

HORSESHOE RIDGE METROPOLITAN DISTRICT NOS. 1, 2 & 3

2022 ANNUAL REPORT TO THE TOWN OF PARKER, DOUGLAS COUNTY, COLORADO

Pursuant to the Consolidated Service Plan for Horseshoe Ridge Metropolitan District Nos. 1, 2 & 3 (the “Districts”), the Districts are required to submit an annual report to the Town of Parker, Douglas County, Colorado pursuant to Town Code Section 10.11.040, that shall include, but not be limited to, the information on the progress of the Districts and implementation of the Service Plan. To that end, the Districts report the following information relating to significant events of the Districts through December 31, 2022:

- A. A narrative summary of the progress of the Districts in implementing their Service Plan for the report year.

No significant improvements were installed for the property within the Horseshoe Ridge Metropolitan District Nos. 1 through 3 in 2022. Primary residential and commercial infrastructure has been complete since before January 1, 2010.

- B. Audited financial statements of the Districts for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year.

Exemptions from audit were filed and accepted for District Nos. 1, 2 & 3 for 2022. Copies are attached within **Exhibit A**. The balance sheet with revenue and expenditures and the statement of operations for the report year 2022 are included within the budgets attached hereto as **Exhibit B**.

- C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year.

All capital expenditures have been installed for the property and are complete. The initial estimate of the Public Improvements that were undertaken by the Districts as outlined as an exhibit to the original Service Plan are included within these improvements.

- D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year and the current mill levy of the Districts pledged to Debt retirement in the report year.

A summary of the financial obligations of the Districts at the end of the report year is included within a separate schedule to the financial statements. The following is disclosed within a separate schedule to the Notes to Financial Statements attached within Exhibit B. As of December 31, 2022:

1. Summary of Amount of Outstanding Bonded Indebtedness of the Districts:

\$3,000,000 Horseshoe Ridge Metropolitan District No. 1, Town of Parker, Douglas County, Colorado, Limited Property Tax Supported Revenue Bonds, Series 2007 (the “Bonds”) were authorized June 25, 2007.

\$850,000 Horseshoe Ridge Metropolitan District No. 1, Town of Parker, Douglas County, Colorado, Limited Property Tax Supported Revenue Bonds, Series 2009 (the “Bonds”) were authorized November 16, 2009.

2. The amount of payment or retirement of Debt of the Districts in the report year:

No Debt was retired in the 2022 report year. Partial interest payments on outstanding debt were made as reflected in the financial statements attached within the 2023 budget attached as Exhibit B.

3. Total Assessed Valuation of the Taxable Properties within the Districts:

The Districts have received a certification of valuation from the Douglas County Assessor that reports the following net total taxable assessed valuations for 2022:

Horseshoe Ridge Metropolitan District No. 1:	\$	0
Horseshoe Ridge Metropolitan District No. 2:	\$	12,077,140
Horseshoe Ridge Metropolitan District No. 3:	\$	243,970
Total Assessed Value of Districts:	\$	12,321,110

4. Current Mill Levy of the Districts Pledged to Debt Retirement in the Report Year.

The current mill levies of the Districts for debt service and operations and maintenance combined are 0.000 mills for District 1, 39.680 mills for District 2, and 35.000 mills for District 3.

E. The Districts’ budget for the calendar year in which the annual report is submitted.

The Districts’ 2023 budgets are attached as Exhibit B.

F. A summary of residential and commercial development in the Districts for the report year.

All residential development has been completed. No commercial development currently exists in the Districts.

G. A summary of all fees, charges and assessments imposed by the Districts as of January 1 of the report year.

There were no fees, charges or assessments imposed by the Districts as of January 1, 2022.

H. Certification of the Boards that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council.

No actions or events enumerated in Town Code section 10.11.060 have occurred in 2022.

I. The name, business address and telephone number of each member of the Boards together with the name of their chief administrative officers and general counsel and the date, place and time of the regular meetings of the Boards.

The names, business address and telephone number of the Board members, president and general counsel for the Districts and the place and time for meetings are attached as **Exhibit C**.

J. Certification from the External Financial Advisor that the District is in compliance with all provisions of the Service Plan.

Certification from the External Financial Advisor of compliance with the Service Plan is attached as **Exhibit D**.

The foregoing Annual Report and accompanying exhibits are submitted this 18th day of July, 2023.

SPENCER FANE LLP

/s/ David S. O'Leary

David S. O'Leary, Esq.

For the Firm

EXHIBIT A

**2022 AUDIT EXEMPTIONS FOR
HORSESHOE RIDGE METROPOLITAN DISTRICT NOS. 1, 2 & 3**

APPLICATION FOR EXEMPTION FROM AUDIT LONG FORM

NAME OF GOVERNMENT ADDRESS
 CONTACT PERSON PHONE EMAIL

Horseshoe Ridge Metropolitan District No. 1
 SpencerFane LLP
 1700 Lincoln Street Suite 2000
 Denver, CO 80203
 Daavid O'Leary
 (303) 839-3800
 doleary@spencerfane.com

For the Year Ended
 12/31/2022
 or fiscal year ended:

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME: Cathy Fromm
 TITLE: Partner
 FIRM NAME (if applicable): Fromm & Company
 ADDRESS: 8200 S Quebec Street #A3-305, Centennial, CO 80112
 PHONE: 303-912-8401
 DATE PREPARED: March 13, 2028
 RELATIONSHIP TO ENTITY: Accountant

PREPARER (SIGNATURE REQUIRED)



Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES NO

If Yes, date filed:

