

**SADDLER RIDGE METROPOLITAN DISTRICT
2023 ANNUAL REPORT
TO
THE TOWN OF SEVERANCE
FISCAL YEAR ENDING DECEMBER 31, 2023**

Pursuant to §32-1-207(3)(c) and the Amended and Restated Service Plan for Saddler Ridge Metropolitan District (the “**District**”), the District is required to provide an annual report to the Town of Severance, Colorado by March 1st of each year which reflects activity and financial events of the District.

For the year ending December 31, 2023, the District makes the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no changes made to the District’s boundaries as of December 31, 2023, nor were any changes proposed.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District entered into that Second Amendment to Intergovernmental Agreement By and Between The Town of Severance and the District, effective as of January 1, 2024.

The District entered into that First Amendment to Nonexclusive Right-of-Way License and Maintenance Agreement Between the Town of Severance and the District, effective as of January 1, 2024.

Copies of these documents are attached hereto as **Exhibit A**

3. Access information to obtain a copy of rules and regulations adopted by the board.

Information on the District’s rules and regulations may be obtained by contacting the District’s Manager, Alex Carlson, at (970) 484-0101. Information on the District may also be obtained from the District’s website: <https://ccgcolorado.com/saddlerridge/>

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts public improvements as of December 31, 2023.

5. The status of the construction of public improvements by the District.

In 2023, the District removed and replaced previously installed concrete manhole collars throughout the District's roadways; performed crackseal throughout all roadways and installed two non-potable meter vaults.

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

All constructed water service improvements that have been completed by the District have been deeded to North Weld Water District.

7. The final assessed valuation of the District as of December 31st of the reporting year.

Assessed Valuation of all taxable property within the District for the report year as certified by the Weld County Assessor: \$4,129,940

8. A copy of the current year's budget.

A copy of the 2024 Budget is attached hereto as **Exhibit B**.

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

The annual Audit Report for the fiscal year ending December 31, 2023 ("**2023 Audit**") has not been finalized to date. A copy of the 2023 Audit will be submitted as a supplement once the report is available. The 2022 Audit is attached hereto as **Exhibit C**.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

To our actual knowledge, there is no uncured default existing for more than ninety days under any debt instrument.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

Beginning in 2023, due to the limited taxing ability of the District, the District was not able to make the full amount of the payments due on both the Series 2017A and 2017B Bonds. However, per the bond indentures, the District is not in default and any unpaid amounts are being accrued for payment in future years.

Service Plan Requirements

1. Boundary changes made or proposed.

There were no changes made to the District's boundaries as of December 31, 2023, nor were any changes proposed.

2. Intergovernmental Agreements with other governmental entities entered into or proposed.

The District entered into that Second Amendment to Intergovernmental Agreement By and Between The Town of Severance and the District, effective as of January 1, 2024.

The District entered into that First Amendment to Nonexclusive Right-of-Way License and Maintenance Agreement Between the Town of Severance and the District, effective as of January 1, 2024.

Copies of these documents are attached hereto as **Exhibit A**

3. Changes or proposed changes in the District's policies.

- 2nd Amendment to Amended and Restated Residential Rules and Regulations and Residential Improvement Guidelines and Site Restrictions, 2023-11-11
- Amendment to Amended and Restated Residential Rules and Regulations and Residential Improvement Guidelines and Site Restrictions, 2023-08-07
- Adoption of Amended and Restated Residential Rules and Regulations and Residential Improvement Guidelines and Site Restrictions, 2023-06-06
- Acceptance and Adoption of Commercial Improvement Guidelines and Site Restrictions, 2023-04-11.

Copies of the above documents can be found on the District's website: : <https://ccgcolorado.com/saddlerridge/>

4. Changes or proposed changes in the District's operations.

There were no changes or proposed changes made to the District's operations as of December 31, 2023.

5. Any changes in the financial status of the District including revenue projections or operating costs.

The 2024 budget is attached hereto as **Exhibit B** and assessed valuation for the District is attached hereto as **Exhibit D**, respectively.

6. A summary of any litigation which involves the District.

To our knowledge, based on a review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District as of December 31, 2023.

7. Proposed plans for the year immediately following the year summarized in the annual report.

- District is in the process of replacing the mixed liquor pump at the wastewater treatment plant and intends to inspect and rebuild the current pump to provide redundancy for future repairs or replacement.
- The District intends to service and inspect all blowers at the wastewater treatment plant.
- The District has repaired, reinstalled and inspected the Omnisite unit as well as the computer at the wastewater treatment plant in 2024 due to failure.
- The District intends to install signs at all trailheads.
- The District intends to trim trees and remove overgrowth of vegetation at the north pond.
- The District is negotiating a Third Amendment to the Intergovernmental Agreement and an Amended License and Maintenance Agreement with the Town to transfer responsibility of stormwater and street maintenance and repairs to the Town.
- The District is considering trail repairs. As well as road repairs (crack seal) if no agreement is made in negotiations aforementioned.
- The District intends to install a non-potable meter vault.

8. Status of District's public improvement construction schedule.

The District does not have any plans for public improvement construction in 2024.

9. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by other governmental entities.

All constructed water service improvements that have been completed by the District have been deeded to North Weld Water District. The District's signage was dedicated to the Town in 2023.

EXHIBIT A
Intergovernmental Agreements

**SECOND AMENDMENT
TO
INTERGOVERNMENTAL AGREEMENT
BY AND BETWEEN
THE TOWN OF SEVERANCE AND SADDLER RIDGE METROPOLITAN DISTRICT**

This second amendment (the “**Second Amendment**”), effective as of January 1, 2024, amends the Intergovernmental Agreement dated April 6, 2005 (the “**2005 IGA**”) as amended by that amendment dated September 7, 2017 and effective September 20, 2017 (the “**2017 IGA**” and, collectively, the “**Agreement**”), by and between the Town of Severance, Colorado, a municipal corporation of the State of Colorado (the “**Town**”) and Saddler Ridge Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”). The Town and District may be referred to individually as a “**Party**” or collectively as the “**Parties**”.

RECITALS

WHEREAS, the Board of Trustees of the Town (the “**Trustees**”) approved the service plan submitted to the Town on July 2, 2003 (the “**Service Plan**”) and organization of the District on August 6, 2003 by Resolution Number 2003-06R; and

WHEREAS, pursuant to the Service Plan, the District entered into the 2005 IGA setting forth the Parties’ agreements and understandings regarding the design, construction, conveyance, acceptance, ownership and maintenance of certain Public Improvements (as defined in the 2005 IGA) and specifically including certain Internal and Perimeter Street Improvements (as defined in the 2005 IGA); and

WHEREAS, the Trustees approved an amended and restated service plan (the “**Amended Service Plan**”) and the intergovernmental agreement concerning the provision of sanitary sewer service on July 28, 2008 by Resolution Number 2008-10R; and

WHEREAS, the Parties entered into the 2017 IGA in order to amend the description of ownership of, and maintenance and repair obligations for Perimeter Street Improvements; and

WHEREAS, the Town controls Weld County Road 17 (“**WCR17**”) and Weld County Road 19 (“**WCR19**”), as further described in **Exhibit A**, attached hereto and made a part hereof, and the associated Perimeter Street Improvements; and

WHEREAS, the Parties entered into a license and maintenance agreement on September 20, 2017 (the “**License Agreement**”) whereby the Town provided the District with a nonexclusive easement and license to enter upon the Town’s rights-of-ways for the purpose of maintaining the roadway and drainage improvements (the “**Improvements**”) in relation **WCR17** and **WCR19**; and

WHEREAS, pursuant to the terms of the License Agreement, in addition to maintaining the Improvements the District is also obligated, at its sole cost, to perform snow plowing services on WCR17 and WCR19; and

WHEREAS, the Parties wish to amend the Agreement to transfer the obligation of performing snow plowing services on that segment of WCR17 (the “**WCR 17 Services**”) as identified in **Exhibit A**, attached hereto and made a part hereof, from the District to the Town; and

WHEREAS, contemporaneously with this Second Amendment, the Parties intend to amend the License Agreement to terminate the District’s obligation thereunder to perform the WCR17 Services; and

WHEREAS, the District will continue to be responsible for maintaining the Improvements in relation to WCR17 and WCR19 and for providing snow plowing services on WCR19 (the “**Continued Obligations**”); and

WHEREAS, the Town may be agreeable, in the future, to discussing a possible change to the Continued Obligations of the District whereby the Town would accept the obligation for these Continued Obligations; and

WHEREAS, in addition to accepting the obligation of providing the WCR17 Services, the Town also wishes to accept the obligations of (i) snow plowing the bus routes within the District’s boundaries (the “**Snow Plowing Bus Services**”); (ii) installing and maintaining the road signs within the District’s boundaries and on the perimeter roads with the District’s boundaries, as identified in **Exhibit B**, attached hereto and made a part hereof (collectively, the “**Road Signs**”); (iii) paying the District’s bills for the purchase of electrical service associated with certain street lighting facilities and appurtenant equipment for the roadways/streets within the District’s boundaries and along WCR17, as well as up to two community signs, as identified in **Exhibit C**, attached hereto and made a part hereof (collectively, the “**Electrical Invoices**”).

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby amend the Agreement as follows:

AMENDMENTS

The Agreement is hereby amended by shifting the following obligations from the District to the Town. Specifically:

1. Transfer of Obligations Relating to Snow Plowing of WCR17: The Town shall be responsible for the WCR17 Services and shall perform such WCR17 Services consistent with Colorado law and to the same extent and upon the same terms and conditions as such services are provided to other public rights-of-way throughout the Town that are part of Town’s municipal street system. Notwithstanding, the District shall cease and discontinue imposing and collecting any operations and maintenance fees, assessments, or charges

upon and from any District customers that are intended to cover or defray the costs and expenses incurred by the District for furnishing the WCR 17 Services.

2. Snow Plowing the Bus Routes. The Town shall be responsible for Snow Plowing Bus Services, and shall perform such Snow Plowing Bus Services consistent with Colorado law and to the same extent and upon the same terms and conditions as such services are provided to other public rights-of-way throughout the Town that are part of the Town's municipal street system. Notwithstanding, the District shall cease and discontinue imposing and collecting any operations and maintenance fees, assessments, or charges upon and from any District customers that are intended to cover or defray the costs and expenses incurred by the District for furnishing the Snow Plowing Bus Services.
3. Road/Street Signage. The Town shall be responsible for the installation and maintenance of the Road Signs consistent with Colorado law and to the same extent and upon the same terms and conditions as such traffic control services are provided to other public rights-of-way throughout the Town that are part of Town's municipal street system. Notwithstanding, the District shall cease and discontinue imposing and collecting any operations and maintenance fees, assessments, or charges upon and from any District customers that are intended to cover or defray the costs and expenses incurred by the District for furnishing the Road Signs.
4. Electrical Invoices. The Town shall be responsible for the payment of the Electrical Invoices; provided, however, that the District shall cease and discontinue imposing and collecting any street light service fees, assessments, or charges upon and from any District customers. The District shall either (a) contact its utility provider and request a bill transfer to the Town; or (b) submit to the Town an Electrical Invoice, which may not be submitted more frequently than monthly, and the Town shall make payment within 30 days of invoice submittal.

Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.

Nothing herein shall constitute a multiple fiscal year obligation pursuant to Colorado Constitution Article X, Section 20. Notwithstanding any other provision of this Second Amendment, the Town's obligations under this Second Amendment are subject to annual appropriation by the Town Council of Severance.

The parties hereto understand and agree that the Town is relying on, and does not waive or intend to waive by any provision of this Second Amendment or the Agreement, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, Sections 24-10-101 *et seq.*, C.R.S., as from time to time amended, or those otherwise available to the Town, its officers, or its employees.

This Second Amendment may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

EXHIBIT A
(The Property – WCR17 and WCR19)

LEGAL DESCRIPTION

That portion of Weld County Road 17, being a part of Sections 9 and 10, Township 7 North, Range 67 West of 6th Principal Meridian, more particularly described as follows:

Considering the South line of Section 9, monumented with a 2 ½" aluminum cap in range box stamped LS 12374 at the SW corner, and a 3 ½" aluminum cap in a range box stamped LS 12374 at the SE corner, as bearing S89°46'42"E and with all bearings contained herein relative thereto:

Commencing at the Southwest corner of said Section 9;
Thence along the Westerly line of the South half of said Section 9 N00°35'23"E 159.97 feet, to the POINT OF BEGINNING;
Thence departing said Westerly line of Section 9, N89°53'24"W 30.00 feet to a point on the Westerly right of way line of Weld County Road 17;
Thence along said Westerly right of way line N0°35'23"E 2485.30 feet;
Thence departing said Westerly right of way line S89°31'13"W 70.00 feet to a point on the Northerly line of the South ½ said Section 9 and the Easterly right of way line of Weld County Road 17;
Thence along said Easterly right of way line of Weld County Road 17, S0°35'23"W 2439.88 feet;
Thence departing said Easterly right of way line N44°35'12"W 14.09 feet;
Thence N89°46'20"W 30.00 feet, to a point on the Westerly line of the South half of said Section 9;
Thence along said Westerly line of the South half of Section 9, S0°35'23"W 55.04 feet to the POINT OF BEGINNING;

Containing 3.944 acres, more or less.

