMATION

**CUCHARS RANCH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2021**

**\$5,835,000 Taxable (Converting to Tax-Exempt)
Loan Refunding Issue, Series 2021
Assumes 3.78% Taxable Rate through 9/17/2021,
2.99% Tax-Exempt to 12/1/2035, and
4.00% Tax-Exempt Thereafter
Interest Due Semiannually on June 1 and
December 1, Principal Due on December 1**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 90,000	\$ 166,693	\$ 256,693
2023	95,000	164,001	259,001
2024	100,000	161,161	261,161
2025	105,000	158,171	263,171
2026	115,000	155,032	270,032
2027	115,000	151,593	266,593
2028	125,000	148,154	273,154
2029	130,000	144,417	274,417
2030	140,000	140,530	280,530
2031	145,000	136,344	281,344
2032	155,000	132,009	287,009
2033	160,000	127,374	287,374
2034	170,000	122,590	292,590
2035	175,000	117,507	292,507
2036	145,000	150,200	295,200
2037	155,000	144,400	299,400
2038	165,000	138,200	303,200
2039	175,000	131,600	306,600
2040	185,000	124,600	309,600
2041	195,000	117,200	312,200
2042	210,000	109,400	319,400
2043	215,000	101,000	316,000
2044	230,000	92,400	322,400
2045	240,000	83,200	323,200
2046	260,000	73,600	333,600
2047	270,000	63,200	333,200
2048	285,000	52,400	337,400
2049	295,000	41,000	336,000
2050	315,000	29,200	344,200
2051	415,000	16,600	431,600
	<u>\$ 5,575,000</u>	<u>\$ 3,493,776</u>	<u>\$ 9,068,776</u>

**CUCHARES RANCH METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
TOTAL DISTRICT
Year Ended December 31, 2021**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>			<u>Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Levied</u>	<u>Collected</u>	
2009	\$ 45,150	25.000	20.000	45.000	\$ 2,032	\$ 2,031	100.0%
2010	\$ 140,180	45.000	0.000	45.000	\$ 6,308	\$ 6,500	103.0%
2011	\$ 412,110	45.000	0.000	45.000	\$ 18,545	\$ 19,075	102.9%
2012	\$ 1,665,770	45.000	0.000	45.000	\$ 74,960	\$ 74,083	98.8%
2013	\$ 2,417,800	0.000	45.000	45.000	\$108,801	\$108,814	100.0%
2014	\$ 4,005,980	0.000	45.000	45.000	\$180,269	\$180,266	100.0%
2015	\$ 5,347,590	0.000	45.000	45.000	\$240,642	\$239,859	99.7%
2016	\$ 6,283,140	0.000	45.000	45.000	\$282,741	\$282,760	100.0%
2017	\$ 7,372,930	4.794	40.206	45.000	\$331,782	\$331,782	100.0%
2018	\$ 7,392,940	4.829 *	44.921 *	49.750 *	\$367,799	\$367,799	100.0%
2019	\$ 7,502,440	4.806 *	44.944 *	49.750 *	\$373,246	\$373,251	100.0%
2020	\$ 8,765,880	4.154 *	45.944 *	50.098 *	\$439,153	\$439,153	100.0%
2021	\$ 8,765,890	4.196 *	45.902 *	50.098 *	\$439,154	\$439,154	100.0%
Estimated for year ending December 31, 2022	\$ 9,797,780	3.792	24.180	27.972	\$274,063		

* - Mill levy adjusted for the effect of the Gallagher Amendment on the assessed value ratio.

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.