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund
NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Debt Service	Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General				Fund*	Fund*	
Assets								
1-1	Cash & Cash Equivalents	\$	3,322	\$	-	\$	-	
1-2	Investments	\$	15,436	\$	-	\$	-	
1-3	Receivables	\$	-	\$	-	\$	-	
1-4	Due from Other Entities or Funds	\$	3,083	\$	-	\$	-	
1-5	Property Tax Receivable	\$	-	\$	-	\$	-	
	All Other Assets [specify...]	\$	-	\$	-	\$	-	
1-6	Prepaid Insurance	\$	2,087	\$	-	\$	-	
1-7		\$	-	\$	-	\$	-	
1-8		\$	-	\$	-	\$	-	
1-9		\$	-	\$	-	\$	-	
1-10		\$	-	\$	-	\$	-	
1-11	TOTAL ASSETS (add lines 1-1 through 1-10)	\$	23,928	\$	-	\$	-	
Deferred Outflows of Resources:								
1-12	[specify ...]	\$	-	\$	-	\$	-	
1-13	[specify ...]	\$	-	\$	-	\$	-	
1-14	TOTAL DEFERRED OUTFLOWS (add lines 1-12 through 1-13)	\$	-	\$	-	\$	-	
1-15	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$	23,928	\$	-	\$	-	
Liabilities								
1-16	Accounts Payable	\$	2,837	\$	-	\$	-	
1-17	Accrued Payroll and Related Liabilities	\$	-	\$	-	\$	-	
1-18	Unearned Property Tax Revenue	\$	-	\$	-	\$	-	
1-19	Due to Other Entities or Funds	\$	-	\$	-	\$	-	
1-20	All Other Current Liabilities	\$	-	\$	-	\$	-	
1-21	TOTAL CURRENT LIABILITIES (add lines 1-16 through 1-20)	\$	2,837	\$	-	\$	-	
1-22	All Other Liabilities [specify...]	\$	-	\$	-	\$	-	
1-23		\$	-	\$	-	\$	-	
1-24		\$	-	\$	-	\$	-	
1-25		\$	-	\$	-	\$	-	
1-26		\$	-	\$	-	\$	-	
1-27	TOTAL LIABILITIES (add lines 1-21 through 1-26)	\$	2,837	\$	-	\$	-	
Deferred Inflows of Resources:								
1-28	Deferred Property Taxes	\$	-	\$	-	\$	-	
1-29	Lease related (as lessor)	\$	-	\$	-	\$	-	
1-30	TOTAL DEFERRED INFLOWS (add lines 1-28 through 1-29)	\$	-	\$	-	\$	-	
Fund Balance								
1-31	Nonspendable Prepaid	\$	-	\$	-	\$	-	
1-32	Nonspendable Inventory	\$	-	\$	-	\$	-	
1-33	Restricted [specify...] TABOR Reserve	\$	452	\$	-	\$	-	
1-34	Committed [specify...]	\$	-	\$	-	\$	-	
1-35	Assigned [specify...]	\$	-	\$	-	\$	-	
1-36	Unassigned:	\$	20,639	\$	-	\$	-	
1-37	TOTAL FUND BALANCE (add lines 1-31 through 1-36)	\$	21,091	\$	-	\$	-	
1-38	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE (add lines 1-27, 1-30 and 1-37)	\$	23,928	\$	-	\$	-	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Debt Service	Description	Proprietary/Fiduciary Funds		Fund*	Fund*
		General							
Tax Revenue									
2-1	Property (include mills levied in Question 10-6)	\$ -	\$ -	-	Property (include mills levied in Question 10-6)	\$ -	\$ -	-	-
2-2	Specific Ownership	\$ -	\$ -	-	Specific Ownership	\$ -	\$ -	-	-
2-3	Sales and Use Tax	\$ -	\$ -	-	Sales and Use Tax	\$ -	\$ -	-	-
2-4	Other Tax Revenue (specify...):	\$ -	\$ -	-	Other Tax Revenue (specify...):	\$ -	\$ -	-	-
2-5	Interest on late Property Tax	\$ -	\$ -	-		\$ -	\$ -	-	-
2-6		\$ -	\$ -	-		\$ -	\$ -	-	-
2-7		\$ -	\$ -	-		\$ -	\$ -	-	-
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	-	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	-	-
2-9	Licenses and Permits	\$ -	\$ -	-	Licenses and Permits	\$ -	\$ -	-	-
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	-	Highway Users Tax Funds (HUTF)	\$ -	\$ -	-	-
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	-	Conservation Trust Funds (Lottery)	\$ -	\$ -	-	-
2-12	Community Development Block Grant	\$ -	\$ -	-	Community Development Block Grant	\$ -	\$ -	-	-
2-13	Fire & Police Pension	\$ -	\$ -	-	Fire & Police Pension	\$ -	\$ -	-	-
2-14	Grants	\$ -	\$ -	-	Grants	\$ -	\$ -	-	-
2-15	Donations	\$ -	\$ -	-	Donations	\$ -	\$ -	-	-
2-16	Charges for Sales and Services	\$ -	\$ -	-	Charges for Sales and Services	\$ -	\$ -	-	-
2-17	Rental Income	\$ -	\$ -	-	Rental Income	\$ -	\$ -	-	-
2-18	Fines and Forfeits	\$ -	\$ -	-	Fines and Forfeits	\$ -	\$ -	-	-
2-19	Interest/Investment Income	\$ 2,526	\$ -	-	Interest/Investment Income	\$ -	\$ -	-	-
2-20	Tap Fees	\$ -	\$ -	-	Tap Fees	\$ -	\$ -	-	-
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	-	Proceeds from Sale of Capital Assets	\$ -	\$ -	-	-
2-22	All Other (specify...):	\$ -	\$ -	-	All Other (specify...):	\$ -	\$ -	-	-
2-23	Intergovernmental Revenue-District No 2 & No 3	\$ 98,942	\$ 423,065	423,065		\$ -	\$ -	-	-
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ 101,468	\$ 423,065	423,065	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	-	-
Other Financing Sources									
2-25	Debt Proceeds	\$ -	\$ -	-	Debt Proceeds	\$ -	\$ -	-	-
2-26	Lease Proceeds	\$ -	\$ -	-	Lease Proceeds	\$ -	\$ -	-	-
2-27	Developer Advances	\$ -	\$ -	-	Developer Advances	\$ -	\$ -	-	-
2-28	Other (specify...):	\$ -	\$ -	-	Other (specify...):	\$ -	\$ -	-	-
2-29	Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	-	Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	-	-
2-30	Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 101,468	\$ 423,065	423,065	Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	-	524,533

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

Line #	Description	Governmental Funds		Debit Service	Description	Proprietary/Fiduciary Funds		Fund*	Fund*	Please use this space to provide explanation of any items on this page
		General								
Expenditures										
3-1	General Government	\$ 15,065	\$ 600		General Operating & Administrative	\$ -	\$ -			
3-2	Judicial	\$ -	\$ -		Salaries	\$ -	\$ -			
3-3	Law Enforcement	\$ -	\$ -		Payroll Taxes	\$ -	\$ -			
3-4	Fire	\$ -	\$ -		Contract Services	\$ -	\$ -			
3-5	Highways & Streets	\$ -	\$ -		Employee Benefits	\$ -	\$ -			
3-6	Solid Waste	\$ -	\$ -		Insurance	\$ -	\$ -			
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -		Accounting and Legal Fees	\$ -	\$ -			
3-8	Health	\$ -	\$ -		Repair and Maintenance	\$ -	\$ -			
3-9	Culture and Recreation	\$ -	\$ -		Supplies	\$ -	\$ -			
3-10	Transfers to other districts	\$ -	\$ -		Utilities	\$ -	\$ -			
3-11	Other [specify...]:	\$ -	\$ -		Contributions to Fire & Police Pension Assoc.	\$ -	\$ -			
3-12		\$ -	\$ -		Other [specify...]:	\$ -	\$ -			
3-13		\$ -	\$ -			\$ -	\$ -			
3-14	Capital Outlay	\$ -	\$ -		Capital Outlay	\$ -	\$ -			
	Debt Service	\$ -	\$ -		Debt Service	\$ -	\$ -			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -		Principal (should match amount in 4-4)	\$ -	\$ -			
3-16	Interest	\$ -	\$ 513,500		Interest	\$ -	\$ -			
3-17	Bond Issuance Costs	\$ -	\$ -		Bond Issuance Costs	\$ -	\$ -			
3-18	Developer Principal Repayments	\$ -	\$ -		Developer Principal Repayments	\$ -	\$ -			
3-19	Developer Interest Repayments	\$ -	\$ -		Developer Interest Repayments	\$ -	\$ -			
3-20	All Other [specify...]:	\$ -	\$ -		All Other [specify...]:	\$ -	\$ -			
3-21		\$ -	\$ -			\$ -	\$ -			
3-22	Grand Total	\$ 15,065	\$ 514,100		Grand Total	\$ -	\$ -			\$ 529,165
3-23	Interfund Transfers (in)	\$ -	\$ (91,035)		Net Interfund Transfers (In) Out	\$ -	\$ -			
3-24	Interfund Transfers Out	\$ 91,035	\$ -		Other [specify...][enter negative for expense]	\$ -	\$ -			
3-25	Other Expenditures (Revenues):	\$ -	\$ -		Depreciation/Amortization	\$ -	\$ -			
3-26		\$ -	\$ -		Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -			
3-27		\$ -	\$ -		Capital Outlay (from line 3-14)	\$ -	\$ -			
3-28		\$ -	\$ -		Debt Principal (from line 3-15, 3-18)	\$ -	\$ -			
3-29	Total Expenditures	\$ 91,035	\$ (91,035)		Total Expenditures	\$ -	\$ -			
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ (4,632)	\$ -		Net Increase (Decrease) in Net Position	\$ -	\$ -			
3-31	Fund Balance, January 1 from December 31 prior year report	\$ 25,723	\$ -		Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -			
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -		Net Position, January 1 from December 31 prior year report	\$ -	\$ -			
3-33	Fund Balance, December 31	\$ 21,091	\$ -		Prior Period Adjustment (MUST explain)	\$ -	\$ -			
	Sum of Lines 3-30, 3-31, and 3-32	\$ -	\$ -		Net Position, December 31	\$ -	\$ -			
	This total should be the same as line 1-37.	\$ -	\$ -		Sum of Lines 3-30, 3-31, and 3-32	\$ -	\$ -			
		\$ 21,091	\$ -		This total should be the same as line 1-37.	\$ -	\$ -			

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

Please use this space to provide any explanations or comments:

- 4-1 Does the entity have outstanding debt? YES NO
- 4-2 Is the debt repayment schedule attached? If no, MUST explain: YES NO
- 4-3 Is the entity current in its debt service payments? If no, MUST explain: YES NO

4-4 Debt service payments made are based on taxes collected. YES NO

Please complete the following debt schedule, if applicable: (please only include principal amounts)

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ 3,850,000	-	-	\$ 3,850,000
Revenue bonds	-	-	-	-
Notes/Loans	-	-	-	-
Lease Liabilities	-	-	-	-
Developer Advances	-	-	-	-
Other (specify):	-	-	-	-
TOTAL	\$ 3,850,000	\$ -	\$ -	\$ 3,850,000

*must agree to prior year ending balance

4-5 Please answer the following questions by marking the appropriate boxes. YES NO

4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]? YES NO

If yes:

How much? \$ 60,150,000

Date the debt was authorized: 11/11/2005

4-6 Does the entity intend to issue debt within the next calendar year? YES NO

If yes:

How much? \$ -

4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO

If yes:

What is the amount outstanding? \$ -

4-8 Does the entity have any lease agreements? YES NO

If yes:

What is being leased? _____

What is the original date of the lease? _____

Number of years of lease? _____

Is the lease subject to annual appropriation? YES NO

What are the annual lease payments? \$ -

PART 5 - CASH AND INVESTMENTS

5-1 Please provide the entity's cash deposit and investment balances. YEAR-END Total of ALL Checking and Savings accounts

5-2 Certificates of deposit

	AMOUNT	TOTAL
	\$ 3,322	
	-	
TOTAL CASH DEPOSITS	\$ -	\$ 3,322

Investments (if investment is a mutual fund, please list underlying investments):

ColoTrust	\$ 15,436	
	-	
	-	
	-	
TOTAL INVESTMENTS	\$ 15,436	
TOTAL CASH AND INVESTMENTS	\$ -	\$ 18,758

5-3

5-4 Please answer the following question by marking in the appropriate box YES NO N/A

Are the entity's investments legal in accordance with Section 24-75-601, et seq., C.R.S.?