Ramiz Basic, PLS 36563
COLORADO LAND SURVEYING
5343 W 116th Cir
Westminster, CO 80020
303-469-1730

LEGAL DESCRIPTION

That portion of Weld County Road 19, being a part of Sections 9 and 10, Township 7 North, Range 67 West of 6th Principal Meridian, more particularly described as follows:

Considering the South line of Section 9, monumented with a 2 ½" aluminum cap in range box stamped LS 12374 at the SW corner, and a 3 ½" aluminum cap in a range box stamped LS 13155 at the SE corner, as bearing N89°46'42"W and with all bearings contained herein relative thereto:

Commencing at the Southeast corner of said Section 9;

Thence along the Easterly line of the South half of said Section 9 N00°03'58"E 175.00 feet, to the POINT OF BEGINNING;

Thence departing said Easterly line of Section 9, N89°46'42"W 30.00 feet to a point on the Westerly right of way line of Weld County Road 19;

Thence along said Westerly right of way line N0°03'58"E 2446.42 feet, to a point on the Northerly line of the South half of said Section 9;

Thence departing said Westerly right of way line S89°31'13"E 30.00 feet to the East quarter corner section 9;

Thence N89°55'36"E 30.00' to a point on the Northerly line of the South half of Section 10, and the Easterly right of way line of Weld County Road 19;

Thence along said Easterly right of way line of Weld County Road 19, S0°03'58"W 2436.76 feet;

Thence departing said Easterly right of way line N89°57'24"W 30.00 feet, to a point on the Westerly line of the South half of said Section 10;

Thence along said Westerly line of the South half of Section 10, S0°03'58"W 9.58 feet to the POINT OF BEGINNING;

Containing 3.363 acres, more or less.

Ramiz Basic, PLS 36563
COLORADO LAND SURVEYING
5343 W 116th Cir
Westminster, CO 80020
303-469-1730

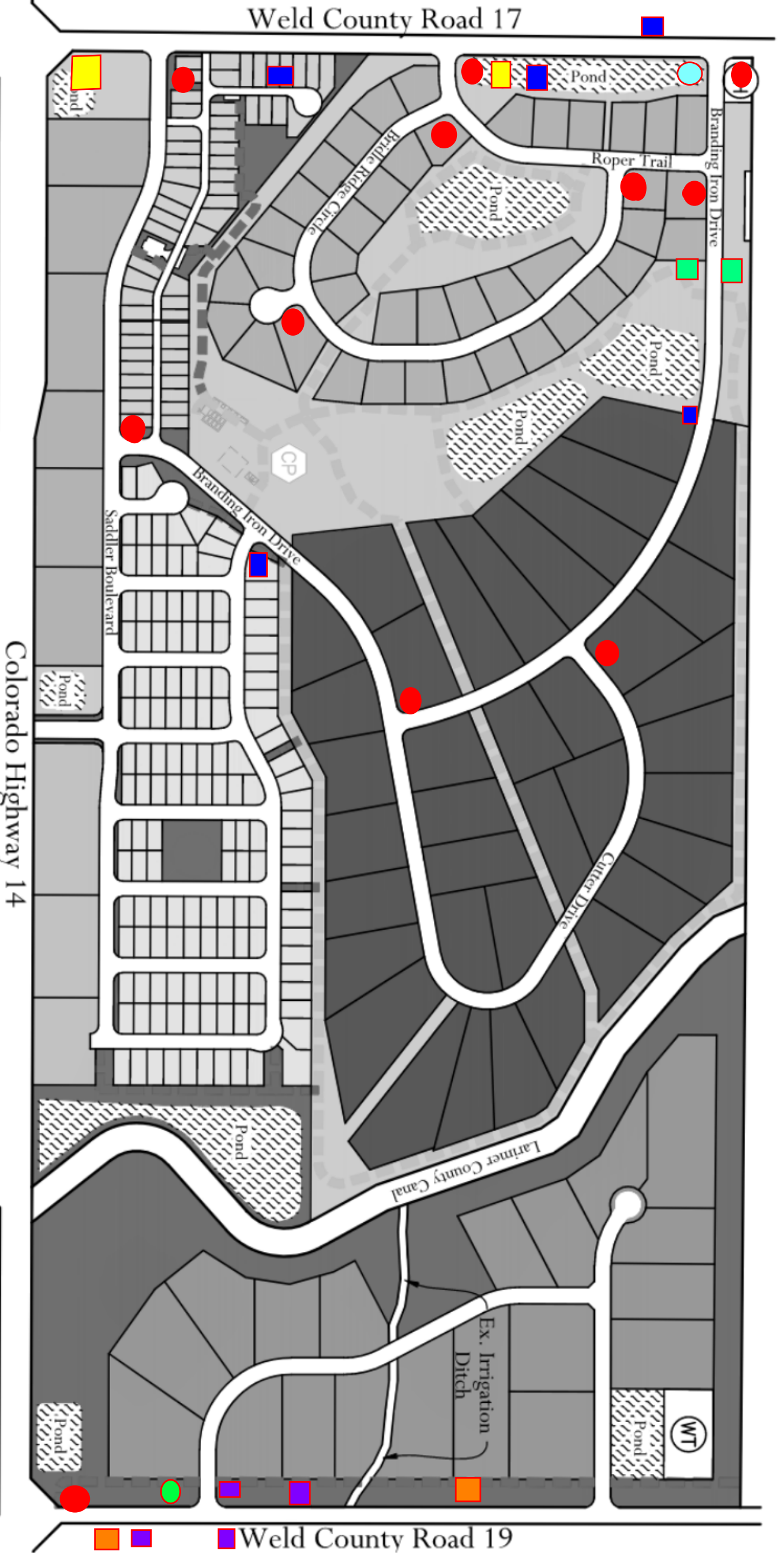
EXHIBIT B

(Identification of Signs to be Maintained by Town)



Saddler Ridge

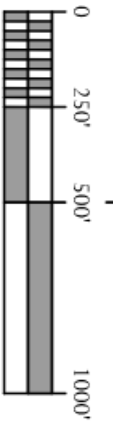
Signage



- Stop and Street name
- Speed Limit
- No Outlet
- Dead End

- Crossing
- Hill Blocks View & Speed Limit
- Slow Blind Hill
- Stop Sign Warning

EXHIBIT C
(Street Lights)



Saddler Ridge

Lighting



-  Street Lighting
-  Community Sign

**FIRST AMENDMENT
TO
NONEXCLUSIVE RIGHT-OF-WAY
LICENSE AND MAINTENANCE AGREEMENT
BETWEEN
THE TOWN OF SEVERANCE AND SADDLER RIDGE METROPOLITAN DISTRICT
(WELD COUNTY ROAD 17)**

This First Amendment to the Nonexclusive Right of Way License and Maintenance Agreement (the “**Amendment**”), effective January 1, 2024 (“**Effective Date**”), by and between the Town of Severance, a Colorado municipal corporation (the “**Town**”) and Saddler Ridge Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”). The Town and District may be referred to herein individually as “**Party**” or collectively as the “**Parties**”.

RECITALS:

WHEREAS, the Parties entered into that Nonexclusive Right-of-Way License and Maintenance Agreement dated September 20, 2017 (the “**License Agreement**”); and

WHEREAS, the Town has regulatory authority over Weld County Road 17 (“**WCR17**”) and Weld County Road 19 (“**WCR19**”) and associated rights-of-way, and which were Annexed into the Town in August 2017; and

WHEREAS, pursuant to the terms of the License Agreement, the Town annexed certain portions of WCR17 and WCR19 in exchange for the District maintaining the roadways and drainage improvements constructed on WCR17 and WCR19 (the “**Improvements**”); and

WHEREAS, the Town provided the District with a license pursuant to the terms and conditions of the License Agreement to enter upon the Town’s rights-of-way for the purposes of maintaining the Improvements; and

WHEREAS, conditions within the District have changed and the Town is willing to assume all responsibilities and obligations as it relates to snow plowing on WCR17.

AMENDMENT:

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to amend the License Agreement as follows:

Section 1, Grant of Revocable License, is hereby repealed in its entirety and amended and restates in its entirety as follows:

1. ***Grant of Revocable License.*** *The Town hereby grants the District a license for the purposes of maintaining the Improvements on WCR17 and for the purposes of snow plowing and maintaining the Improvements on WCR19 for a new term of twenty (20)*

years from the date of this Amendment, subject to an automatic 5-year renewal term. Any and all rights granted to the District under this License Agreement, which shall be exercised at the District's sole cost and expense, shall be subject to the dominant and continuing right of the Town to use any and all parts of WCR17 and WCR19 for the Town's public purposes, and shall be further subject to all prior deeds, easements, dedications, conditions, franchises, covenants, restrictions, encumbrances and claims of title of record that may affect WCR17 and WCR19. Nothing in this License Agreement shall be deemed to grant, convey, create or vest in the District a real property interest in land, including any fee, leasehold interest or easement.

Section 2, Use of Right-of-Way, is hereby repealed in its entirety and amended and restates in its entirety as follows:

2. ***Use of Right-of-Way.*** *The District agrees that it shall utilize WCR17 for the purpose of maintaining the above-described Improvements and any other lawful purposes, and WCR19 for the purposes of snow plowing, maintaining the above-described Improvements, accessing the District's wastewater treatment plant and any other lawful purposes. Upon completion of any maintenance to or repair of the Improvements, the District shall remove all construction or other materials from WCR17 and WCR19 and restore such area to its pre-existing condition within ten (10) days of completion.*

Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.

This Amendment may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Fax copies and electronically scanned copies of the executed signature pages of this Agreement shall be effective and binding upon the Parties as if such signatures were original signatures.

[Balance of Page Intentionally Left Blank; Signature Pages Follow]

In Witness Whereof, the Parties have executed this Amendment with an Effective Date of January 1, 2024.



TOWN OF SEVERANCE

A handwritten signature in blue ink, appearing to be "M. H. Paul", written over a horizontal line.

Mayor

ATTEST

A handwritten signature in blue ink, appearing to be "Leah Mansdell", written over a horizontal line.

Town Clerk

SADDLER RIDGE METROPOLITAN DISTRICT

A handwritten signature in blue ink, appearing to be "Jacob Paul", written over a horizontal line.

Jacob Paul (Apr 4, 2023 10:11 MDT)

Officer of the District

ATTEST:

A handwritten signature in blue ink, appearing to be "Susan Paul", written over a horizontal line.

Susan Paul (Apr 4, 2023 10:10 MDT)

EXHIBIT B
2024 Budget

SADDLER RIDGE METROPOLITAN DISTRICT

January 30, 2024

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

RE: Saddler Ridge Metropolitan District
LG ID #65190

Attached is the 2024 Budget for Saddler Ridge Metropolitan District in Weld County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 7, 2023. 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 Weld County is 12.081 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 60.407 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 \$4,129,940 the total property tax revenue is \$299,371.09. A copy of the certification of mill levies sent to the County Commissioners for Weld 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 Weld 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

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Saddler Ridge Metropolitan District (the “**Board**”), Town of Severance, Weld County, Colorado (the “**District**”), held a regular meeting, via teleconference on November 7, 2023., at the hour of 5:30 p.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2024 BUDGET

Account #: FTC-WB0073

FORT COLLINS COLORADOAN

Invoice Text

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDG

STATE OF COLORADO
COUNTY OF LARIMER
AFFIDAVIT OF PUBLICATION

WHITE, BEAR & ANKELE
2154 E COMMONS AVE STE 2000

CENTENNIAL CO 80122

I, being duly sworn, deposes and says that said is the legal clerk of the Fort Collins Coloradoan; that the same is a daily newspaper of general circulation and printed and published in the City of Fort Collins, in said county and state; that the notice or advertisement, of which the annexed is a true copy, has been published in said daily newspaper and that the notice was published in the regular and entire issue of every number of said newspaper during the period and time of publication of said notice, and in the newspaper proper and not in a supplement thereof; that the publication of said notice was contained in the issues of said newspaper dated on

10/12/23

that said Fort Collins Coloradoan has been published continuously and uninterruptedly during the period of at least six months next prior to the first publication of said notice or advertisement above referred to; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof; and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.



Legal Clerk

Subscribed and sworn to before me, within the County of Brown, State of Wisconsin this 12th of October 2023.



Notary Public

46-27

Notary Expires

DENISE ROBERTS
Notary Public
State of Wisconsin

Legal No.0005839398

Affidavit Prepared
Thursday, October 12, 2023 9:11 am

Ad# 0005839398
P O : Saddler Ridge
This is not an invoice
of Affidavits: 1

of Affidavits:

NOTICE OF PUBLIC HEARING ON
THE PROPOSED 2024 BUDGET
AND
NOTICE OF PUBLIC HEARING ON
THE AMENDED 2023 BUDGET

The Board of Directors (the "Board") of the SADDLER RIDGE METROPOLITAN DISTRICT (the "District"), will hold a public hearing via teleconference on November 7, 2023, at 6:00 PM, to consider adoption of the District's proposed 2024 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2023 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:

Join Zoom Meeting
<https://us02web.zoom.us/j/2748076147?pwd=OC9sVzFjY2VudG01a1cwNDRUYjNldz09>
Meeting ID: 274 807 6147
Passcode: 011857
Call In Number: 719-359-4580

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of Marchetti & Weaver, 245 Century Circle, Suite 103, Louisville, CO 80027.

