



Management Budget Report

BOARD OF DIRECTORS FOUR MILE RANCH METROPOLITAN DISTRICT

We have presented the accompanying forecasted budget of revenues, expenditures and fund balances for the year ending December 31, 2025, including the comparative information of the forecasted estimate for the year ending December 31, 2024, and the actual historic information for the year 2023.

These financial statements are designed for management purposes and are intended for those who are knowledgeable about these matters. We have not audited, reviewed or compiled the accompanying forecast and, accordingly, do not express an opinion or provide any assurance about whether the forecast is in accordance with accounting principles generally accepted in the United States of America. Substantially all the disclosures required by accounting principles generally accepted in the United States of America have been omitted. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the results of operations for the forecasted periods.

Wendy McFarland

Pinnacle Consulting Group, Inc.
January 31, 2025

Offices Located in Loveland and Denver

Main office located at 550 W. Eisenhower Blvd., Loveland, CO 80537
(970)669-3611 (303)333-4380
www.PCGI.com

Serving our clients and community through excellent dependable service.

FOUR MILE RANCH METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
GENERAL FUND				
	(a)	(b)	(c)	(d)
	2023	2024	2024	2025
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Taxes	\$ 79,803	\$ 71,701	\$ 75,484	\$ 81,643
Specific Ownership Taxes	10,386	11,471	9,600	9,797
Interest Income	6,659	2,000	7,771	3,712
Total Revenues	\$ 96,848	\$ 85,172	\$ 92,855	\$ 95,152
Expenditures				
Operations & Maintenance:				
Landscape Maintenance & Repairs	\$ 25,821	\$ 38,600	\$ 24,206	\$ 38,600
Administration:				
Accounting	17,500	19,200	19,200	19,800
County Treasurer's Fee	2,395	2,151	2,151	2,449
Election Costs	3,735	-	-	4,000
Insurance	2,521	2,521	2,521	2,600
Legal Services	22,108	15,000	21,000	20,000
Office and Other	1,143	2,000	2,675	2,000
Directors Fees	679	700	700	700
Contingency	-	5,000	-	5,000
Total Expenditures	\$ 75,901	\$ 85,172	\$ 72,453	\$ 95,149
Revenues over/(under) Expenditures	\$ 20,947	\$ -	\$ 20,403	\$ 3
Beginning Fund Balance	144,249	157,018	165,196	185,598
Ending Fund Balance	\$ 165,196	\$ 157,018	\$ 185,598	\$ 185,601
COMPONENTS OF ENDING FUND BALANCE:				
Emergency Reserve (3% of Revenues)	\$ 2,905	\$ 2,555	\$ 2,905	\$ 2,855
Operating Reserve (25% of Expenses)	18,975	21,293	23,787	23,787
Unrestricted	143,315	133,170	158,906	158,960
TOTAL ENDING FUND BALANCE	\$ 165,196	\$ 157,018	\$ 185,598	\$ 185,601
Mill Levy				
Operating	16.000	12.317	12.317	14.682
Return of Backfill Funds	-	-	-	(0.824)
Debt Service	35.435	39.629	39.629	40.076
Total Mill Levy	51.435	51.946	51.946	53.934
Assessed Value	\$ 4,985,886	\$ 5,821,572	\$ 5,821,572	\$ 5,891,397
Property Tax Revenue				
Operating	79,774	71,701	71,704	86,497
Return of Backfill Funds	-	-	-	(4,855)
Debt Service	176,675	230,703	230,703	236,104
Total Property Tax Revenue	\$ 256,449	\$ 302,407	\$ 302,407	\$ 317,747

Modified Accrual Budgetary Basis

FOUR MILE RANCH METROPOLITAN DISTRICT NO. 1				
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS				
DEBT SERVICE FUND				
	(a)	(b)	(c)	(d)
	2023	2024	2024	2025
	Unaudited	Adopted	Projected	Adopted
	Actual	Budget	Actual	Budget
Revenues				
Property Taxes	\$ 176,739	\$ 230,703	\$ 230,703	\$ 236,104
Specific Ownership Taxes	23,057	36,912	27,869	28,332
Development Fees	1,000	4,000	2,000	4,000
Interest Income	13,056	1,200	13,952	7,567
Total Revenues	\$ 213,852	\$ 272,816	\$ 274,524	\$ 276,003
Expenditures				
2017 Loan - Interest	\$ 155,540	\$ 149,663	\$ 149,663	\$ 142,441
2017 Loan - Principal	99,800	103,700	103,700	107,900
Trustee & Paying Agent Fees	1,500	1,500	1,500	1,500
Contingency	-	10,000	-	10,000
Total Expenditures	\$ 256,840	\$ 264,863	\$ 254,863	\$ 261,841
Revenues over/(under) Expenditures	(42,988)	7,953	19,661	14,162
Beginning Fund Balance	401,678	364,490	358,690	378,351
Ending Fund Balance	\$ 358,690	\$ 372,442	\$ 378,351	\$ 392,513
Debt Reserve Required	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Debt Service Coverage Ratio		105.00%	101.46%	105.00%

Modified Accrual Budgetary Basis

FOUR MILE RANCH METROPOLITAN DISTRICT NO.1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Four Mile Ranch Metropolitan District No. 1 is a quasi-municipal corporation governed pursuant to provisions set forth in the Colorado Special District Act, and was formed in December 2003. Along with its companion Districts No. 2, No. 3, and No. 4, District No. 1 was organized to provide essential facilities and services for public use and benefit. The Districts are located entirely within Canon City (the "City"). The Districts will cooperate with the City to serve and promote the health, safety and general welfare of its citizens.

The District has no employees at this time and all operations and administrative functions are contractual.

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

In preparing the 2025 budget, the following goals are foremost for the District:

- Maintain a positive operating fund balance.
- Comply with the District's debt obligations, contractual agreements and statutory requirements.
- Maintain District property to the benefit of the constituents.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the Treasurer for the County, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the Treasurer for the County to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 12.0% of the property taxes collected by the General Fund and Debt Service Fund.

Development Fees

The District has budgeted development fee revenue for 2025.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

FOUR MILE RANCH METROPOLITAN DISTRICT NO.1
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, meetings, insurance, legal, and other administrative expenses. The District has budgeted for landscaping as well.

County Treasurer's Fees

County Treasurer's fees have been computed at 3% of property tax collections.

Capital Outlay

The District anticipates no infrastructure improvements during 2025.

Debt and Leases

The District has the following loan issuance:

On October 16, 2017, the District issued \$2,887,400 General Obligation (Limited Tax Convertible to Unlimited Tax) Loan, Series 2017. The debt matures on December 5, 2038, and bears an initial interest rate of 3.96% per annum, calculated on the basis of a 360-day year and actual number of days elapsed in any applicable period, payable semi-annually on June 5 and December 5, commencing December 5, 2017, until maturity. The interest rate is fixed until October 16, 2022, at which time the rate will reset the most recent weekly average of the Five Year Treasury Yield (as published in the Federal Reserve Statistical Release) plus 2.27%. The interest rate will reset again on October 16, 2027, October 16, 2032, and October 16, 2037. The loan may be prepaid at the option of the District, in whole or in part, on any date, at a prepayment price equal to the Loan principal.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2025, as defined under TABOR.

Debt Service Reserve

The District is required to maintain a debt service reserve of \$200,000. This reserve has been established.