5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: YES NO

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following question by marking in the appropriate box

YES NO

Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain: YES NO

6-3 Complete the following Capital & Right-To-Use Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year ¹	Additions ²	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction in Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

6-4 Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year ¹	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction in Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

¹ Must agree to prior year-end balance
² Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

YES NO

Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan? YES NO
- 7-2 Does the entity have a volunteer firefighters' pension plan? YES NO
- If yes: Who administers the plan? YES NO

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box

Please use this space to provide any explanations or comments:

- 8-1 Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain: YES NO N/A
- 8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: YES NO

If yes: Please indicate the amount appropriated for each fund separately for the year reported

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 123,050
Debt Service Fund	\$ 523,065
	\$ -
	\$ -

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Please use this space to provide any explanations or comments:

- 9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(e)(j)]? YES NO

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box

Please use this space to provide any explanations or comments:

- 10-1 Is this application for a newly formed governmental entity? YES NO

Date of formation:

- 10-2 Has the entity changed its name in the past or current year? YES NO

If Yes: NEW name
PRIOR name

- 10-3 Is the entity a metropolitan district? YES NO

- 10-4 Please indicate what services the entity provides: Services Debt and Administrative/Compliance.

- 10-5 Does the entity have an agreement with another government to provide services? YES NO

If yes: List the name of the other governmental entity and the services provided: Horseshoe Ridge Metropolitan District No. 2 & 3 - Tax Sharing for Operations and Debt Service

- 10-6 Does the entity have a certified mill levy? YES NO

If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts):

Bond Redemption mills	0.000
General/Other mills	0.000
Total mills	0.000

Please use this space to provide any additional explanations or comments not previously included:

OSA USE ONLY

Entity Wide:		General Fund	Governmental Funds	Notes
Unrestricted Cash & Investments	\$	18,758	20,639	-
Current Liabilities	\$	2,637	21,091	423,065
Deferred Inflow	\$	-	25,723	524,533
			101,468	
			15,065	513,500
Governmental				
Total Cash & Investments	\$	18,758	91,035	
Transfers In	\$	-	Net Position	
Transfers Out	\$	-	- PY Net Position	
Property Tax	\$	-	- Government-Wide	
Debt Service Principal	\$	-	- Total Outstanding Debt	3,850,000
Total Expenditures	\$	529,165	- Authorized but Unissued	60,150,000
Total Developer Advances	\$	-	- Year Authorized	
Total Developer Repayments	\$	-		
				11/1/2005

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting, completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL members of the governing body below.

A MAJORITY of the members of the governing body must complete and sign in the column below.

	Full Name	
1	Thomas Ashburn	I, <u>Thomas Ashburn</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/17/2023</u> My term Expires: May 2023
2	Eugene Coppola	I, <u>Eugene Coppola</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/17/2023</u> My term Expires: May 2023
3	Marcus Palkowitsh	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: May 2025
4	John Will	I, <u>John Will</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/20/2023</u> My term Expires: May 2025
5		I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
6		I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
7		I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____

HORSESHOE RIDGE METRO DISTRICT #1

SERIES 2007		Balance	# of Days	Interest Rate	Calculated Interest Due	Payments Received	Date Payment Received	Cumulative Interest Due	Balance Including Interest
Date									
8/29/2007		3,000,000.00							
12/1/2007	94	3,000,000.00	7.50%	57,500.00	(57,500.00)	12/14/2009	0.00	3,000,000.00	
6/1/2008	183	3,000,000.00	7.50%	112,500.00	(77,500.00)	12/14/2009	35,000.00	3,035,000.00	
		3,000,000.00			(35,000.00)	6/7/2010	0.00	3,000,000.00	
12/1/2008	183	3,000,000.00	7.50%	112,500.00	(29,000.00)	6/7/2010	83,500.00	3,083,500.00	
		3,000,000.00			(11,500.00)	12/14/2010	72,000.00	3,072,000.00	
		3,000,000.00			(61,000.00)	6/1/2011	11,000.00	3,011,000.00	
		3,000,000.00			(11,000.00)	12/1/2011	0.00	3,000,000.00	
6/1/2009	182	3,000,000.00	7.50%	112,500.00	(2,500.00)	12/1/2011	110,000.00	3,110,000.00	
		3,000,000.00			(95,000.00)	6/1/2012	15,000.00	3,015,000.00	
		3,000,000.00			(15,000.00)	12/1/2012	0.00	3,000,000.00	
12/1/2009	183	3,000,000.00	7.50%	112,500.00	(28,000.00)	12/1/2012	84,500.00	3,084,500.00	
		3,000,000.00			(84,500.00)	6/1/2013	0.00	3,000,000.00	
6/1/2010	182	3,000,000.00	7.50%	112,500.00	(28,000.00)	6/1/2013	84,500.00	3,084,500.00	
		3,000,000.00			(56,500.00)	12/1/2013	28,000.00	3,028,000.00	
		3,000,000.00			(28,000.00)	6/1/2014	0.00	3,000,000.00	
12/1/2010	183	3,000,000.00	7.50%	112,500.00	(87,000.00)	6/1/2014	25,500.00	3,025,500.00	
		3,000,000.00			(25,500.00)	12/1/2014	0.00	3,000,000.00	
6/1/2011	182	3,000,000.00	7.50%	112,500.00	(72,400.00)	12/1/2014	40,100.00	3,040,100.00	
		3,000,000.00			(40,100.00)	6/1/2015	0.00	3,000,000.00	
12/1/2011	183	3,000,000.00	7.50%	112,500.00	(88,900.00)	6/1/2015	23,600.00	3,023,600.00	
		3,000,000.00			(23,600.00)	12/1/2015	0.00	3,000,000.00	
6/1/2012	183	3,000,000.00	7.50%	112,500.00	(86,400.00)	12/1/2015	26,100.00	3,026,100.00	
		3,000,000.00			(26,100.00)	6/1/2016	0.00	3,000,000.00	
12/1/2012	183	3,000,000.00	7.50%	112,500.00	(112,500.00)	6/1/2016	0.00	3,000,000.00	
		3,000,000.00			(11,400.00)	6/1/2016	101,100.00	3,101,100.00	
6/1/2013	182	3,000,000.00	7.50%	112,500.00	(101,100.00)	12/1/2016	0.00	3,000,000.00	
		3,000,000.00			(38,900.00)	12/1/2016	73,600.00	3,073,600.00	
12/1/2013	183	3,000,000.00	7.50%	112,500.00	(73,600.00)	6/1/2017	0.00	3,000,000.00	
		3,000,000.00			(86,400.00)	6/1/2017	26,100.00	3,026,100.00	
6/1/2014	182	3,000,000.00	7.50%	112,500.00	(26,100.00)	12/1/2017	0.00	3,000,000.00	
		3,000,000.00			(112,500.00)	12/1/2017	0.00	3,000,000.00	
12/1/2014	183	3,000,000.00	7.50%	112,500.00	(400.00)	12/1/2017	112,100.00	3,112,100.00	
		3,000,000.00			(112,100.00)	6/1/2018	0.00	3,000,000.00	
12/1/2015	183	3,000,000.00	7.50%	112,500.00	(112,500.00)	6/1/2018	0.00	3,000,000.00	
		3,000,000.00			(15,400.00)	6/1/2018	97,100.00	3,097,100.00	
6/1/2016	183	3,000,000.00	7.50%	112,500.00	(97,100.00)	12/1/2018	0.00	3,000,000.00	
		3,000,000.00			(112,500.00)	12/1/2018	0.00	3,000,000.00	
12/1/2016	182	3,000,000.00	7.50%	112,500.00	(1,400.00)	12/1/2018	111,100.00	3,111,100.00	
		3,000,000.00			(111,100.00)	6/1/2019	0.00	3,000,000.00	
12/1/2017	183	3,000,000.00	7.50%	112,500.00	(88,900.00)	6/1/2019	23,600.00	3,023,600.00	
		3,000,000.00			(23,600.00)	12/1/2019	0.00	3,000,000.00	
6/1/2018	182	3,000,000.00	7.50%	112,500.00	(112,500.00)	12/1/2019	0.00	3,000,000.00	
		3,000,000.00			(104,900.00)	12/1/2019	7,600.00	3,007,600.00	
12/1/2018	183	3,000,000.00	7.50%	112,500.00					