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at <https://cccolorado.com/saddleridge> or by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
SADDLER RIDGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

0005839398
Coloradoan
October 12, 2023

WHEREAS, the Board has designated its accountant 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, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. 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 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 12.081 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 60.407 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of 00.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 00.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Weld 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 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. 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 resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED MONTH, DAY, YEAR.

DISTRICT:

SADDLER RIDGE METROPOLITAN DISTRICT NO., a quasi-municipal corporation and political subdivision of the State of Colorado

By: Jacob Pault
Jacob Pault (Jan 10, 2024 16:44 MST)
Officer of the District

Attest:

By: Susan Pault
Susan Pault (Jan 10, 2024 10:20 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Heather L. Hanx
General Counsel to the District

STATE OF COLORADO
COUNTY OF WELD
SADDLER RIDGE METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on November 7, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 7th day of November, 2023.

David Seidl
David Seidl (Jan 10, 2024 10:26 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SADDLER RIDGE METROPOLITAN DISTRICT

2024 BUDGET MESSAGE

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized on August 6, 2003 in Weld County, Colorado, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under an Amended and Restated Service Plan approved by the Town Council of the Town of Severance, Colorado on July 28, 2008. The District's service area is located in the Town of Severance, Weld County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water and sanitation service, street construction, installation of safety control devices, construction and maintenance of parks and recreation facilities, public transportation, fire protection, television relay and translation system, security services and mosquito control.

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 in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

2024 BUDGET STRATEGY

Revenues

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 equal to approximately 3.25% of the total property taxes collected.

Revenues - (continued)

Sewer Service Charges

The District bills its customers monthly for sewer services at a monthly standard rate of \$67 for residential and \$114 for commercial customers.

O&M Fees and Supplemental Operations Fees

The District charges a monthly operations fee of \$90 to its residents and an annual fee of \$455 to vacant lot owners. The fees are used to partially offset the operations costs of the District.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5.0%.

System Development Fees

The District established a one-time system development fee in the amount of \$5,000 for the repayment of advances that support general fund activities.

Sewer Tap Fee

The District established a one-time sewer tap fee of \$7,500 prior to the issuance of a building permit for sewer plant capital infrastructure.

Plant Investment Fees

The District established a one-time plant investment fee in the amount of \$1,000 per vacant lot prior to the issuance of a building permit.

Transfer Fees

The District established a transfer fee in the amount of \$150 per transfer for each residential unit, lot, or vacant lot.

Developer Advance

The Developer is expected to advance funds to cover shortfalls in the General Fund, Capital Fund, and Enterprise Fund. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment if and when the District is financially able to reimburse the Developer.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and meeting expense.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

Debt and Leases

In 2017, the District issued \$11,000,000 million of Limited Tax General Obligation Bonds, the initial amount being \$6,350,000 and the remainder to be "fill-up" bonds as funds are advanced for capital infrastructure construction. The costs of issuance were funded from Developer advances. The bonds paid zero interest for first three years, 1 % interest only for the next three years, and are now being amortized over 24 years at an interest rate of 5%. Due to the increase in interest rate to 5% effective December 1, 2022 the District has and will continue to not have sufficient revenues in the Debt Service Fund to be able to pay the principal and interest that is due on the Bonds. Such unpaid amounts will continue to accrue to later years.

In 2019, the District issued general obligation indebtedness in the form of a Subordinate Non-revolving Line of Credit Note, Series 2019A, to fund general fund expenditures, a Non-revolving Line of Credit Sewer Revenue Note, Series 2019B to fund enterprise fund expenditures, and entered into a Funding and Reimbursement Agreement for capital advances. The District has budgeted for additional advances from the developer under all three of these documents and has budgeted for partial repayment of the Funding and Reimbursement Agreement for capital advances using system development fees collected.

The District has no operating or capital leases.

Reserves

Emergency Reserve

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

Saddler Ridge Metropolitan District
Statement of Net Position
September 30, 2023

	General Fund	Debt Service	Capital Fund	Enterprise Fund	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS						
CASH						
First Bank Checking	35,512					35,512
CSAFE	105,762					105,762
Zions Bank		284	1			285
Inter-Fund Balances	(54,566)	59,588	18,051	(23,073)		-
TOTAL CASH	86,708	59,872	18,052	(23,073)	-	141,559
OTHER CURRENT ASSETS						
Due From County Treasurer	-	-				-
Property Taxes Receivable	394	1,971				2,365
Prepaid Expenses	-	-			-	-
Accounts Receivable	-			3,334		3,334
Due From Developer				-		-
TOTAL OTHER CURRENT ASSETS	394	1,971	-	3,334	-	5,698
FIXED ASSETS						
Construction in Progress					700,360	700,360
Parks & Recreation					1,117,654	1,117,654
Sewer & Storm Sewer					2,714,660	2,714,660
Streets					3,608,467	3,608,467
Accumulated Depreciation					(1,784,963)	(1,784,963)
TOTAL FIXED ASSETS	-	-	-	-	6,356,178	6,356,178
TOTAL ASSETS	87,102	61,842	18,052	(19,739)	6,356,178	6,503,436
LIABILITIES & DEFERRED INFLOWS						
CURRENT LIABILITIES						
Accounts Payable	45,125					45,125
Payroll Liabilities	-					-
TOTAL CURRENT LIABILITIES	45,125	-	-	-	-	45,125
DEFERRED INFLOWS						
Deferred Property Taxes	394	1,971				2,365
Deferred Revenues	-					-
TOTAL DEFERRED INFLOWS	394	1,971	-	-	-	2,365
LONG-TERM LIABILITIES						
Bonds Payable-Series 2017A					6,350,000	6,350,000
Bonds Payable - Series 2017B					4,650,000	4,650,000
Developer Payable- Ops					1,360,551	1,360,551
Developer Payable- Cap					-	-
Developer Payable- Sewer				556,930		556,930
Accrued Int- Ops/ Sewer				84,678	336,046	420,725
Accrued Int- Capital					-	-
Accrued Int- Bonds					43,280	43,280
TOTAL LONG-TERM LIABILITIES	-	-	-	641,608	12,739,877	13,381,486
TOTAL LIAB & DEF INFLOWS	45,520	1,971	-	641,608	12,739,877	13,428,976
NET POSITION						
Net Investment in Capital Assets					6,356,178	6,356,178
Amount to be Provided for Debt				(641,608)	(12,739,877)	(13,381,486)
Fund Balance- Nonspendable	-					-
Fund Balance- Restricted	8,244	59,872				68,116
Fund Balance-Assigned			18,052	(19,739)		(1,687)
Fund Balance- Unassigned	33,338					33,338
TOTAL NET POSITION	41,583	59,872	18,052	(661,348)	(6,383,699)	(6,925,540)
	=	=	=	=	=	=

Saddler Ridge Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/29/23

	2022 Audited Actual	2023 Adopted Budget	2023 Amended Budget	2023 Forecast	YTD Thru 09/30/23 Actual	YTD Thru 09/30/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	2,938,470	3,110,960	3,110,960	3,110,960				4,129,940	December Final AV
Percentage Change	3.57%	5.87%	5.87%					32.75%	Percentage Increase (Decrease)
Mill Levy Breakdown:									
Mill Levy - Operations	15.943	10.898	10.898	10.898				12.081	10 Mills Adjusted
Mill Levy - Debt	47.828	54.492	54.492	54.492				60.407	50 Mills Adjusted
Total	63.771	65.390	65.390	65.390				72.488	
Property Tax Revenue - Operations	46,848	33,903	33,903	33,903				49,894	AV * Mill Levy / 1,000
Property Tax Revenue - Debt	140,541	169,522	169,522	169,522				249,477	AV * Mill Levy / 1,000
Total	187,389	203,426	203,426	203,426				299,371	

Saddler Ridge Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/29/23

	2022 Audited Actual	2023 Adopted Budget	2023 Amended Budget	2023 Forecast	YTD Thru 09/30/23 Actual	YTD Thru 09/30/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
COMBINED FUNDS									
REVENUE									
Property Taxes	186,006	203,426	203,426	203,426	201,069	203,426	(2,356)	299,371	AV * Mill Levy / 1,000
State Property Tax Backfill								1,458	65% of Revenue Lost By SB 22-238
Specific Ownership Taxes	11,091	10,171	10,171	10,171	5,814	6,781	(967)	9,732	3.25% of Taxes
Service Charges	77,937	120,564	120,564	106,062	86,277	92,155	(5,878)	133,911	Operating & Sewer Fees
Tap, System Dev, & Plant Inv Fees	198,000	27,000	42,000	54,000	37,000	27,000	10,000	27,000	From New Homes/ Sales
Interest	2,430	11,400	11,400	5,000	4,177	8,550	(4,373)	13,300	Minimal Cash Balances
Other Revenues	64,748	50,500	80,500	199,766	198,880	50,500	148,380	2,250	
TOTAL REVENUE	540,212	423,061	468,061	578,425	533,218	388,411	144,806	487,022	
EXPENDITURES									
Administration	144,555	115,409	145,409	141,847	111,514	91,709	(19,806)	133,799	See General Fund Detail
Operations	91,536	152,500	152,500	132,965	85,622	130,083	44,461	143,440	See General Fund Detail
Debt Service	104,885	245,745	245,745	238,501	174,212	177,158	2,946	268,813	See Debt Service Fund
Capital Outlay	979,642	928,000	928,000	232,221	232,046	923,000	690,954	58,800	See Capital Fund
Enterprise/Sewer	241,730	186,238	208,238	198,754	144,884	144,104	(781)	228,763	See Enterprise Fund
TOTAL EXPENDITURES	1,562,348	1,627,891	1,679,891	944,288	748,279	1,466,053	717,774	833,615	
REVENUE OVER / (UNDER) EXP	(1,022,136)	(1,204,831)	(1,211,831)	(365,863)	(215,061)	(1,077,642)	862,581	(346,593)	
OTHER SOURCES / (USES)									
Bond Proceeds	1,956,000	-	-	-	-	-	-	-	
Developer Advances	629,823	1,099,000	1,123,000	318,000	215,000	1,035,457	(820,457)	341,800	Operations, Capital, & Sewer
Developer Repayments	(1,554,000)	(10,000)	(10,000)	(20,000)	(20,000)	(10,000)	(10,000)	(10,000)	System Dev. Fees & Bond Conversion
Exchange on Cash Flow Bonds	-	-	-	-	-	-	-	-	
Bond Cost of Issuance	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	1,031,823	1,089,000	1,113,000	298,000	195,000	1,025,457	(830,457)	331,800	
CHANGE IN FUND BALANCE	9,686.90	(115,831)	(98,831)	(67,863)	(20,061)	(52,184)	32,123	(14,793)	
BEGINNING FUND BALANCE	110,142	155,694	126,313	119,828	119,828	155,694	(35,865)	51,966	
ENDING FUND BALANCE	119,828	39,863	27,483	51,966	99,767	103,509	(3,742)	37,173	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Nonspendable	13,037	12,500	12,500	13,121	-	-	-	14,338	Prepaid Insurance
TABOR Emergency Reserve	7,083	8,037	8,937	8,244	8,244	-	-	8,317	3% of General Fund Rev/Exp
Restricted- Debt Service	60,082	-	-	1,579	59,872	-	-	2,351	Per Debt Service Fund
Assigned- Capital Projects	49,307	527	527	17,877	18,052	-	-	2,877	Per Capital Service Fund
Assigned- Sewer Operations	9,675	5,190	2,073	5,921	(19,739)	-	-	5,154	Per Enterprise Fund
Unassigned/ Other	(19,355)	13,608	3,445	5,223	33,338	-	-	4,135	Remaining General Fund
TOTAL ENDING FUND BALANCE	119,828	39,863	27,483	51,966	99,767	103,509	(3,742)	37,173	
=	=	=	=	=	=	=	=	=	