HORSESHOE RIDGE METRO DISTRICT #1

SERIES 2007									
Date	Balance	# of Days	Interest Rate	Calculated Interest Due	Payments Received	Date Payment Received	Cumulative Interest Due	Balance Including Interest	
	3,000,000.00				(7,600.00)	6/1/2020	0.00	3,000,000.00	
6/1/2019	3,000,000.00	182	7.50%	112,500.00	(112,500.00)	6/1/2020	0.00	3,000,000.00	
12/1/2019	3,000,000.00	183	7.50%	112,500.00	(112,500.00)	6/1/2020	0.00	3,000,000.00	
6/1/2020	3,000,000.00	183	7.50%	112,500.00	(12,400.00)	6/1/2020	100,100.00	3,100,100.00	
	3,000,000.00				(100,100.00)	12/1/2020	0.00	3,000,000.00	
12/1/2020	3,000,000.00	183	7.50%	112,500.00	(112,500.00)	6/1/2021	0.00	3,000,000.00	
6/1/2021	3,000,000.00	182	7.50%	112,500.00	(112,500.00)	12/1/2021	0.00	3,000,000.00	
12/1/2021	3,000,000.00	183	7.50%	112,500.00			112,500.00	3,112,500.00	
6/1/2022	3,000,000.00	182	7.50%	112,500.00			225,000.00	3,225,000.00	
12/1/2022	3,000,000.00	183	7.50%	112,500.00			337,500.00	3,337,500.00	
6/1/2023	3,000,000.00	182	7.50%	112,500.00			450,000.00	3,450,000.00	
12/1/2023	3,000,000.00	183	7.50%	112,500.00			562,500.00	3,562,500.00	
6/1/2024	3,000,000.00	183	7.50%	112,500.00			675,000.00	3,675,000.00	
12/1/2024	3,000,000.00	183	7.50%	112,500.00			787,500.00	3,787,500.00	
6/1/2025	3,000,000.00	182	7.50%	112,500.00			900,000.00	3,900,000.00	
12/1/2025	3,000,000.00	183	7.50%	112,500.00			1,012,500.00	4,012,500.00	
6/1/2026	3,000,000.00	182	7.50%	112,500.00			1,125,000.00	4,125,000.00	
12/1/2026	3,000,000.00	183	7.50%	112,500.00			1,237,500.00	4,237,500.00	
6/1/2027	3,000,000.00	182	7.50%	112,500.00			1,350,000.00	4,350,000.00	
12/1/2027	3,000,000.00	183	7.50%	112,500.00			1,462,500.00	4,462,500.00	
6/1/2028	3,000,000.00	183	7.50%	112,500.00			1,575,000.00	4,575,000.00	
12/1/2028	3,000,000.00	183	7.50%	112,500.00			1,687,500.00	4,687,500.00	
6/1/2029	3,000,000.00	182	7.50%	112,500.00			1,800,000.00	4,800,000.00	
12/1/2029	3,000,000.00	183	7.50%	112,500.00			1,912,500.00	4,912,500.00	
6/1/2030	3,000,000.00	182	7.50%	112,500.00			2,025,000.00	5,025,000.00	
12/1/2030	3,000,000.00	183	7.50%	112,500.00			2,137,500.00	5,137,500.00	
6/1/2031	3,000,000.00	182	7.50%	112,500.00			2,250,000.00	5,250,000.00	
12/1/2031	3,000,000.00	183	7.50%	112,500.00			2,362,500.00	5,362,500.00	
6/1/2032	3,000,000.00	183	7.50%	112,500.00			2,475,000.00	5,475,000.00	
12/1/2032	3,000,000.00	183	7.50%	112,500.00			2,587,500.00	5,587,500.00	
6/1/2033	3,000,000.00	182	7.50%	112,500.00			2,700,000.00	5,700,000.00	
12/1/2033	3,000,000.00	183	7.50%	112,500.00			2,812,500.00	5,812,500.00	
6/1/2034	3,000,000.00	182	7.50%	112,500.00			2,925,000.00	5,925,000.00	
12/1/2034	3,000,000.00	183	7.50%	112,500.00			3,037,500.00	6,037,500.00	
6/1/2035	3,000,000.00	182	7.50%	112,500.00			3,150,000.00	6,150,000.00	
12/1/2035	3,000,000.00	183	7.50%	112,500.00			3,262,500.00	6,262,500.00	
6/1/2036	3,000,000.00	183	7.50%	112,500.00			3,375,000.00	6,375,000.00	
12/1/2036	3,000,000.00	183	7.50%	112,500.00			3,487,500.00	6,487,500.00	
6/1/2037	3,000,000.00	182	7.50%	112,500.00			3,600,000.00	6,600,000.00	
12/1/2037	3,000,000.00	183	7.50%	112,500.00	(3,095,000.00)		3,712,500.00	6,712,500.00	

HORSESHOE RIDGE METRO DISTRICT #1

SERIES 2009		Balance	# Days	Interest Rate	Interest Due	Payments Received	Date		Balance Including Interest
Date							Payment Received	Interest	
6/1/2025		850,000.00	180	9.50%	40,375.00			857,089.58	1,707,089.58
12/1/2025		850,000.00	180	9.50%	40,375.00			897,464.58	1,747,464.58
6/1/2026		850,000.00	180	9.50%	40,375.00			937,839.58	1,787,839.58
12/1/2026		850,000.00	180	9.50%	40,375.00			978,214.58	1,828,214.58
6/1/2027		850,000.00	180	9.50%	40,375.00			1,018,589.58	1,868,589.58
12/1/2027		850,000.00	180	9.50%	40,375.00			1,058,964.58	1,908,964.58
6/1/2028		850,000.00	180	9.50%	40,375.00			1,099,339.58	1,949,339.58
12/1/2028		850,000.00	180	9.50%	40,375.00			1,139,714.58	1,989,714.58
6/1/2029		850,000.00	180	9.50%	40,375.00			1,180,089.58	2,030,089.58
12/1/2029		850,000.00	180	9.50%	40,375.00			1,220,464.58	2,070,464.58
6/1/2030		850,000.00	180	9.50%	40,375.00			1,260,839.58	2,110,839.58
12/1/2030		850,000.00	180	9.50%	40,375.00			1,301,214.58	2,151,214.58
6/1/2031		850,000.00	180	9.50%	40,375.00			1,341,589.58	2,191,589.58
12/1/2031		850,000.00	180	9.50%	40,375.00			1,381,964.58	2,231,964.58
6/1/2032		850,000.00	180	9.50%	40,375.00			1,422,339.58	2,272,339.58
12/1/2032		850,000.00	180	9.50%	40,375.00			1,462,714.58	2,312,714.58
6/1/2033		850,000.00	180	9.50%	40,375.00			1,503,089.58	2,353,089.58
12/1/2033		850,000.00	180	9.50%	40,375.00			1,543,464.58	2,393,464.58
6/1/2034		850,000.00	180	9.50%	40,375.00			1,583,839.58	2,433,839.58
12/1/2034		850,000.00	180	9.50%	40,375.00			1,624,214.58	2,474,214.58
6/1/2035		850,000.00	180	9.50%	40,375.00			1,664,589.58	2,514,589.58
12/1/2035		850,000.00	180	9.50%	40,375.00			1,704,964.58	2,554,964.58
6/1/2036		850,000.00	180	9.50%	40,375.00			1,745,339.58	2,595,339.58
12/1/2036		850,000.00	180	9.50%	40,375.00			1,785,714.58	2,635,714.58
6/1/2037		850,000.00	180	9.50%	40,375.00			1,826,089.58	2,676,089.58
12/1/2037		850,000.00	180	9.50%	40,375.00			1,866,464.58	2,716,464.58
6/1/2038		850,000.00	180	9.50%	40,375.00			1,906,839.58	2,756,839.58
12/1/2038		850,000.00	180	9.50%	40,375.00			1,947,214.58	2,797,214.58
6/1/2039		850,000.00	180	9.50%	40,375.00			1,987,589.58	2,837,589.58
12/1/2039		850,000.00	180	9.50%	40,375.00			2,027,964.58	2,877,964.58
								(397,900.00)	