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

Saddler Ridge Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/29/23

	2022 Audited Actual	2023 Adopted Budget	2023 Amended Budget	2023 Forecast	YTD Thru 09/30/23 Actual	YTD Thru 09/30/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
GENERAL FUND									
Total Residential Lots	78	78	78	78	78			78	
Total Commercial Lots	1	1	1	1	1			2	4 Commercial Lots Unsold
# of Sold Lots- Beg of Year	43	62	62	61	61			65	Per Prior Year Ending Forecast
# of Lots Sold	18	2	2	4	4			2	13 Liberty Lots Remain Unsold as of 11/23
# of Sold Lots- End of Year	61	64	64	65	65			67	
Remaining Vacant Lots	17	14	14	13	13			11	
Annual O&M Fee- Vacant Lots	\$ 412.00	\$ 433.00	\$ 433.00	\$ 433.00				\$ 455.00	Proposed 5% Fee Increase
Monthly Supp O&M Fee	\$ 82.00	\$ 86.00	\$ 86.00	\$ 86.00				\$ 90.00	Proposed 5% Fee Increase
System Development Fee	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000				\$ 5,000	Assume Same as 2023
REVENUE									
Property Taxes	46,273	33,903	33,903	33,903	33,517	33,903	(386)	49,894	AV * Mill Levy / 1,000
State Property Tax Backfill								1,458	65% of Revenue Lost By SB 22-238
Specific Ownership Taxes	2,773	1,695	1,695	1,695	969	1,130	(161)	1,624	3.25% of Taxes
Interest Income	1,085	1,000	1,000	3,000	2,572	750	1,822	1,300	Minimal Account Balances
Operations & Maintenance Fees	6,180	6,928	6,928	6,062	6,062	6,928	(866)	5,915	# of Vacant Lots at Rate Above
Supplemental Operations Fees	39,834	64,000	64,000	53,000	42,245	48,000	(5,755)	70,000	Based on Homes & Fees Above
Transfer Fees	1,950	1,000	1,000	7,000	6,500	750	5,750	3,000	From New Homes/ Sales
Miscellaneous Income	4,244	-	30,000	10,000	9,846	-	9,846	-	
Late Fees	257			1,500	1,418	-	1,418	1,000	Assume Lower in 2024
Architectural Review Fees	2,000	500	500	1,000	350	500	(150)	1,000	Equal to Expense-Landscape Rev=\$150, Arch Rev=\$350
Violation Fee				475	475	-	475	250	Assume Lower in 2024
TOTAL REVENUE	104,595	109,026	139,026	117,635	103,955	91,961	11,993	135,441	

Saddler Ridge Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/29/23

	2022 Audited Actual	2023 Adopted Budget	2023 Amended Budget	2023 Forecast	YTD Thru 09/30/23 Actual	YTD Thru 09/30/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
GENERAL FUND (Continued)									
EXPENDITURES									
Administration									
Accounting	25,832	30,000	30,000	28,000	18,563	21,300	2,737	31,000	50/50 Split with Enterprise Fund
Audit	6,700	7,800	7,800	7,800	7,800	7,800	-	8,200	Based on 2023 Forecast
Treasurer's Fees	698	509	509	509	504	509	5	748	1.5% of property taxes
Director's Fees	-	-	-	-	-	-	-	-	Assuming No Director Compensation
Dues	485	600	600	1,052	1,052	600	(452)	1,100	Based on 2023 Forecast
Insurance	10,912	12,000	12,000	12,591	12,591	12,000	(591)	13,750	Assume 9% Increase
District Management	34,685	27,000	27,000	27,000	18,930	20,250	1,320	32,000	Based on 2023 Forecast
Legal	58,839	30,000	60,000	60,000	47,950	22,500	(25,450)	45,000	Assume Less Activity Than 2023
Website	965	1,500	1,500	395	395	1,125	730	-	Included in Mgmt + Email addresses
Miscellaneous	2,368	1,500	1,500	2,000	1,845	1,125	(720)	2,000	Based on 2023 Forecast
Payroll Taxes	-	-	-	-	-	-	-	-	Assuming No Director Compensation
Election	3,072	4,500	4,500	2,500	1,885	4,500	2,615	-	Assume Canceled
Contingency	-	-	-	-	-	-	-	-	
Total Administration	144,555	115,409	145,409	141,847	111,514	91,709	(19,806)	133,799	
Operations									
Repairs & Replacements	1,080	5,000	5,000	8,650	412	3,958	3,546	9,000	Pet Cleanup and Other Minor Needs
Engineering	2,790	-	-	-	-	-	-	-	No Expected Needs in 2024
Road Grading	-	13,000	13,000	1,000	625	10,833	10,208	13,000	WC Road 19- If Neighbor Does Do It
Utilities- Water	25,542	44,000	44,000	25,000	4,397	40,333	35,937	25,750	Based on 2023 Forecast + 5%
Utilities- Street Lights & Irrig Pumps	2,375	750	750	10,000	7,530	542	(6,988)	7,600	Only Irrigation in 2024- Rest To Town
Architectural Review	2,225	500	500	1,000	-	375	375	1,000	From New Homes/ Sales
Snow Removal & Other	9,570	9,500	9,500	5,000	2,000	7,125	5,125	5,000	Town is providing snow plowing of the roads.
Landscape Contract	23,244	26,000	26,000	25,815	22,878	22,750	(128)	28,190	Based on Proposed 2024 Contract with FML
Irrigation, Other	14,115	8,250	8,250	16,000	15,508	6,417	(9,091)	16,000	Based on 2023 Forecast
Outlot/Native Mowing	4,155	11,000	11,000	11,000	8,939	5,500	(3,439)	12,000	2 Mowings
Pest Control (Prairie Dogs)	-	-	-	500	-	-	-	500	Estimate from Hired Gun Weed & Pest Control
Weed Control	6,439	3,000	3,000	1,000	680	3,000	2,320	1,400	Now Only For Outside of Base Contract
Tree Removal & Pruning	-	15,000	15,000	15,500	15,257	15,000	(257)	10,000	Per Board
Trail Repair & Grading	-	7,500	7,500	7,500	7,398	7,500	102	5,000	Per Board
Contingency	-	9,000	9,000	5,000	-	6,750	6,750	9,000	Unforeseen Expenses
Total Operations	91,536	152,500	152,500	132,965	85,622	130,083	44,461	143,440	
TOTAL EXPENDITURES	236,091	267,909	297,909	274,812	197,137	221,792	24,655	277,239	
REVENUE OVER / (UNDER) EXP	(131,496)	(158,882)	(158,882)	(157,176)	(93,182)	(129,831)	36,649	(141,798)	
OTHER SOURCES / (USES)									
Developer Advance	99,000	159,000	183,000	183,000	134,000	129,831	4,169	142,000	To cover shortfall above
System Development Fees	-	-	-	-	-	-	-	-	Now In Capital Fund
Developer Repayments- Cap- Prin	-	-	-	-	-	-	-	-	Now In Capital Fund
Developer Repayments- Cap- Int	-	-	-	-	-	-	-	-	Now In Capital Fund
Developer Repayments- Ops Int	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	99,000	159,000	183,000	183,000	134,000	129,831	4,169	142,000	
CHANGE IN FUND BALANCE	(32,496.06)	118	24,118	25,824	40,818	-	40,818	202	
BEGINNING FUND BALANCE	33,261	34,028	765	765	765	34,028	(33,263)	26,588	
ENDING FUND BALANCE	765	34,146	24,882	26,588	41,583	34,028	7,555	26,790	

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

Saddler Ridge Metropolitan District
Statement of Revenues, Expenditures, & Changes In Fund Balance
Modified Accrual Basis For the Period Indicated

Print Date: 12/29/23

	2022 Audited Actual	2023 Adopted Budget	2023 Amended Budget	2023 Forecast	YTD Thru 09/30/23 Actual	YTD Thru 09/30/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
DEBT SERVICE FUND									
REVENUE									
Property Taxes	139,733	169,522	169,522	169,522	167,552	169,522	(1,971)	249,477	AV * Mill Levy / 1,000
Specific Ownership Taxes	8,318	8,476	8,476	8,476	4,845	5,651	(806)	8,108	3.25% of Taxes
Interest Income	1,339	10,400	10,400	2,000	1,605	7,800	(6,195)	12,000	Extra \$10K For Contingency
TOTAL REVENUE	149,390	188,398	188,398	179,998	174,001	182,973	(8,972)	269,585	
EXPENDITURES									
Bond Principal- Series 2017A		145,000	145,000	-		-	-	-	No Funds Available
Bond Interest- Series 2017A	63,500	317,500	317,500	135,978	98,748	158,750	60,002	147,804	Partially Pay Using Funds Available
Bond Principal- Series 2017B		95,930	95,930	-		-	-	-	No Funds Available
Bond Interest- Series 2017B	37,778	211,300	211,300	98,480	71,446	105,650	34,204	105,767	Partially Pay Using Funds Available
Paying Agent Fees	1,500	1,500	1,500	1,500	1,500	1,500	-	1,500	Based on 2023 Forecast
Treasurer's Fees	2,107	2,543	2,543	2,543	2,518	2,543	25	3,742	1.5% of property taxes
Contingency		10,000	10,000	-		-	-	10,000	Unforeseen Expenses
Less Funds Not Available		(538,028)	(538,028)	-		(91,285)	(91,285)	-	Net Available Shown Above
TOTAL EXPENDITURES	104,885	245,745	245,745	238,501	174,212	177,158	2,946	268,813	
REVENUE OVER / (UNDER) EXP	44,506	(57,346)	(57,346)	(58,503)	(210)	5,816	(6,026)	772	
OTHER SOURCES / (USES)									
Developer Advance	-	-	-	-	-	-	-	-	
Bond Proceeds	-	-	-	-	-	-	-	-	
Exchange on Cash Flow Bonds	-	-	-	-	-	-	-	-	
Bond Issuance Costs	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	44,506	(57,346)	(57,346)	(58,503)	(210)	5,816	(6,026)	772	
BEGINNING FUND BALANCE	15,576	57,346	57,346	60,082	60,082	57,346	2,736	1,579	
ENDING FUND BALANCE	60,082	-	-	1,579	59,872	63,162	(3,290)	2,351	
	=	=	=	=	=	=	=	=	

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

Saddler Ridge Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/29/23

	2022 Audited Actual	2023 Adopted Budget	2023 Amended Budget	2023 Forecast	YTD Thru 09/30/23 Actual	YTD Thru 09/30/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
CAPITAL FUND									
REVENUE									
Interest income	6	-	-	-	-	-	-	-	
System Development Fees	90,000	10,000	10,000	20,000	20,000	10,000	10,000	10,000	Based on New Home Construction
Insurance Proceeds	58,237	50,000	50,000	126,791	126,791	50,000	76,791		WWTP in 2023, Other in 2023
Easement Proceeds				60,000	60,000	-	60,000		
TOTAL REVENUE	148,243	60,000	60,000	206,791	206,791	60,000	146,791	10,000	
EXPENDITURES									
Accounting	1,466				-	-	-	-	Now primarily in General & Sewer Funds
District Management	300				-	-	-	-	Now primarily in General & Sewer Funds
Legal	24,452			500	325	-	(325)	-	Now primarily in General & Sewer Funds
Ponds (Easement Funds-2023)	193,632			1,860	1,860	-	(1,860)	-	Rip-Rap Border Moved to Future Year
Engineering	52,537	-	-	-	-	-	-	-	
Water Main - Potable	447,000	800,000	800,000	-	-	800,000	800,000	-	Pump Station- North Weld- Assume Complete in 2023
Construction Management	14,905	-	-	-	-	-	-	-	District no longer uses Construction Management svcs
Recreation				9,450	9,450	-	(9,450)	15,000	Trail Signage & Trees (Easement Funds)
Irrigation System & Meters	44,527				-	-	-	18,800	Meter Vault Installation & Connection
Water Tank	-				-	-	-	-	
Certified Capital Costs	200,823				-	-	-	-	
Insurance Repairs		108,000	108,000	179,740	179,740	108,000	(71,740)	-	WWTP & Other Repairs- 2022 Hail Damage
Crack Seal (Easement Funds-2023)				27,156	27,156	-	(27,156)	20,000	Lower After Extra Catchup Work in 2023
Manhole Cover Rings (Easement-2023)				9,180	9,180	-	(9,180)	-	
UV Sensor (Easement-2023)				4,335	4,335	-	(4,335)	-	
Contingency		20,000	20,000	-		15,000	15,000	-	Unforeseen Needs
TOTAL EXPENDITURES	979,642	928,000	928,000	232,221	232,046	923,000	690,954	58,800	
REVENUE OVER / (UNDER) EXP	(831,399)	(868,000)	(868,000)	(25,430)	(25,255)	(863,000)	837,745	(48,800)	
OTHER SOURCES / (USES)									
Bond Proceeds	1,956,000	-	-	-	-	-	-	-	Assume All On Developer Advance Below
Developer Advance	460,823	820,000	820,000	14,000	14,000	815,000	(801,000)	43,800	Advance to Cover Shortfall
Developer Repayment- Principal	(1,511,717)	(10,000)	(10,000)	(20,000)	(20,000)	(10,000)	(10,000)	(10,000)	Equal to System Dev Fees Received
Developer Repayment- Interest	(42,283)				-	-	-	-	
Transfer From Debt Service		-	-	-	-	-	-	-	
Transfer From General Fund		-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	862,823	810,000	810,000	(6,000)	(6,000)	805,000	(811,000)	33,800	
CHANGE IN FUND BALANCE	31,423	(58,000)	(58,000)	(31,430)	(31,255)	(58,000)	26,745	(15,000)	
BEGINNING FUND BALANCE	17,883	58,527	58,527	49,307	49,307	58,527	(9,221)	17,877	
ENDING FUND BALANCE	49,307	527	527	17,877	18,052	527	17,525	2,877	
	=	=	=	=	=	=	=	=	

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

Saddler Ridge Metropolitan District
 Statement of Revenues, Expenditures, & Changes In Fund Balance
 Modified Accrual Basis For the Period Indicated