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

NAME OF GOVERNMENT
ADDRESS

Horseshoe Ridge Metropolitan District No. 2
SpencerFane LLP
1700 Lincoln Street Suite 2000
Denver, CO 80203
David O'Leary
(303) 839-3800
doleary@spencerfane.com

For the Year Ended
12/31/2022
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME: Gathy Fromm
TITLE: Partner
FIRM NAME (if applicable): Fromm & Company
ADDRESS: 8200 S Quebec Street #A3-305, Centennial, CO 80112
PHONE: 303-912-8401
DATE PREPARED: March 13, 2023
RELATIONSHIP TO ENTITY: Accountant

PREPARER (SIGNATURE REQUIRED)

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES NO

If Yes, date filed:

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

* Indicate Name of Fund
NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Debt Service	Description	Proprietary/Fiduciary Funds	
		General				Fund*	Fund*
	Assets						
1-1	Cash & Cash Equivalents	\$ -			Cash & Cash Equivalents	\$ -	
1-2	Investments	\$ -			Investments	\$ -	
1-3	Receivables	\$ -			Receivables	\$ -	
1-4	Due from Other Entities or Funds	\$ 3,030			Due from Other Entities or Funds	\$ -	
1-5	Property Tax Receivable	\$ 479,221			Other Current Assets [specify...]	\$ -	
	All Other Assets [specify...]						
1-6		\$ -			Total Current Assets	\$ -	
1-7		\$ -			Capital & Right to Use Assets, net	\$ -	
1-8		\$ -			(from Part 6-4)	\$ -	
1-9		\$ -			Other Long Term Assets [specify...]	\$ -	
1-10		\$ -				\$ -	
1-11		\$ 482,251			TOTAL ASSETS	\$ -	
	(add lines 1-1 through 1-10)				Deferred Outflows of Resources		
1-12	Deferred Outflows of Resources:				[specify...]	\$ -	
1-13	[specify...]	\$ -			[specify...]	\$ -	
1-14		\$ -			TOTAL DEFERRED OUTFLOWS	\$ -	
1-15		\$ 482,251			(add lines 1-12 through 1-13)	\$ -	
	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 482,251			TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	
	Liabilities				Liabilities		
1-16	Accounts Payable	\$ -			Accounts Payable	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -			Accrued Payroll and Related Liabilities	\$ -	
1-18	Unearned Property Tax Revenue	\$ -			Accrued Interest Payable	\$ -	
1-19	Due to Other Entities or Funds	\$ 3,030			Due to Other Entities or Funds	\$ -	
1-20	All Other Current Liabilities	\$ -			All Other Current Liabilities	\$ -	
1-21		\$ 3,030			(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES	\$ -	
1-22	All Other Liabilities [specify...]	\$ -			Proprietary Debt Outstanding	\$ -	
1-23		\$ -			(from Part 4-4)	\$ -	
1-24		\$ -			Other Liabilities [specify...]	\$ -	
1-25		\$ -				\$ -	
1-26		\$ -				\$ -	
1-27		\$ 3,030			TOTAL LIABILITIES	\$ -	
	(add lines 1-21 through 1-26)				Deferred Inflows of Resources		
1-28	Deferred Property Taxes	\$ 479,221			Pension/OPEB Related	\$ -	
1-29	Lease related (as lessor)	\$ -			Other [specify...]	\$ -	
1-30		\$ 479,221			(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS	\$ -	
	Fund Balance				Net Position		
1-31	Nonspendable Prepaid	\$ -			Net Investment in Capital Assets	\$ -	
1-32	Nonspendable Inventory	\$ -			Emergency Reserves	\$ -	
1-33	Restricted [specify...]	\$ -			Other Designations/Reserves	\$ -	
1-34	Committed [specify...]	\$ -			Restricted	\$ -	
1-35	Assigned [specify...]	\$ -			Undesignated/Unrestricted	\$ -	
1-36	Unassigned:	\$ -				\$ -	
1-37		\$ -			(add lines 1-31 through 1-36)	\$ -	
	TOTAL FUND BALANCE	\$ -			TOTAL NET POSITION	\$ -	
	(add lines 1-27, 1-30 and 1-37)				(add lines 1-27, 1-30 and 1-37)	\$ -	
1-38		\$ 482,251			TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ -	
	This total should be the same as line 1-15				POSITION	\$ -	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Debt Service	Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General				Fund†	Fund†	
Tax Revenue								
2-1	Property (include mills levied in Question 10-6)	\$	477,721	\$		\$		
2-2	Specific Ownership	\$	42,245	\$		\$		
2-3	Sales and Use Tax	\$	-	\$		\$		
2-4	Other Tax Revenue (specify...):	\$	-	\$		\$		
2-5	Interest on late Property Tax	\$	98	\$		\$		
2-6		\$	-	\$		\$		
2-7		\$	-	\$		\$		
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$	520,064	\$		\$		
2-9	Licenses and Permits	\$	-	\$		\$		
2-10	Highway Users Tax Funds (HUTF)	\$	-	\$		\$		
2-11	Conservation Trust Funds (Lottery)	\$	-	\$		\$		
2-12	Community Development Block Grant	\$	-	\$		\$		
2-13	Fire & Police Pension	\$	-	\$		\$		
2-14	Grants	\$	-	\$		\$		
2-15	Donations	\$	-	\$		\$		
2-16	Charges for Sales and Services	\$	-	\$		\$		
2-17	Rental Income	\$	-	\$		\$		
2-18	Fines and Forfeits	\$	-	\$		\$		
2-19	Interest/Investment Income	\$	-	\$		\$		
2-20	Tap Fees	\$	-	\$		\$		
2-21	Proceeds from Sale of Capital Assets	\$	-	\$		\$		
2-22	All Other (specify...):	\$	-	\$		\$		
2-23		\$	-	\$		\$		
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$	520,064	\$		\$		
Other Financing Sources								
2-25	Debt Proceeds	\$	-	\$		\$		
2-26	Lease Proceeds	\$	-	\$		\$		
2-27	Developer Advances	\$	-	\$		\$		
2-28	Other (specify...):	\$	-	\$		\$		
2-29	Add lines 2-25 through 2-28 TOTAL OTHER FINANCING SOURCES	\$	-	\$		\$		
2-30	Add lines 2-24 and 2-29 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$	520,064	\$		\$		
						GRAND TOTALS		
								\$ 520,064

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General	Debt Service		Fund*	Fund*	
Expenditures							
3-1	General Government	\$ -	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11	Other (specify...):	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other (specify...):	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
3-15	Debt Service			Debt Service			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other (specify...):	\$ -	\$ -	All Other (specify...):	\$ -	\$ -	
3-21	County Treasurer Fee	\$ 7,167	\$ -		\$ -	\$ -	
3-22	Add lines 3-1 through 3-21	\$ 7,167	\$ -	Add lines 3-1 through 3-21	\$ -	\$ -	
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	
3-24	Interfund Transfers Out	\$ 512,897	\$ -	Other (specify...)[enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation/Amortization	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28)	\$ -	\$ -	(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ 512,897	\$ -	Net Increase (Decrease) in Net Position	\$ -	\$ -	
	Line 2-30, less line 3-22, less line 3-29	\$ -	\$ -	Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ -	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31	\$ -	\$ -	Net Position, December 31	\$ -	\$ -	
	Sum of Lines 3-30, 3-31, and 3-32	\$ -	\$ -	Sum of Lines 3-30, 3-31, and 3-32	\$ -	\$ -	
	This total should be the same as line 1-37.	\$ -	\$ -	This total should be the same as line 1-37.	\$ -	\$ -	
GRAND TOTAL		\$ 512,897	\$ -	GRAND TOTAL	\$ -	\$ -	7,167

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

Please use this space to provide any explanations or comments:

- 4-1 Does the entity have outstanding debt? YES NO
- 4-2 Is the debt repayment schedule attached? If no, MUST explain: YES NO
- 4-3 Is the entity current in its debt service payments? If no, MUST explain: YES NO

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*Must agree to prior year ending balance

- 4-5 Please answer the following questions by marking the appropriate boxes.
- 4-5 Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]? YES NO
- If yes: How much? \$ -
- 4-6 Date the debt was authorized: \$ -
- 4-6 Does the entity intend to issue debt within the next calendar year? YES NO
- If yes: How much? \$ -
- 4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO
- If yes: What is the amount outstanding? \$ -
- 4-8 Does the entity have any lease agreements? YES NO
- If yes: What is being leased? \$ -
- What is the original date of the lease? \$ -
- Number of years of lease? \$ -
- Is the lease subject to annual appropriation? YES NO
- What are the annual lease payments? \$ -

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

Please use this space to provide any explanations or comments:

5-1 YEAR-END Total of ALL Checking and Savings accounts

	AMOUNT	TOTAL
Certificates of deposit	\$ -	\$ -
TOTAL CASH DEPOSITS	\$ -	\$ -

Investments (if investment is a mutual fund, please list underlying investments):

	\$ -	
	\$ -	
	\$ -	
	\$ -	
	\$ -	
TOTAL INVESTMENTS	\$ -	\$ -

5-2 Please answer the following question by marking in the appropriate box

	YES	NO	N/A
5-4 Are the entity's investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following question by marking in the appropriate box

Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets? YES NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain: YES NO

6-3

Complete the following Capital & Right-To-Use Assets table for GOVERNMENTAL FUNDS:	Balance - beginning of the year -1	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction in Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -
Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS:	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction in Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Leased Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

* Must agree to prior year-end balance

- Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

PART 7 - PENSION INFORMATION

Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan? YES NO
- 7-2 Does the entity have a volunteer firefighters' pension plan? YES NO
- If yes: Who administers the plan? YES NO

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box

- 8-1 Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain: YES NO N/A
- 8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: YES NO

If yes: Please indicate the amount appropriated for each fund separately for the year reported

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 528,720
	\$ -
	\$ -
	\$ -

Please use this space to provide any explanations or comments:

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Please use this space to provide any explanations or comments:

- 9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? YES NO

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box

Please use this space to provide any explanations or comments:

- 10-1 Is this application for a newly formed governmental entity? YES NO

If yes:

Date of formation:

- 10-2 Has the entity changed its name in the past or current year? YES NO

If Yes:

NEW name

PRIOR name

- 10-3 Is the entity a metropolitan district? YES NO

- 10-4 Please indicate what services the entity provides:

None - Levies and collects taxes for District No. 1

- 10-5 Does the entity have an agreement with another government to provide services? YES NO

If yes: List the name of the other governmental entity and the services provided:

Horseshoe Ridge Metropolitan District No. 1 - Tax Sharing for Operations and Debt Service

- 10-6 Does the entity have a certified mill levy? YES NO

If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts):

Bond Redemption mills	33.570
General/Other mills	5.000
Total mills	38.570

Please use this space to provide any additional explanations or comments not previously included.

OSA USE ONLY

	Entity Wide:	General Fund	Governmental Funds	Notes
Unrestricted Cash & Investments	\$	Unrestricted Fund Balan	Total Tax Revenue	520,064
Current Liabilities	\$	3,030 Total Fund Balance	- Revenue Paying Debt Service	-
Deferred Inflow	\$	479,221 PY Fund Balance	- Total Revenue	520,064
		Total Revenue	520,064 Total Debt Service Principal	-
		Total Expenditures	7,167 Total Debt Service Interest	-
Governmental		Interfund In		
Total Cash & Investments	\$	- Interfund Out	512,897 Enterprise Funds	
Transfers In	\$	- Proprietary	Net Position	
Transfers Out	\$	- Current Assets	- PY Net Position	-
Property Tax	\$	477,721 Deferred Outflow	- Government-Wide	-
Debt Service Principal	\$	- Current Liabilities	- Total Outstanding Debt	-
Total Expenditures	\$	7,167 Deferred Inflow	- Authorized but Unissued	-
Total Developer Advances	\$	- Cash & Investments	- Year Authorized	-
Total Developer Repayments	\$	- Principal Expense		

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy? YES NO

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedures

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting, completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL members of the governing body below.

	Full Name	A MAJORITY of the members of the governing body must complete and sign in the column below.
1	Thomas Ashburn	I, <u>Thomas Ashburn</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/17/2023</u> My term Expires: May 2023
2	Eugene Coppola	I, <u>Eugene Coppola</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/17/2023</u> My term Expires: May 2023
3	Marcus Palkowitsh	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: May 2025
4	John Will	I, <u>John Will</u> , attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3/20/2023</u> My term Expires: May 2025
5	Brian McKeivey	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: May 2025
6		I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
7		I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Horseshoe Ridge Metropolitan District No. 3
c/o SpencerFane
1700 Lincoln Street Suite 2000
Denver, CO 80203
David O'Leary
(303) 839-3800
doleary@spencerfane.com

For the Year Ended
12/31/22
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

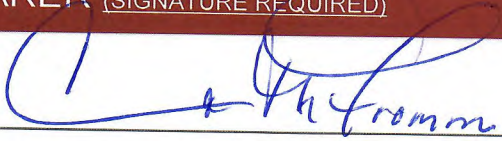
PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Cathy Fromm
Partner
Fromm & Company
8200 S Quebec Street #A3-305, Centennial, CO 80112
(303) 912-8401
March 14, 2023

PREPARER (SIGNATURE REQUIRED)



Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)

PROPRIETARY
(CASH OR BUDGETARY BASIS)

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 8,486	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 750	
2-3	Sales and use	\$ -	
2-4	Other (specify): Interest on Taxes	\$ 1	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 9,237	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify): (should agree to line 7-2)	\$ -	
3-24	County Treasurer Fees	\$ 127	
3-25	Transfer to Horseshoe Ridge Metropolitan District No. 1	\$ 9,110	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 9,237	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
		Outstanding at end of prior year*	Issued during year
		Retired during year	Outstanding at year-end
	General obligation bonds	\$ -	\$ -
	Revenue bonds	\$ -	\$ -
	Notes/Loans	\$ -	\$ -
	Lease Liabilities	\$ -	\$ -
	Developer Advances	\$ -	\$ -
	Other (specify):	\$ -	\$ -
	TOTAL	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Date the debt was authorized: <div style="border: 1px solid black; padding: 2px; width: 100%; margin-top: 5px;">\$ -</div>		
4-6	Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<div style="border: 1px solid black; padding: 2px; width: 100%; margin-top: 5px;">\$ -</div>		
4-7	Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<div style="border: 1px solid black; padding: 2px; width: 100%; margin-top: 5px;">\$ -</div>		
4-8	Does the entity have any lease agreements? If yes: What is being leased?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	What is the original date of the lease? Number of years of lease?		
	Is the lease subject to annual appropriation? What are the annual lease payments?	<input type="checkbox"/>	<input type="checkbox"/>
	<div style="border: 1px solid black; padding: 2px; width: 100%; margin-top: 5px;">\$ -</div>		

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
Total Cash Deposits			\$ -
Investments (if investment is a mutual fund, please list underlying investments):			
5-3		\$ -	
		\$ -	
		\$ -	
		\$ -	
Total Investments			\$ -
Total Cash and Investments			\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no, MUST explain: Yes No

6-3 Complete the following capital & right-to-use assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 9,786

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

- | | | Yes | No |
|------------|---|-------------------------------------|--------------------------|
| 9-1 | Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR. | | |

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

- | | | Yes | No |
|-------------|--|-------------------------------------|-------------------------------------|
| 10-1 | Is this application for a newly formed governmental entity? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Date of formation: <input style="width: 400px; height: 15px;" type="text"/> | | |
| 10-2 | Has the entity changed its name in the past or current year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Please list the NEW name & PRIOR name:
<input style="width: 600px; height: 15px;" type="text"/> | | |
| 10-3 | Is the entity a metropolitan district? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Please indicate what services the entity provides:
<input style="width: 600px; height: 15px;" type="text"/> | | |
| 10-4 | Does the entity have an agreement with another government to provide services? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| If yes: | List the name of the other governmental entity and the services provided:
<input style="width: 600px; height: 15px;" type="text"/> | | |
| 10-5 | Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Date Filed: <input style="width: 450px; height: 15px;" type="text"/> | | |
| 10-6 | Does the entity have a certified Mill Levy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	30.000
General/Other mills	5.000
Total mills	35.000

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or EchoSign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.