Print Date: 12/29/23

	2022 Audited Actual	2023 Adopted Budget	2023 Amended Budget	2023 Forecast	YTD Thru 09/30/23 Actual	YTD Thru 09/30/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
ENTERPRISE FUND									
# of Lots Sold (Per General Fund)	18	2	2	4	4			2	
Average # of Residential Units Connected	43	62	62	61	61			65	
# of Commercial Units Connected	1	1	1	1	1	-	-	2	
Plant Investment Fee	1,000	1,000	1,000	1,000				1,000	
Sewer Tap Fee	5,000	7,500	7,500	7,500				7,500	Proposed 2024 Rate
Sewer Service Fee- Residential	\$ 61.00	\$ 64.00	\$ 64.00	\$ 64.00				\$ 67.00	Assume 5% Rate Increase
Sewer Service Fee- Commercial	\$ 81.00	\$ 85.00	\$ 85.00	\$ 85.00				\$ 114.00	133% of Residential Rate + \$25 for Usage
Availability of Service Fee		-	-	-				-	Eliminated
REVENUE									
Interest income	-				-	-	-		
Plant Investment Fees	18,000	2,000	2,000	4,000	2,000	2,000	-	2,000	From New Homes/ Sales
Sewer Tap Fees	90,000	15,000	30,000	30,000	15,000	15,000	-	15,000	From New Homes/ Sales
Sewer Service Fees	29,974	48,636	48,636	40,000	31,470	36,477	(5,007)	54,996	Assuming Average Units
Miscellaneous Income	10				-	-	-		
Haul Away Fees - Windsong	-				-	-	-		
TOTAL REVENUE	137,984	65,636	80,636	74,000	48,470	53,477	(5,007)	71,996	
EXPENDITURES									
Accounting	25,832	30,000	30,000	28,000	18,563	21,300	2,737	31,000	50/50 Split with Enterprise Fund
Billing Services				3,000	2,067	-	(2,067)	3,500	Per AmCoBi
Legal	3,665	1,000	1,000	3,000	1,954	750	(1,204)	3,100	Based on 2023 Forecast
Misc Plant Equipment	-	5,000	5,000	5,000	3,584	3,750	166	5,200	Based on 2023 Forecast
Internet	1,386	1,750	1,750	1,750	1,168	1,313	145	1,800	Based on 2023 Forecast
Electricity	17,634	21,000	21,000	12,000	9,066	15,750	6,684	12,400	Based on 2023 Forecast
Storm Repairs & Sewer Maintenance	976	4,400	4,400	5,000	4,940	3,300	(1,640)	5,800	State Permits, Other
Sewer Facility Maintenance	-	-	-	-	-	-	-	-	See Above
Chemicals-Wastewater	1,071	1,500	1,500	1,500	1,265	1,125	(140)	1,500	Based on 2024 Proposal
Operations Contract	42,942	64,488	64,488	59,904	44,982	48,366	3,384	64,488	Based on Ramey's 2023 Pricing
Service Calls & System Repairs	9,304	5,000	5,000	10,000	8,892	3,750	(5,142)	10,300	Ramey- Alarms & Extra Responses- Lower for Inc Contract
Lab Wastewater Testing - Monthly	9,654	5,500	5,500	5,500	2,512	4,125	1,613	5,700	Based on 2023 Forecast
Pest Control	-	-	-	500	-	-	-	575	Estimate from Hired Gun Weed & Pest Control
Trash	1,100	1,100	1,100	1,100	738	825	87	1,200	Based on 2023 Forecast
Waste Hauling	8,541	8,000	20,000	20,000	15,789	6,000	(9,789)	20,600	McDonald & Ramey Charges
Sewer Capital/ Other	119,625	22,500	37,500	37,500	29,148	22,500	(6,648)	46,600	E-One's, Cores, Blower Svc, & 2 Pumps
Contingency	-	15,000	10,000	5,000	-	11,250	11,250	15,000	Unforeseen Needs
TOTAL EXPENDITURES	241,730	186,238	208,238	198,754	144,884	144,104	(781)	228,763	
REVENUE OVER / (UNDER) EXP	(103,746)	(120,602)	(127,602)	(124,754)	(96,414)	(90,627)	(5,788)	(156,767)	
OTHER SOURCES / (USES)									
Developer Advance (Repayment)	70,000	120,000	120,000	121,000	67,000	90,627	(23,627)	156,000	To Cover Deficit Above
TOTAL OTHER SOURCES / (USES)	70,000	120,000	120,000	121,000	67,000	90,627	(23,627)	156,000	
CHANGE IN FUND BALANCE	(33,746)	(602)	(7,602)	(3,754)	(29,414)	-	(29,414)	(767)	
BEGINNING FUND BALANCE	43,421	5,792	9,675	9,675	9,675	5,792	3,883	5,921	
ENDING FUND BALANCE	9,675	5,190	2,073	5,921	(19,739)	5,792	(25,531)	5,154	
	=	=	=	=	=	=	=	=	

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

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of WELD COUNTY, Colorado.


On behalf of the SADDLER RIDGE METRO,
 (taxing entity)^A
 the BOARD OF DIRECTORS,
 (governing body)^B
 of the SADDLER RIDGE METRO
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ \$4,129,940.00 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: \$ \$4,129,940.00 (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: 12/29/2023 for budget/fiscal year 2024.
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>12.081</u> mills	\$ <u>49893.81</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0.000</u> > mills	\$ < <u>0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>12.081</u> mills	\$ <u>49893.81</u>
3. General Obligation Bonds and Interest ^J	<u>60.407</u> mills	\$ <u>249477.29</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ <u>0</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ <u>0</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ <u>0</u>
7. Other ^N (specify): <u>N/A</u>	<u>0.000</u> mills	\$ <u>0</u>
<u>N/A</u>	<u>0.000</u> mills	\$ <u>0</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>72.488</u> mills	\$ <u>299371.09</u>

Contact person: (print) Eric Weaver Daytime phone: (970) 926-6060
 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, 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:	<u>Financing of Public Infrastructure Pursuant to the Service Plan of the District</u>
	Series:	<u>General Obligation Limited Tax Bonds Series 2017A</u>
	Date of Issue:	<u>1/26/2017</u>
	Coupon Rate:	<u>1% Thru November 30, 2022, then 5% Thereafter</u>
	Maturity Date:	<u>12/1/2046</u>
	Levy:	<u>35.211</u>
	Revenue:	<u>\$145,419.32</u>
2.	Purpose of Issue:	<u>Financing of Public Infrastructure Pursuant to the Service Plan of the District</u>
	Series:	<u>General Obligation Limited Tax Bonds Series 2017B</u>
	Date of Issue:	<u>1/26/2017</u>
	Coupon Rate:	<u>1% Thru November 30, 2022, then 5% Thereafter</u>
	Maturity Date:	<u>12/1/2046</u>
	Levy:	<u>25.196</u>
	Revenue:	<u>\$104,057.97</u>

CONTRACTS^K:

3.	Purpose of Contract:	<u> </u>
	Title:	<u> </u>
	Date:	<u> </u>
	Principal Amount:	<u> </u>
	Maturity Date:	<u> </u>
	Levy:	<u> </u>
	Revenue:	<u> </u>
4.	Purpose of Contract:	<u> </u>
	Title:	<u> </u>
	Date:	<u> </u>
	Principal Amount:	<u> </u>
	Maturity Date:	<u> </u>
	Levy:	<u> </u>
	Revenue:	<u> </u>

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

EXHIBIT C
2022 Audit
(2023 Audit Will Be Provided Once Completed)

Saddler Ridge Metropolitan District

Annual Financial Report

December 31, 2022





Table of Contents

	Page
INDEPENDENT AUDITOR’S REPORT	I-II
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Governmental Funds Balance Sheet and Reconciliation of Fund Balances to Net Position	3
Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Revenue, Expenditures and Changes in Fund Balance —Budget and Actual—Governmental Fund Type—General Fund	6
Statement of Net Position – Sewer Enterprise Fund.....	7
Sewer Enterprise Fund – Statement of Revenues, Expenses, and Changes in Net Position.....	8
Sewer Enterprise Fund – Statement of Cash Flows.....	9
Notes to Basic Financial Statements.....	10-28
SUPPLEMENTARY INFORMATION	
Statement of Revenue, Expenditures and Changes in Fund Balance —Budget and Actual—Governmental Fund Type—Debt Service Fund	29
Statement of Revenue, Expenditures and Changes in Fund Balance —Budget and Actual—Governmental Fund Type—Capital Projects Fund.....	30
Schedule of Revenues, Expenditures, and Changes in Funds Available —Budget and Actual—Sewer Enterprise Fund	31
Schedule of Debt Service Requirements to Maturity	32-33
Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected	34



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Independent Auditor's Report

Members of the Board of Directors
Saddler Ridge Metropolitan District
Weld County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental, business-type activities and each major fund of Saddler Ridge Metropolitan District (the District) as of and for the year ended December 31, 2022, 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, the business-type activities and each major fund of Saddler Ridge Metropolitan District, as of December 31, 2022, 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 audits 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 Saddler Ridge Metropolitan District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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 Saddler Ridge Metropolitan District's ability to continue as a going concern 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 opinion. 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, including omissions, 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 Saddle Ridge Metropolitan 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 Saddle Ridge Metropolitan 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.

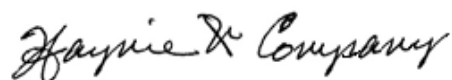
Required Supplementary Information

Management has omitted the 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Saddle Ridge Metropolitan District's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents 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. Such 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Littleton, Colorado
July 27, 2023

Basic Financial Statements

Saddler Ridge Metropolitan District
Statement of Net Position
December 31, 2022

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and Investments	\$ 105,264	\$ 10,309	\$ 115,573
Cash and Investments - Restricted	56,661	-	56,661
Receivable from County Treasurer	1,697	-	1,697
Accounts Receivable	-	2,549	2,549
Prepaid Expenses	14,950	-	14,950
Property Taxes Receivable	203,425	-	203,425
Capital Assets, Not Being Depreciated	700,360	-	700,360
Capital Assets, Net of Accumulated Depreciation	5,655,818	-	5,655,818
Total Assets	6,738,175	12,858	6,751,033
Liabilities			
Accounts Payable	68,418	-	68,418
Other Liabilities:			
Due Within One Year	145,000	105,555	250,555
Due In More Than One Year	12,466,877	469,053	12,935,930
Total Liabilities	12,680,295	574,608	13,254,903
Deferred Inflows of Resources			
Deferred Property Tax Revenue	203,425	-	203,425
Unearned Revenue	-	3,183	3,183
Total Deferred Inflows of Resources	203,425	3,183	206,608
Net Position			
Net Investment in Capital Assets	(4,690,768)	-	(4,690,768)
Restricted For:			
Emergency Reserves	7,083	-	7,083
Debt Service	60,082	-	60,082
Unrestricted	(1,521,942)	(564,933)	(2,086,875)
Total Net Position	(6,145,545)	(564,933)	(6,710,478)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 6,738,175	\$ 12,858	\$ 6,751,033

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 565,571	\$ 54,465	\$ -	\$ 90,000	\$ (421,106)	\$ -	\$ (421,106)
Interest and Related Costs on Long-Term Debt	<u>204,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(204,778)</u>	<u>-</u>	<u>(204,778)</u>
	<u>\$ 770,349</u>	<u>\$ 54,465</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ (625,884)</u>	<u>\$ -</u>	<u>\$ (625,884)</u>
Business-Type Activities							
Sewer Enterprise	241,730	29,974	-	108,010	-	(103,746)	(103,746)
Interest and Related Costs on Long-Term Debt	<u>21,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,511)</u>	<u>(21,511)</u>
	<u>263,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,257)</u>	<u>(125,257)</u>
General revenues:							
Property Taxes					186,006	-	186,006
Specific Ownership Taxes					11,091	-	11,091
Insurance Proceeds					58,237	-	58,237
Interest Income					<u>2,430</u>	<u>-</u>	<u>2,430</u>
Total general Revenues and Transfers					<u>257,764</u>	<u>-</u>	<u>257,764</u>
Change in Net Position					(368,120)	(125,257)	(493,377)
Net Position - Beginning of Year					<u>(5,777,425)</u>	<u>(439,676)</u>	<u>(6,217,101)</u>
Net position - End of Year					<u>\$(6,145,545)</u>	<u>\$(564,933)</u>	<u>\$(6,710,478)</u>

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Balance Sheet and Reconciliation of Fund Balances to Net Position
Governmental Funds
December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Investments	\$ 55,721	\$ 237	\$ 49,306	\$ 105,264
Cash and Investments - Restricted	-	56,660	1	56,661
Receivable from County Treasurer	425	1,272	-	1,697
Property Taxes Receivable	33,903	169,522	-	203,425
Prepaid Expenses	<u>13,037</u>	<u>1,913</u>	<u>-</u>	<u>14,950</u>
Total Assets	<u>103,086</u>	<u>229,604</u>	<u>49,307</u>	<u>381,997</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	<u>68,418</u>	<u>-</u>	<u>-</u>	<u>68,418</u>
Total Liabilities	<u>68,418</u>	<u>-</u>	<u>-</u>	<u>68,418</u>
Deferred Inflows of Resources				
Deferred Property Tax Revenue	<u>33,903</u>	<u>169,522</u>	<u>-</u>	<u>203,425</u>
Total Deferred Inflows of Resources	<u>33,903</u>	<u>169,522</u>	<u>-</u>	<u>203,425</u>
Fund Balances				
Restricted For:				
Emergency Reserves	7,083	-	-	7,083
Debt Service	-	60,082	-	60,082
Nonspendable	13,037	-	-	13,037
Assigned for Capital	-	-	49,307	49,307
Unassigned	<u>(19,355)</u>	<u>-</u>	<u>-</u>	<u>(19,355)</u>
Total Fund Balances	<u>765</u>	<u>60,082</u>	<u>49,307</u>	<u>110,154</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 103,086</u>	<u>\$ 229,604</u>	<u>\$ 49,307</u>	<u>\$ 381,997</u>
Total Governmental Fund Balance Per Above				\$ 110,154
Amounts reported for governmental activities in the statement of net position excluded from the governmental fund balance because:				
Capital assets are reported as assets in the statement of net position but are recorded as expenditures in the funds.				
Capital Assets, Not Being Depreciated				700,360
Capital Assets, Net of Accumulated Depreciation				5,655,818
Long term liabilities not payable in the current year are excluded as liabilities in the governmental funds. Interest on long-term debt is recognized as an expenditure in governmental funds when due. These liabilities consist of:				
Bonds Payable				(11,000,000)
Developer Advances Payable				(1,232,552)
Accrued Interest				<u>(379,325)</u>
Net Position of Governmental Activities				<u>\$ (6,145,545)</u>

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Property Taxes	\$ 46,273	\$ 139,733	\$ -	\$ 186,006
Specific Ownership Taxes	2,773	8,318	-	11,091
Net Investment Income	1,083	1,341	6	2,430
O&M Fee	6,180	-	-	6,180
Supplemental Operations Fees	39,834	-	-	39,834
Transfer Fees	1,950	-	-	1,950
System Development Fees	-	-	90,000	90,000
Late Fees	257	-	-	257
Architecture Review Fee Income	2,000	-	-	2,000
Insurance Proceeds	-	-	58,237	58,237
Other	4,244	-	-	4,244
Total Revenues	<u>\$ 104,594</u>	<u>\$ 149,392</u>	<u>\$ 148,243</u>	<u>\$ 402,229</u>
Expenditures:				
General and Administrative				
Accounting	25,832	-	1,466	27,298
Audit	6,700	-	-	6,700
County Treasurer's Fee	698	2,108	-	2,806
Dues	485	-	-	485
Insurance	10,912	-	-	10,912
District Management	34,684	-	300	34,984
Legal	58,839	-	24,452	83,291
Miscellaneous	2,368	-	-	2,368
Election Expenses	3,072	-	-	3,072
Utilities	27,917	-	-	27,917
Website	965	-	-	965
Architectural Review	2,225	-	-	2,225
Paying Agent Fees	-	1,500	-	1,500
Capital and maintenance				
Landscaping	37,359	-	-	37,359
Pond Repairs	0	-	193,632	193,632
Landscaping Snow Removal	9,570	-	-	9,570
Repairs and Replacement	1,080	-	-	1,080
Engineering	2,790	-	52,537	55,327
Water Main and Tank	-	-	447,000	447,000
Outlot Mowing	4,155	-	-	4,155
Weed Control	6,439	-	-	6,439
Construction Management	-	-	14,904	14,904
Irrigation Meters	-	-	44,528	44,528
Infrastructure Costs	-	-	200,823	200,823
Debt Service				
Interest Payments	-	101,278	42,283	143,561
Total Expenditures	<u>236,090</u>	<u>104,886</u>	<u>1,021,925</u>	<u>1,362,901</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(131,496)</u>	<u>44,506</u>	<u>(873,682)</u>	<u>(960,672)</u>
Other Financing Sources (Uses):				
Bond Proceeds	-	-	1,956,000	1,956,000
Developer Repayment	-	-	(1,511,717)	(1,511,717)
Developer Advances	99,000	-	460,823	559,823
Total Other Financing Sources (Uses)	<u>99,000</u>	<u>-</u>	<u>905,106</u>	<u>1,004,106</u>
Net Change in Fund Balance	<u>(32,496)</u>	<u>44,506</u>	<u>31,424</u>	<u>43,434</u>
Fund balances:				
Beginning of Year	<u>33,261</u>	<u>15,576</u>	<u>17,883</u>	<u>66,720</u>
End of Year	<u>\$ 765</u>	<u>\$ 60,082</u>	<u>\$ 49,307</u>	<u>\$ 110,154</u>

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Years Ended December 31, 2022

	2022
Amounts reported for governmental activities in the statement of activities are different because:	
Net Change in Fund Balances - Governmental Funds	\$ 43,434
Governmental funds report capital outlays as expenditures. In the Statement of Activities, capital outlay is not reported as an expenditure; however, the Statement of Activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. In addition, in the Statement of Activities, conveyance of assets to the Water and Sewer Fund or other governmental entities is reported as an expense.	
Capital Outlay	908,896
Depreciation	(255,127)
Long-term debt (e.g., bonds, Developer advances) provides 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:	
Bond Proceeds	(1,956,000)
Developer Repayment	1,511,717
Developer Advances	(559,823)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued Interest on Developer Advances - Change in Liability	(61,217)
Change in Net Position of Governmental Activities	\$ (368,120)

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Revenue, Expenditures and Changes
in Fund Balance—Budget and Actual—General Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 46,848	\$ 46,273	\$ (575)
Specific Ownership Taxes	2,342	2,773	431
Net Investment Income	100	1,083	983
O&M Fee	11,536	6,180	(5,356)
Supplemental Operations Fees	52,000	39,834	(12,166)
Transfer Fees	6,200	1,950	(4,250)
System Development Fees	140,000	-	(140,000)
Late Fees	-	257	257
Architecture Review Fee Income	7,000	2,000	(5,000)
Other	-	4,244	4,244
Total Revenue	<u>266,026</u>	<u>104,594</u>	<u>(161,432)</u>
Expenditures:			
General and Administrative			
Accounting	27,500	25,832	1,668
Audit	6,700	6,700	-
County Treasurer's Fee	703	698	5
Dues	700	485	215
Insurance	12,000	10,912	1,088
District Management	34,000	34,684	(684)
Legal	25,000	58,839	(33,839)
Miscellaneous	1,500	2,368	(868)
Election	3,000	3,072	(72)
Website	960	965	(5)
Debt Service			
Developer Advances Interest Payments	140,000	-	140,000
Operations and Maintenance			
Landscaping	38,150	37,359	791
Utilities	43,200	27,917	15,283
Architectural Review	7,000	2,225	4,775
Road Grading	13,000	-	13,000
Outlot Mowing	7,500	4,155	3,345
Weed Control	3,000	6,439	(3,439)
Landscape Snow Removal & Other	9,500	9,570	(70)
Repairs and Replacement	5,000	1,080	3,920
Engineering	-	2,790	(2,790)
Contingency	9,000	-	9,000
Total Expenditures	<u>387,413</u>	<u>236,090</u>	<u>151,323</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>(121,387)</u>	<u>(131,496)</u>	<u>(10,109)</u>
Other Financing Sources (Uses):			
Developer Advances	<u>122,000</u>	<u>99,000</u>	<u>(23,000)</u>
Total Other Financing Sources (Uses)	<u>122,000</u>	<u>99,000</u>	<u>(23,000)</u>
Excess (Deficiency) of Revenues and Other			
Financing Sources Over Expenditures			
and Other Uses	613	(32,496)	(33,109)
Fund Balance—Beginning of Year	<u>22,930</u>	<u>33,261</u>	<u>10,331</u>
Fund Balance—End of Year	<u>\$ 23,543</u>	<u>\$ 765</u>	<u>\$ (22,778)</u>

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Net Position
Sewer Enterprise Fund
December 31, 2022

Assets

Cash and Investments	\$ 10,309
Accounts Receivable	<u>2,549</u>
Total assets	<u>12,858</u>

Liabilities

Noncurrent Liabilities:	
Due In More Than One Year	<u>574,608</u>
Total liabilities	<u>574,608</u>

Deferred Inflows of Resources

Unearned Revenue	<u>3,183</u>
Total Deferred Inflows of Resources	<u>3,183</u>

Net Position

Unrestricted	<u>(564,933)</u>
Total Net Position	<u>(564,933)</u>

Total liabilities and net position	<u><u>\$ 12,858</u></u>
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The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statement of Revenue, Expenses and
Changes in Net Position—Sewer Enterprise Fund
For the Years Ended December 31, 2022

	2022
Operating Revenues	
Sewer Service Fees	\$ 29,974
Total Revenues	29,974
Operating Expenses	
Administrative and General	
Accounting	25,832
Legal	3,665
Sewer Operations	
Internet	1,386
Electricity	17,634
Supplies	1,071
Storm Repairs and Sewer Maintenance	976
Emergency and Additional Services	9,304
Lab Wastewater Testing	9,654
Operations Contract	42,942
Trash	1,100
Waste Hauling	8,541
Pumps and Other	119,625
Total Expenditures	241,730
Operating Income (Loss)	(211,756)
Nonoperating Revenues	
Plant Investment Fees	18,000
Sewer Tap Fees	90,000
Miscellaneous Income	10
Total Nonoperating Revenues	108,010
Nonoperating Expenses	
Interest on Developer Advances	21,511
Total Nonoperating Expenses	21,511
Change in Net Position	(125,257)
Net Position—Beginning of Year	(439,676)
Net Position—End of Year	\$ (564,933)

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District
Statements of Cash Flows
Sewer Enterprise Fund
For the Years Ended December 31, 2022

	2022
Cash Flows from Operating Activities	
Cash Received From Customers	\$ 33,008
Cash Paid to Suppliers for Goods and Services	<u>(240,962)</u>
Net Cash from Operating Activities	<u>(207,954)</u>
Cash Flows from Non-Capital Financing Activities	
Miscellaneous revenue	10
Developer Advances	<u>70,000</u>
Net Cash from Noncapital Financing Activities	<u>70,010</u>
Cash Flows from Capital and Related Financing Activities	
Sewer Tap Fees	90,000
Plant Investment Fees	<u>18,000</u>
Net Cash from Capital and Related Financing Activities	<u>108,000</u>
Net Change in Cash and Cash Equivalents	(29,944)
Cash and Cash Equivalents—Beginning of Year	<u>40,253</u>
Cash and Cash Equivalents—End of Year	<u><u>\$ 10,309</u></u>
Reconciliation of Net Operating Loss to	
Net Cash From Operating Activities:	
Net Operating Income	\$ (211,756)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Cash from Operating Activities:	
Changes in Assets and Liabilities:	
Change in Accounts Receivable	1,591
Change in Deferred Revenues	1,443
Change in Prepaid Expenses	<u>768</u>
Total Adjustments	<u>3,802</u>
Net Cash From Operating Activities	<u><u>\$ (207,954)</u></u>

The accompanying notes are an integral part of these financial statements.

Saddler Ridge Metropolitan District

Notes to Financial Statements

December 31, 2022

1. Definition of Reporting Entity

Saddler Ridge Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 25, 2003 in Weld County, Colorado, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under an Amended and Restated Service Plan Approved by the Town Council of the Town of Severance, Colorado on July 28, 2008. The District's service area is located in the Town of Severance, Weld County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water and sanitation service, street construction, installation of safety control devices, construction and maintenance of parks and recreation facilities, public transportation, fire protection, television relay and translation system, security services and mosquito control.

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.

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

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. The effect of interfund activity has been removed from these statements.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which the direct 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise 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. Redemption of bonds 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 District 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 and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

2. Summary of Significant Accounting Policies (continued)

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 fund.

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

The District reports the following major proprietary funds:

The Sewer Enterprise Fund accounts for the sewer operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing bases be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivery goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve 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 presented on the modified accrual basis of accounting unless otherwise indicated.

The District amended its 2022 budgets to allow for additional expenditures.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

2. Summary of Significant Accounting Policies (continued)

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 fund's average equity balance in the total cash.

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, sale 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 revenue in the year they are levied and measurable. The deferred property tax revenue is recorded as revenue in the year it is available or collected.

Fees

By resolution dated August 15, 2018, the District imposed various fees. The resolution was subsequently amended on October 17, 2018, July 17, 2019, November 18, 2020, November 17, 2021, and November 16, 2022. The following fees were in place for 2022:

Operations and Maintenance Fee – The recurring monthly fee for residential units owned by an end user was \$82 per month during 2022.

Transfer Fee – The fee is \$150 per transfer for each residential unit, lot or vacant lot.

System Development Fee – The fee is \$5,000 per single family, townhouse, paired home, or condominium unit, and \$.60 per square foot of commercial real property and is due prior to the issuance of a building permit, with the specific due date determined by the type of property and owner of the property.

Plant Investment Fee – The fee is a one-time charge of \$1,000 per vacant lot prior to the issuance of a building permit.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Sewer Tap Fee – The fee is a one-time charge of \$5,000 per vacant lot prior to the issuance of a building permit.