A MAJORITY of the members of the governing body must complete and sign in the column below.

Board Member	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 1	Marcus Palkowitsh	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2025
Board Member 2	John Will	I <u>John Will</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/20/2023</u> My term Expires: May 2025
Board Member 3	Thomas Ashburn	I <u>Thomas Ashburn</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/17/2023</u> My term Expires: May 2023
Board Member 4	Eugene Coppola	I <u>Eugene Coppola</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/17/2023</u> My term Expires: May 2023
Board Member 5		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7		I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

EXHIBIT B
2023 BUDGETS
FOR
HORSESHOE RIDGE METROPOLITAN DISTRICT NOS. 1, 2 & 3

LETTER OF BUDGET TRANSMITTAL

Date: January 26, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 1 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 7, 2022. If there are any questions on the budget, please contact:

Cathy Fromm, CPA
Fromm & Company LLC
9227 E. Lincoln Ave #200
Lone Tree, CO 80124
303-912-8401

I, John Will, as Secretary of the Horseshoe Ridge Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: John Will

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 1**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 1, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Horseshoe Ridge Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 7, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is 0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0; and

WHEREAS, at an election held on November 1, 2005, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 1 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Horseshoe Ridge Metropolitan District No. 1 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 7th day of December, 2022.

HORSESHOE RIDGE
METROPOLITAN DISTRICT NO. 1

Marcus S Palkowitsch

President

ATTEST:

John Will

Secretary

HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 1

2023 BUDGET MESSAGE

The Horseshoe Ridge Metropolitan District No. 1 (the District) is a quasi-municipal political subdivision of the State of Colorado. The District was formed by order of the District Court for the County of Douglas, Colorado. The District, as a metropolitan district, derives its power from the State statutes. The District is governed by a five-member Board.

Basis of Accounting

The District prepares its budget on the modified accrual basis of accounting and uses Governmental funds to budget and report on its financial position.

Revenues

Intergovernmental Revenue

The District receives Intergovernmental revenue from Horseshoe Ridge Metropolitan Districts No. 2 and No. 3. Districts No. 2 and No. 3 certify a mill levy and collect property taxes, District No. 1 does not.

Funds

General Fund

The General Fund manages the administrative, legislative and general operations of Districts No. 1, No. 2 and No. 3. Revenue received by this Fund is comprised of Intergovernmental revenue received from Horseshoe Ridge Metropolitan Districts No. 2 and No. 3. Excess funds are transferred to the Debt Service Fund.

Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal, interest and related expenses on the long-term general obligation debt.

Horseshoe Ridge Metropolitan District No. 1
ADOPTED 2023 BUDGET

Horseshoe Ridge Metropolitan District No. 1
GENERAL FUND
ADOPTED 2023 BUDGET
with 2021 Actual and 2022 Estimated

	2021 Actual	2022 Estimated	Adopted 2023 Budget
REVENUE			
Interest Income	\$ 11	\$ 2	\$ 20
Transfer from Districts 2 & 3	98,403	106,344	106,432
Total Revenue	\$ 98,414	\$ 106,346	\$ 106,452
EXPENDITURES			
Accounting	\$ 4,662	\$ 4,000	\$ 5,000
Directors' Fees	100	200	300
Dues	822	1,460	1,500
Election	-	1,500	3,000
Insurance	2,046	2,047	2,500
Legal	3,357	5,000	10,000
Miscellaneous	12	10	-
Transfer to Debt Service Fund	86,237	100,000	100,000
Contingency/Miscellaneous	4	500	1,000
Total Expenditures	\$ 97,240	\$ 114,717	\$ 123,300
NET CHANGE IN FUND BALANCE	\$ 1,174	\$ (8,371)	\$ (16,848)
FUND BALANCE - BEGINNING	\$ 24,545	\$ 25,719	\$ 17,348
FUND BALANCE - ENDING	\$ 25,719	\$ 17,348	\$ 500
2023			
Assessed Valuation - Final	\$ -		
Mill Levy	0.000		
Property Taxes	\$ -		

Horseshoe Ridge Metropolitan District No. 1
DEBT SERVICE FUND
ADOPTED 2023 BUDGET
with 2021 Actual and 2022 Estimated

	<u>2021 Actual</u>	<u>2022 Estimated</u>	<u>Adopted 2023 Budget</u>
REVENUE			
Transfer from Districts 2 & 3	\$ 404,363	\$ 423,065	\$ 426,109
Transfer from General Fund	86,237	100,000	100,000
Total Revenue	<u>\$ 490,600</u>	<u>\$ 523,065</u>	<u>\$ 526,109</u>
EXPENDITURES			
Interest	\$ 404,363	\$ 423,065	\$ 426,109
Interest Payment from Excess GF Funds	85,637	99,400	99,400
Paying Agent Fees	600	600	600
Total Expenditures	<u>\$ 490,600</u>	<u>\$ 523,065</u>	<u>\$ 526,109</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - BEGINNING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: **4484 - Horseshoe Ridge Metro District 1**

IN DOUGLAS COUNTY ON 11/18/2022

New Entity: Yes

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

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 2022 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$0
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$0
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$0
5. NEW CONSTRUCTION: **	\$0
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 2022 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$1
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
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
--	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$0
--	-----

** 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.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Horseshoe Ridge Metro District 1
 the Board of Directors
 of the Horseshoe Ridge Metropolitan District No. 1**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$0** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$0**

Submitted: *Megan VanCamp* for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	0.000 mills	\$0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$0
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	0.000 mills	\$0

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Thu, 15 Dec 2022

LETTER OF BUDGET TRANSMITTAL

Date: January 26, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 2 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 7, 2022. If there are any questions on the budget, please contact:

Cathy Fromm, CPA
Fromm & Company LLC
9227 E. Lincoln Ave #200
Lone Tree, CO 80124
303-912-8401

I, John Will, as Secretary of the Horseshoe Ridge Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: John Will

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 2**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 2, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Horseshoe Ridge Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 7, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$60,386; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$418,835; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is 0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$12,077,140; and

WHEREAS, at an election held on November 1, 2005, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 2 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Horseshoe Ridge Metropolitan District No. 2 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 5.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget

year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 34.680 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 7th day of December, 2022.

HORSESHOE RIDGE
METROPOLITAN DISTRICT NO. 2

Marcus S Palkowitsh

President

ATTEST:

John Will

Secretary

HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 2

2023 BUDGET MESSAGE

The Horseshoe Ridge Metropolitan District No. 2 (the District) is a quasi-municipal political subdivision of the State of Colorado. The District was formed by order of the District Court for the County of Douglas, Colorado. The District, as a metropolitan district, derives its power from the State statutes. The District is governed by a five-member Board.

Basis of Accounting

The District prepares its budget on the modified accrual basis of accounting and uses Governmental funds to budget and report on its financial position.

Revenues

Taxes

The District imposes a mill levy of 39.680 mills. Of the total mill levy, 5.000 mills are for the operations of the District and related districts. The remaining 34.680 mills are pledged to the redemption of the related-District's debt obligations, Horseshoe Ridge Metropolitan District No. 1.

Specific ownership taxes are set by the State and collected by the County Clerk, 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, and including, the District.

Funds

General Fund

Revenue received by this Fund is comprised of property taxes, specific ownership taxes and interest income. The Fund transfers the funds to the Horseshoe Ridge Metropolitan District No. 1 which manages the operations and debt of the three related districts.