Sewer Service Fee – The fee for 2022 was \$60/month per residential unit owned by an end-user and \$240/quarter for each commercial unit owned.

Architecture Review Fee – The fee is \$125 per residential unit, lot or vacant lot for residential improvements, and \$275 per lot or vacant lot for new home design.

Sewer Availability Fee – The fee was originally set at \$379 annually for each lot or vacant lot. Per subsequent amendments, this fee was \$412 annually in 2022.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Parks and Recreation	30 years
Sewer and Storm	30 years
Streets/Roadways	30 years

Amortization

In the fund financial statements, governmental fund types recognize bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualify for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred, and recognized as an inflow of resources in the period that the amount becomes available.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

2. Summary of Significant Accounting Policies (continued)

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. 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 portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the criteria described above. If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

3. Cash and Investments

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 115,573
Cash and Investments - Restricted	<u>56,661</u>
Total Cash and Investments	<u>\$ 172,234</u>

Cash and investments as of December 31, 2022 consist of the following:

Deposits with Financial Institutions	\$ 107,641
Investments	<u>64,593</u>
Total Cash and Investments	<u>\$ 172,234</u>

Deposits with Financial Institutions

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 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.

At December 31, 2022, the District's cash deposits had a bank balance of \$43,641 and carrying balance of \$107,641.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

3. Cash and Investments (continued)

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . 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, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity Fair Value</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 7,932
Federated Treasury Money Market Fund	Weighted average under 60 days	<u>56,661</u>
		<u>\$ 64,593</u>

Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

3. Cash and Investments (continued)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Federated Treasury Money Market Fund

The debt service money that is included in the trust accounts at Zions Bank is invested in the Federated Treasury Obligations Fund. This portfolio is a money market mutual fund which invests in U.S. Treasury obligations, which are fully guaranteed as to principal and interest by the United States, with maturities of 13 months or less and repurchase agreements collateralized by U.S. Treasury obligations. The Federated Treasury Obligation Fund is rated AAAM by Standard & Poor's.

Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

4. Capital Assets

An analysis of the changes in net capital assets for the year ended December 31, 2022 follows:

	Balance at December 31, 2021	Additions	Deletions	Balance at December 31, 2022
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 2,632,282	\$ 700,360	\$ (2,632,282)	\$ 700,360
Total Capital Assets, Not Being Depreciated	<u>2,632,282</u>	<u>700,360</u>	<u>(2,632,282)</u>	<u>700,360</u>
Capital Assets Being Depreciated:				
Parks and Recreation	752,359	365,295	-	1,117,654
Sewer and Storm	2,569,940	144,720	-	2,714,660
Streets/Roadways	1,277,664	2,330,803	-	3,608,467
Total Capital Assets, Being Depreciated	<u>4,599,963</u>	<u>2,840,818</u>	<u>-</u>	<u>7,440,781</u>
Less Accumulated Depreciation For:				
Parks and Recreation	(283,831)	(44,356)	-	(328,187)
Sewer and Storm	(731,390)	(90,489)	-	(821,879)
Streets/Roadways	(514,615)	(120,282)	-	(634,897)
Total Accumulated, Depreciation	<u>(1,529,836)</u>	<u>(255,127)</u>	<u>-</u>	<u>(1,784,963)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,070,127</u>	<u>2,585,691</u>	<u>-</u>	<u>5,655,818</u>
Capital Assets, Net	<u>\$ 5,702,409</u>	<u>\$ 3,286,051</u>	<u>\$ (2,632,282)</u>	<u>\$ 6,356,178</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	<u>\$ 255,127</u>
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Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

5. Long-Term Obligations

The following is an analysis of changes in the District's long-term debt for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions	Repayments	Balance at December 31, 2022
<u>Governmental Activities</u>				
GO Bonds - Series 2017A	\$ 6,350,000	\$ -	\$ -	\$ 6,350,000
Accrued Interest- 2017 A Bonds	5,292	89,958	(68,792)	26,458
GO Subordinate Bonds - Series 2017B	2,694,000	1,956,000	-	4,650,000
Accrued Interest- 2017 B Bonds	2,245	52,354	(37,778)	16,821
Total Bonds and Related Interest	<u>9,051,537</u>	<u>2,098,312</u>	<u>(106,570)</u>	<u>11,043,279</u>
Developer Advances - Capital - Third Party Advances	1,054,561	460,823	(1,511,717)	3,667
Accrued Interest - Developer Advances - Capital Third Party Advances	31,828	10,455	(42,283)	-
Developer Advances - Operating - Third Party Advances	1,129,885	99,000	-	1,228,885
Accrued Interest - Developer Advances - Operating Third Party Advances	278,744	57,302	-	336,046
Total Debt - Governmental Activities	<u>\$ 11,546,555</u>	<u>\$ 2,725,892</u>	<u>\$ (1,660,570)</u>	<u>\$ 12,611,877</u>
<u>Business-Type Activities</u>				
Developer Advances - Capital - Third Party Advances	419,930	70,000	-	489,930
Accrued Interest - Developer Advances - Third Party Advances	63,167	21,511	-	84,678
	<u>\$ 378,650</u>	<u>\$ 91,511</u>	<u>\$ -</u>	<u>\$ 574,608</u>

\$6,350,000 Series 2017A General Obligation Bonds

On January 26, 2017, the District issued Series 2017 A General Obligation Limited Tax Bonds (Series 2017A Bonds) in the amount of \$6,350,000. The Series 2017A Bonds bear no interest from the Issue Date until November 30, 2019, they then begin accruing interest at a rate of 1.00% per annum from December 1, 2019 until November 30, 2022, and from December 1, 2022 onward they bear interest at a rate of 5.00% per annum. Interest payments begin June 1, 2020.

The Series 2017A Bonds are subject to redemption priority, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, on any date, upon payment of the principal amount so redeemed plus accrued interest on the date of redemption, without redemption premium.

Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

5. Long-Term Obligations (continued)

The Series 2017A Bonds are secured by and payable from the Pledged Revenue, consisting of monies derived by the District from the following sources, after payment of any costs of collection: 1) the Required Mill Levy; 2) the Pledged Specific Ownership Taxes; 3) The Pledged Development Fees; and 4) any other legally available moneys that the Board determines in its sole discretion to credit to the Bond Fund. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of the following mill levies, adjusted, provided the required mill levy does not result in tax revenue in excess of the maximum tax increases permitted by the 2007 Election debt authorization allocated to the bonds.

The maximum Required Mill Levy is subject to adjustment for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2022, the adjusted maximum mill levy is 54.492 for collection in 2023.

Levy Year	Tax Collection Year	Required Mill Levy (subject to Adjustment)
2017	2018	20.000 mills
2018 through 2020	2019 through 2021	25.000 mills
2021	2022	45.000 mills
2022 and thereafter	2023 and thereafter	50.000 mills

\$4,650,000 Series 2017B General Obligation Bonds

On January 26, 2017, the District issued Series 2017B General Obligation Limited Tax Bonds (Series 2017B Bonds) with a final amount of \$4,650,000. In 2022, an additional \$1,956,000 was drawn on these bonds and used to repay a portion of developer advances. As of December 31, 2022, the amount drawn on the Series 2017B Bonds was \$4,650,000.

The Series 2017B Bonds bear no interest from the Advance Date until November 30, 2019, they then begin accruing interest at a rate of 1.00% per annum from December 1, 2019 until November 30, 2022, and from December 1, 2022 onward they bear interest at a rate of 5.00% per annum. Interest payments began June 1, 2020.

The Series 2017B Bonds were issued initially as a single Series 2017B Bond and registered in the name of the Liberty Savings Bank, F.S.B., a Federal Savings Bank (the Bank). The purchase price for the Series 2017B Bonds shall be paid by the Bank in the form of Advances made by the Bank up to the final par amount of \$4,650,000. The District's available voter-approved debt authorization shall be allocated to the Series 2017B Bonds upon receipt of each advance based upon the actual expenditure of the proceeds thereof.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

5. Long-Term Obligations (continued)

The Series 2017B are subject to mandatory redemption prior to maturity, from and to the extent of excess amounts credited from the Project Fund to the Bond fund. The Series 2017B Bonds are also subject to redemption prior to the maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, on any date, upon payment of the principal amount so redeemed plus accrued interest on the date of redemption, without redemption premium.

Funding and Reimbursement Agreement

On December 12, 2013 the District and the Bank (collectively, the Parties) entered into a Funding and Reimbursement Agreement (the Agreement). The Agreement provided for \$56,800 funding by the bank of certain District 2013-2014 Operating and Maintenance (O&M) expenses, plus \$540,000 specific capital improvements (CIP Advance) in exchange for the District issuing final acceptance of public infrastructure, as set forth in the Agreement.

On August 11, 2014 the Parties entered into the First Amendment to the Agreement, allowing the District to use up to \$100,000 of the CIP Advance of \$540,000 for administrative, operations and maintenance costs of the District.

On January 6, 2015, the Parties entered into the Second Amendment to the Agreement, allowing the District to use an additional \$100,000 of the CIP Advance of \$540,000 for administrative, operations and maintenance costs of the District and extend the term of the Agreement until December 31, 2015.

On December 15, 2015, the Parties entered into the Third Amendment to the agreement, increasing the CIP O&M Advance for 2015, and allocating additional funds up to \$162,841 for O&M expenses in 2016, leaving a remaining balance of \$81,064 from the original CIP Advance of \$540,000.

On September 21, 2016, the Parties entered into the Fourth Amendment to the Agreement, allocating the remaining balance of \$81,064 from the original CIP Advance and an additional \$442,103 through the end of 2016 as a CIP advance for authorized Infrastructure and Improvements necessary for the District's provision of: (i) up to \$241,000 for sanitary sewer plant/service; (ii) up to \$120,000 for O&M Expense; and (iii) up to \$120,000 for pond repair.

On January 1, 2017 the Parties entered into the Fifth Amendment to the Agreement, under the terms of which the Bank agreed to fund an additional maximum amount of \$210,000 for anticipated General Fund expenses and a maximum amount of \$110,000 for Cost of Issuance expenses incurred by the District. In 2018, the Bank agreed to fund an additional Maximum amount of \$200,000 for anticipate General Fund expenses.

Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

5. Long-Term Obligations (continued)

On November 15, 2017, the Parties entered into the Sixth Amendment to the Agreement, stating that in no event shall the Bank assign, transfer or convey all or any portion of its rights to receive repayment from the District. Any purported assignment, transfer or conveyance shall be void.

On May 31 2019, the District entered into the Funding and Reimbursement Agreement (Operations and Maintenance), Funding and Reimbursement Agreement (Wastewater Enterprise) and Funding and Reimbursement Agreement (Capital Costs) with Liberty Savings Bank, F.S.B. (collectively, the “Funding and Reimbursement Agreements”). The Funding and Reimbursement Agreements established the terms and conditions pursuant to which Liberty Savings Bank would advance funds to the District for the various purposes covered by the respective Funding and Reimbursement Agreement and how such advances would be repaid by the District. The Funding and Reimbursement Agreements superseded and replaced in their entirety the prior funding agreements and their amendments. In addition to the Funding and Reimbursement Agreements, the District and Liberty Savings Bank entered into two fill-up promissory notes that would accompany the Funding and Reimbursement Agreement (Operations and Maintenance) and the Funding and Reimbursement Agreement (Wastewater Enterprise) (collectively, the “Promissory Notes”). The Promissory Notes established advances in the amount of up to \$2,000,000 for operations and maintenance advances and up to \$1,000,000 for the wastewater enterprise advances as “debt” of the District that would be owed to Liberty Savings Bank. An accompanying promissory note was not put in place for the Funding and Reimbursement Agreement (Capital Costs) due to impacts it could have had on the outstanding 2017A and 2017B Bonds. The Promissory Notes are subordinate to the 2017A and 2017B Bonds.

On January 1, 2020, the Parties entered into the First Amendment to the Funding and Reimbursement Agreement (Operations and Maintenance) Agreement, stating that the funds advanced by the Bank to be extended to and available to the District through December 31, 2020.

On May 20, 2020, the Parties entered into the Second Amendment to the Funding and Reimbursement Agreement (Operations and Maintenance) Agreement, under the terms of which the Bank agreed to increase the maximum funding cap of \$100,000 to \$200,000 for anticipated General Fund expenses. A Third Amendment to the agreement, effective April 21, 2021, increased the maximum funding cap from \$200,000 to \$350,000 and extended the term to December 31, 2021. A Fourth Amendment to the agreement was entered into on January 19, 2022 extending the term to December 31, 2022. A Fifth Amendment was entered into on November 28, 2022 extending the term to December 31, 2023.

Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

5. Long-Term Obligations (continued)

On January 1, 2020, the Parties entered into the First Amendment to the Funding and Reimbursement Agreement (Wastewater Enterprise) Agreement, stating that the funds advanced by the Bank to be extended to and available to the District through December 31, 2020. A Second Amendment to the agreement was entered into on April 21, 2021 which increased the amount to \$200,000 and extended the term to December 31, 2021. A Third Amendment to the agreement was entered into on January 19, 2022 which increased the amount to \$250,000 and extended the term to December 31, 2022. A Fourth Amendment to the agreement was entered into on November 28, 2022 which extended the term to December 31, 2023.