Horseshoe Ridge Metropolitan District No. 2
ADOPTED 2023 BUDGET

Horseshoe Ridge Metropolitan District No. 2

GENERAL FUND

ADOPTED 2023 BUDGET

with 2021 Actual and 2022 Estimated

	2021 Actual	2022 Estimated	Adopted 2023 Budget
REVENUE			
Property Taxes for Debt Service	\$ 398,652	\$ 415,791	\$ 418,835
Property Taxes for Operations	59,377	61,929	60,386
Interest/Miscellaneous Revenue	167	2,500	4,000
Specific Ownership Taxes	44,172	47,000	47,000
Total Revenue	\$ 502,368	\$ 527,220	\$ 530,221
EXPENDITURES			
Treasurer's Fees	\$ 6,873	\$ 7,170	\$ 7,190
Transfer to District 1 - Interest Portion	398,652	415,791	418,835
Transfer to District 1 - Operations	96,843	104,259	104,196
Total Expenditures	\$ 502,368	\$ 527,220	\$ 530,221
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -
FUND BALANCE - BEGINNING	\$ -	\$ -	\$ -
FUND BALANCE - ENDING	\$ -	\$ -	\$ -
2023 Budget		Residential Rate Adjustment	6.95%
Assessed Valuation - Final	\$ 12,077,140	\$ 12,077,140	38.570
Mill Levy	33.570	34.680	*1.02877
Property Taxes - Debt Service	\$ 405,430	\$ 418,835	39.680
Assessed Valuation - Final	\$ 12,077,140	\$ 12,077,140	
Mill Levy	5.000	5.000	
Property Taxes - Operations	\$ 60,386	\$ 60,386	
Total Property Tax	\$ 465,815	\$ 479,221	

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: **4485 - Horseshoe Ridge Metro District 2**

IN DOUGLAS COUNTY ON 11/18/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

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 2022 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$12,385,800
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$12,077,140
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$12,077,140
5. NEW CONSTRUCTION: **	\$0
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 2022 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$172,254,538
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
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, 2022

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$0
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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.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Horseshoe Ridge Metro District 2
 the Board of Directors
 of the Horseshoe Ridge Metropolitan District No. 2**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$12,077,140** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$12,077,140**

Submitted: Megan VanCamp for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	5.000 mills	\$60,386
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	5.000 mills	\$60,386
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	34.680 mills	\$418,835
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	39.680 mills	\$479,221

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

1. Purpose of Contract: Repay Horseshoe Ridge Metro #1 Series 2007 Revenue Bond issue to fund Horseshoe Ridge Metro #2 & 3 infrastructure improvements & organization

LETTER OF BUDGET TRANSMITTAL

Date: January 26, 2023

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 3 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 7, 2022. If there are any questions on the budget, please contact:

Cathy Fromm, CPA
Fromm & Company LLC
9227 E. Lincoln Ave #200
Lone Tree, CO 80124
303-912-8401

I, John Will, as Secretary of the Horseshoe Ridge Metropolitan District No. 3, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: John Will

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 3**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 3, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF DECEMBER, 2023,

WHEREAS, the Board of Directors of the Horseshoe Ridge Metropolitan District No. 3 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on December 7, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$1,220; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for 0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$7,320; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$243,970; and

WHEREAS, at an election held on November 1, 2005, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 3 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Horseshoe Ridge Metropolitan District No. 3 for calendar year 2023.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 5.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2023 budget

year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 30.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 7th day of December, 2022.

HORSESHOE RIDGE
METROPOLITAN DISTRICT NO. 3

Marcus S Palkowitsh

President

ATTEST:

John Will

Secretary

HORSESHOE RIDGE METROPOLITAN DISTRICT NO. 3

2023 BUDGET MESSAGE

The Horseshoe Ridge Metropolitan District No. 3 (the District) is a quasi-municipal political subdivision of the State of Colorado. The District was formed by order of the District Court for the County of Douglas, Colorado. The District, as a metropolitan district, derives its power from the State statutes. The District is governed by a five-member Board.

Basis of Accounting

The District prepares its budget on the modified accrual basis of accounting and uses Governmental funds to budget and report on its financial position.

Revenues

Taxes

The District imposes a mill levy of 35.000 mills. Of the total mill levy, 5.000 mills are for the operations of the District and related districts. The remaining 30.000 mills are pledged to the redemption of the related-District's debt obligations, Horseshoe Ridge Metropolitan District No. 1.

Specific ownership taxes are set by the State and collected by the County Clerk, 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, and including, the District.

Funds

General Fund

Revenue received by this Fund is comprised of property taxes, specific ownership taxes and interest income. The Fund transfers the funds to the Horseshoe Ridge Metropolitan District No. 1 which manages the operations and debt of the three related districts.

Horseshoe Ridge Metropolitan District No. 3

ADOPTED 2023 BUDGET

Horseshoe Ridge Metropolitan District No. 3

GENERAL FUND

ADOPTED 2023 BUDGET

with 2021 Actual and 2022 Estimated

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Estimated</u>	<u>Adopted</u> <u>2023</u> <u>Budget</u>
REVENUE			
Property Taxes for Debt Services	\$ 5,711	\$ 7,274	\$ 7,320
Property Taxes for Operations	951	1,212	1,220
Interest/Miscellaneous Revenue	67	200	300
Specific Ownership Tax	642	800	800
Total Revenue	<u>\$ 7,371</u>	<u>\$ 9,486</u>	<u>\$ 9,640</u>
EXPENDITURES			
Treasurer's Fees	\$ 101	\$ 127	\$ 130
Transfer to District 1 - Interest Portion	5,711	7,274	7,274
Transfer to District 1 - Operations	1,559	2,085	2,236
Total Expenditures	<u>\$ 7,371</u>	<u>\$ 9,486</u>	<u>\$ 9,640</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - BEGINNING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>2023 Budget</u>			
Assessed Valuation - Final	\$ 243,970		
Mill Levy	30.000		
Property Taxes - Debt Service	<u><u>\$ 7,320</u></u>		
Assessed Valuation -	\$ 243,970		
Mill Levy - Final	5.000		
Property Taxes - Operations	<u><u>\$ 1,220</u></u>		
Total Property Tax	<u><u>\$ 8,540</u></u>		

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: **4486 - Horseshoe Ridge Metro District 3**

IN DOUGLAS COUNTY ON 11/18/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

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 2022 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$242,440
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$243,970
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$243,970
5. NEW CONSTRUCTION: **	\$0
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 2022 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$836,057
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
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, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$0
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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.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Horseshoe Ridge Metro District 3
 the Board of Directors
 of the Horseshoe Ridge Metropolitan District No. 3**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$243,970** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$243,970**

Submitted: Megan VanCamp for budget/fiscal year 2023

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	5.000 mills	\$1,220
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	5.000 mills	\$1,220
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	30.000 mills	\$7,319
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	35.000 mills	\$8,539

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

1. Purpose of Contract: Repay Horseshoe Ridge Metro #1 Series 2009 Revenue Bond issue to fund Horseshoe Ridge Metro #2 & 3 infrastructure improvements & organization

EXHIBIT C

DISTRICT OFFICIALS CONTACT INFORMATION FOR HORSESHOE RIDGE METROPOLITAN DISTRICT NOS. 1, 2 & 3

The names, business address and telephone number of the Board members, president and general counsel for the Districts and the place and time for meetings are as follows:

Board of Directors:

District Nos. 1 & 3

Marcus S. Palkowitsh, President
Eugene G. Coppola, Vice President /Assistant Secretary/Assistant Treasurer
John M. Will, Vice President /Assistant Secretary/Assistant Treasurer
Thomas Ashburn, Vice President /Assistant Secretary/Assistant Treasurer

District No. 2

Marcus S. Palkowitsh, President
John M. Will, Vice President / Secretary/ Treasurer
Brian McKelvey, Director
Jason Hamel, Director
Thomas Johnson, Director

Business Address: c/o MSP Companies
The Galleria Office Towers
720 South Colorado Blvd.
Suite 940 – North Tower
Denver, CO 80246
Telephone: (303) 399-9804

General Counsel for the Districts:

Spencer Fane LLP
c/o David S. O’Leary, Esq.
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Telephone: (303) 839-3800

Place and Time for Meetings of the Districts:

The Boards have determined to not hold regular meetings at this time; rather, special meetings will be called on an as needed basis, when District business requires a meeting. Unless otherwise specified by the Boards of Directors, the location of the meetings will be at the offices of MSP Companies, The Galleria Office Towers, 720 South Colorado Blvd., Suite 940 – North Tower, Denver, Colorado 80246, which is more than 20 miles outside of the boundaries of the Districts, but approved by previous meeting resolution and in accordance with Colorado law.

EXHIBIT D

**EXTERNAL FINANCIAL ADVISOR CERTIFICATION
FOR
HORSESHOE RIDGE METROPOLITAN DISTRICT NOS. 1, 2 & 3**

(Certification from the External Financial Advisor of compliance with the Service Plan is attached.)



To Whom It May Concern:

I am the "External Financial Advisor" to the Horseshoe Ridge Metropolitan Districts Nos. 1 through 3 (the "Districts") and provide budget, accounting and financial advisor services to the Districts. To the best of my knowledge and belief, and based upon information provided by the Districts, the Developer and Counsel to the Districts, it is my belief that the Districts are in compliance with the provisions of the Districts' Service Plan.

Sincerely,

Cathy Fromm, CPA