As of December 31, 2022 the District owes a total of \$1,722,482 in Developer Advances principal and \$420,724 in accrued interest.

The District's Series 2017A Bonds will mature as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 145,000	\$ 317,500	\$ 462,500
2024	150,000	310,250	460,250
2025	155,000	302,750	457,750
2026	165,000	295,000	460,000
2027	175,000	286,750	461,750
2028-2032	1,025,000	1,292,500	2,317,500
2033-2037	1,280,000	1,011,250	2,291,250
2038-2042	1,630,000	658,750	2,288,750
2043-2046	1,625,000	207,750	1,832,750
Total	\$6,350,000	\$4,682,500	\$11,032,500

Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

5. Long-Term Liabilities (continued)

The District's Series 2017B Bonds will mature as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 105,555	\$ 229,946	\$ 335,501
2024	110,205	227,222	337,427
2025	113,925	221,712	335,637
2026	120,900	216,016	336,916
2027	127,875	209,971	337,846
2028-2032	750,510	946,554	1,697,064
2033-2037	936,975	740,606	1,677,581
2038-2042	1,194,120	482,484	1,676,604
2043-2046	1,189,935	152,148	1,342,083
Total	<u>\$4,650,000</u>	<u>\$3,426,659</u>	<u>\$ 8,076,659</u>

Debt Authorization

At December 31, 2022, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized November 6, 2007 Election	Series 2017A Authorization Used	Series 2017B Authorization Used	Remaining at December 31, 2021
Streets	\$ 9,900,000	\$ 1,710,706	\$ -	\$ 8,189,294
Traffic and Safety	750,000	-	-	\$ 750,000
Water	4,100,000	1,780,768	-	\$ 2,319,232
Sanitation	10,500,000	2,102,125	4,650,000	\$ 3,747,875
Parks and Recreation	6,100,000	756,401	-	\$ 5,343,599
Total	<u>\$ 31,350,000</u>	<u>\$ 6,350,000</u>	<u>\$ 4,650,000</u>	<u>\$ 20,350,000</u>

Pursuant to the service plan, the total debt that the District shall be permitted to issue shall not exceed \$31,350,000, exclusive of refunding. Additionally, the maximum debt mill levy is 50.000 mills (as adjusted).

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

6. Net Position

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of liabilities that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had invested in capital assets, net of related debt calculated as follows:

Net investment in capital assets:	
Capital Assets, Net	\$ 6,448,908
Outstanding Long-Term Debt Applicable to Capital Assets	<u>(11,046,946)</u>
Net investment in capital assets	<u>\$ (4,598,038)</u>

Restricted assets include the net position that is 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, 2022 as follows:

Restricted net position:	
Debt Service	\$ 60,082
Emergency Reserves	<u>7,083</u>
Total restricted net position	<u>\$ 67,165</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, some of which will be conveyed to other governmental entities, and the repayment of Developer advances and related accrued interest.

7. Related Party

The Developer of the property which constitutes the District is the Bank. Certain members of the Board of Directors are employees of, owners of, or otherwise associated with the Developers, and may have conflicts of interest in dealing with the District.

Saddler Ridge Metropolitan District

Notes to Financial Statements (continued)

December 31, 2022

8. Risk Management

The District is 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, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, 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, property and public officials' liability coverage. 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.

9. Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which 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 6, 2007, the District's voters approved for an annual increase in taxes of \$6,336,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

Saddler Ridge Metropolitan District
Notes to Financial Statements (continued)
December 31, 2022

9. Tax, Spending and Debt Limitations

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.

Supplementary Information

Saddler Ridge Metropolitan District
Statement of Revenue, Expenditures and Changes
in Fund Balance—Budget and Actual—Debt Service Fund
For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Property Taxes	\$ 140,541	\$ 140,541	\$ 139,733	\$ (808)
Specific Ownership Taxes	7,027	7,027	8,318	1,291
Net Investment Income	40	375	1,341	966
Total Revenue	<u>147,608</u>	<u>147,943</u>	<u>149,392</u>	<u>1,449</u>
Expenditures:				
County Treasurer's Fees	2,108	2,108	2,108	-
Paying Agent Fees	1,500	1,500	1,500	-
Bond Interest Payments	90,440	103,190	101,278	1,912
Contingency	5,000	20,000	-	20,000
Total Expenditures	<u>99,048</u>	<u>126,798</u>	<u>104,886</u>	<u>21,912</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>48,560</u>	<u>21,145</u>	<u>44,506</u>	<u>23,361</u>
Fund Balance—Beginning of Year				
	<u>15,599</u>	<u>15,576</u>	<u>15,576</u>	<u>-</u>
Fund Balance—End of Year				
	<u>\$ 64,159</u>	<u>\$ 36,721</u>	<u>\$ 60,082</u>	<u>\$ 23,361</u>

Saddler Ridge Metropolitan District
Statement of Revenue, Expenditures and Changes
in Fund Balance—Budget and Actual—Capital Projects Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:				
System Development Fees	\$ -	\$ -	\$ 90,000	\$ 90,000
Interest income	-	-	6	6
Insurance Proceeds	-	-	58,237	58,237
Total Revenue	<u>-</u>	<u>-</u>	<u>148,243</u>	<u>148,243</u>
Expenditures:				
General and Administrative				
Accounting	-	-	1,466	(1,466)
Legal	-	25,000	24,452	548
District Management	-	-	300	(300)
Capital				
Ponds	75,000	195,000	193,632	1,368
Engineering	-	57,000	52,537	4,463
Construction Management	20,000	20,000	14,904	5,096
Irrigation Meters	-	50,000	44,528	5,472
Water System	800,000	350,000	447,000	(97,000)
Infrastructure Costs	-	212,000	200,823	11,177
Total Expenditures	<u>895,000</u>	<u>909,000</u>	<u>979,642</u>	<u>(70,642)</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(895,000)</u>	<u>(909,000)</u>	<u>(831,399)</u>	<u>77,601</u>
Other Financing Sources (Uses):				
Bond Proceeds	1,956,000	1,956,000	1,956,000	-
Developer Advance	895,000	895,000	460,823	(434,177)
Developer Repayment - principal	(1,959,561)	(1,758,717)	(1,511,717)	247,000
Developer Repayment - Interest	-	(200,000)	(42,283)	157,717
Total Other Financing Sources (Uses)	<u>891,439</u>	<u>892,283</u>	<u>862,823</u>	<u>(29,460)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses				
	<u>(3,561)</u>	<u>(16,717)</u>	<u>31,424</u>	<u>48,141</u>
Fund Balance—Beginning of Year	<u>4,006</u>	<u>17,883</u>	<u>17,883</u>	<u>-</u>
Fund Balance—End of Year	<u>\$ 445</u>	<u>\$ 1,166</u>	<u>\$ 49,307</u>	<u>\$ 48,141</u>

Saddler Ridge Metropolitan District
Statement of Revenue, Expenditures and Changes
in Fund Balance—Budget and Actual—Sewer Enterprise Fund
For the Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Plant Investment Fees	\$ 28,000	\$ 18,000	\$ (10,000)
Sewer Tap Fees	140,000	90,000	(50,000)
Sewer Service Fees	37,572	29,974	(7,598)
Miscellaneous	-	10	10
Total Revenues	<u>205,572</u>	<u>137,984</u>	<u>(67,588)</u>
Expenditures:			
General and operations			
Accounting	27,500	25,832	1,668
Legal	2,000	3,665	(1,665)
Plant Equipment	5,000	-	5,000
Internet	2,000	1,386	614
Electricity	18,500	17,634	866
Storm Repairs and Sewer Maintenance	1,500	976	524
Chemicals - Wastewater (Carbon Candy)	2,058	1,071	987
Emergency and Additional Services	10,000	9,304	696
Lab Wastewater Testing	4,000	9,654	(5,654)
Operations Contract	46,044	42,942	3,102
Pest Control	1,000	-	1,000
Trash	1,100	1,100	-
Waste Hauling	8,000	8,541	(541)
Sewer	180,000	119,625	60,375
Contingency	15,000	-	15,000
Total Expenditures	<u>323,702</u>	<u>241,730</u>	<u>81,972</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(118,130)</u>	<u>(103,746)</u>	<u>(14,384)</u>
Other Financing Sources (Uses)			
Developer advances	63,000	70,000	7,000
Total Other Financing Sources (Uses)	<u>63,000</u>	<u>70,000</u>	<u>7,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>(55,130)</u>	<u>(33,746)</u>	<u>21,384</u>
Fund Balance—Beginning of Year	<u>60,547</u>	<u>43,421</u>	<u>(17,126)</u>
Fund Balance—End of Year	<u>\$ 5,417</u>	<u>\$ 9,675</u>	<u>\$ 4,258</u>
Reconciliation to GAAP-Basis Financial Statements			
Developer Advance Payable		\$ (489,930)	
Accrued Interest		(84,678)	
Net Position—End of Year (GAAP-Basis)		<u>\$ (564,933)</u>	

Saddler Ridge Metropolitan District
Schedule of Debt Service Requirements to Maturity
Series 2017 A Bonds
For the Year Ended December 31, 2022

Year Ending December 31,	Principal	Total Interest	Total
2023	\$ 145,000	\$ 317,500	\$ 462,500
2024	150,000	310,250	460,250
2025	155,000	302,750	457,750
2026	165,000	295,000	460,000
2027	175,000	286,750	461,750
2028	185,000	278,000	463,000
2029	195,000	268,750	463,750
2030	205,000	259,000	464,000
2031	215,000	248,750	463,750
2032	225,000	238,000	463,000
2033	235,000	226,750	461,750
2034	245,000	215,000	460,000
2035	255,000	202,750	457,750
2036	265,000	190,000	455,000
2037	280,000	176,750	456,750
2038	295,000	162,750	457,750
2039	310,000	148,000	458,000
2040	325,000	132,500	457,500
2041	340,000	116,250	456,250
2042	360,000	99,250	459,250
2043	380,000	81,250	461,250
2044	395,000	62,250	457,250
2045	415,000	42,500	457,500
2046	435,000	21,750	456,750
	<u>\$ 6,350,000</u>	<u>\$ 4,682,500</u>	<u>\$ 11,032,500</u>

Saddler Ridge Metropolitan District
Schedule of Debt Service Requirements to Maturity
Series 2017 B Bonds
For the Year Ended December 31, 2022

Year Ending December 31,	Principal	Total Interest	Total
2023	\$ 105,555	\$ 229,946	\$ 335,501
2024	110,205	227,222	337,427
2025	113,925	221,712	335,637
2026	120,900	216,016	336,916
2027	127,875	209,971	337,846
2028	134,850	203,577	338,427
2029	143,220	196,835	340,055
2030	150,195	189,674	339,869
2031	157,170	182,164	339,334
2032	165,075	174,305	339,380
2033	172,050	166,052	338,102
2034	179,025	157,449	336,474
2035	186,930	148,498	335,428
2036	193,905	139,151	333,056
2037	205,065	129,456	334,521
2038	216,225	119,203	335,428
2039	226,920	108,392	335,312
2040	238,080	97,046	335,126
2041	248,775	85,142	333,917
2042	264,120	72,703	336,823
2043	278,070	59,497	337,567
2044	289,230	45,593	334,823
2045	304,110	31,132	335,242
2046	318,525	15,926	334,451
	<u>\$ 4,650,000</u>	<u>\$ 3,426,659</u>	<u>\$ 8,076,659</u>

Saddler Ridge Metropolitan District
Schedule of Assessed Valuation, Mill Levy, and
Property Taxes Collected
For the Year Ended December 31, 2022

<u>Year Ended</u> <u>December 31,</u>	<u>Prior Year</u> <u>Assessed</u> <u>Valuation</u> <u>for Current</u> <u>Year Property</u> <u>Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percent</u> <u>Collected</u> <u>to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2017	\$ 743,250	20.000	20.000	\$ 29,729	\$ 24,284	100.00%
2018	995,410	21.111	21.111	42,028	41,444	81.68%
2019	1,242,580	27.638	27.638	68,684	69,146	98.61%
2020	1,755,860	37.072	26.480	111,588	111,588	100.00%
2021	2,837,070	36.639	26.171	178,196	178,197	100.00%
2022	2,938,470	15.943	47.828	187,389	186,006	99.26%
Estimated for the year ending 12/31/2023	\$ 3,110,960	10.898	54.492	\$ 203,425		

Note:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

EXHIBIT D
Assessed Valuation

CERTIFICATION OF VALUATION BY WELD COUNTY ASSESSOR

Name of Jurisdiction: 1346 - SADDLER RIDGE METRO

IN WELD COUNTY ON 12/10/2023

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2023 IN WELD COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$3,110,960
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$4,129,940
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4,129,940
5. NEW CONSTRUCTION: **	\$585,130
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2023 IN WELD COUNTY, COLORADO ON AUGUST 25, 2023

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$46,648,141
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$8,733,322
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2023

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$130
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.