

Lorson Ranch Metropolitan District No. 1			
General Fund Budget			
Year Ended 12/31/2018			
	2016	2017	2018
	Actual	Estimated	Adopted
BEGINNING FUND BALANCE	\$ 13,821	\$ 8,768	\$ 83,133
REVENUES			
Developer Advances	\$ 11,174	\$ -	\$ -
Intergovernmental revenue-Operations Trsfr from Dist. #2-7	218,307	244,734	282,077
Intergovernmental revenue-FMIC Trsfr from Dist. #2-7	176,970	98,072	-
Intergovernmental revenue-D2 Debt Fund	248,157	-	-
Property Taxes - D1 General Fund	268	263	264
Property Taxes - D1 FMIC	268	127	-
Specific Ownership Tax	61	54	29
Lien Release Fees & Covenant Violation Fines	1,331	1,900	1,500
Total Revenues	656,536	345,150	283,870
EXPENDITURES			
Accounting	25,976	23,680	25,000
Audit	6,650	6,900	7,000
District Management	20,167	15,016	40,000
Dues & subscriptions	1,220	969	1,000
Insurance	6,682	6,984	8,000
Legal	50,779	16,729	30,000
Miscellaneous	1,009	-	-
FMIC 10 mill property tax payment	177,234	95,310	-
County property tax collection fee - 1.5%	8	6	4
Total General Management	289,725	165,594	111,004
Maintenance			
Landscape maintenance	49,398	28,791	65,000
Landscape water	42,683	47,424	55,000
Repairs & maintenance	750	-	5,000
Electric -streetlights & entrance	30,876	28,976	40,000
Contingency	-	-	4,000
Total Maintenance	123,707	105,191	169,000
Total Expenditures	413,432	270,785	280,004
Debt and Fee Transfers			
Repay Developer Loans	194,109		
Developer Loan Interest	54,048		
Total	248,157	-	-
Total Expenditures	661,589	270,785	280,004
Excess of Revenues over Expenditures	(5,053)	74,365	3,866
ENDING FUND BALANCE	\$ 8,768	\$ 83,133	\$ 86,999
Emergency Reserve - 3% of revenues	\$ 19,361	\$ 10,355	\$ 9,920
Unrestricted Fund Balance	(10,593)	72,779	77,079

Lorson Ranch Metropolitan District No. 1			
Capital Fund Budget			
Year Ended 12/31/2018			
	2016	2017	2018
	Actual	Estimated	Adopted
BEGINNING FUND BALANCE	\$ 42,601	\$ 57,719	\$ 57,719
REVENUES			
Transfer from Lorson District 3 Capital Fund	\$ -	\$ -	\$ 11,750,000
Transfer from D2 Bonds	2,438,688.00	-	-
Developer loan proceeds	10,007	-	-
El Paso County Drainage Fees	-	-	-
El Paso County Bridge Fees	-	-	-
El Paso County Park Reimbursement	-	50,000	-
El Paso County Transportation Imp	-	151,050	650,000
Transfer from Debt Fund	136,851	-	-
FMIC settlement	25,000	-	-
Total Revenues	\$ 2,610,546	\$ 201,050	\$ 12,400,000
EXPENDITURES			
Debt Expenditures			
Transfer to Debt Service Fund	-	91,050	650,000
Legal Fees - FMIC	43,302	-	-
Repay Developer Loans	2,438,688	-	-
Total	2,481,990	91,050	650,000
Capital Infrastructure Costs			
Roadways	-	-	5,000,000
Water system	-	-	2,100,000
Sanitation and Storm Sewer	725	-	4,500,000
Parks & Landscaping	112,713	110,000	150,000
Total	113,438	110,000	11,750,000
Total Expenditures	2,595,428	201,050	12,400,000
Excess of Revenue over Expenditures	15,118	-	-
ENDING FUND BALANCE	\$ 57,719	\$ 57,719	\$ 57,719

Lorson Ranch Metropolitan District No. 1			
Debt Service Fund Budget			
Year Ended 12/31/2018			
	2016	2017	2018
	Actual	Estimated	Adopted
BEGINNING FUND BALANCE	\$ 112,937	\$ 148,439	\$ 154,737
REVENUES			
Intergovernmental revenue from Dist # 2	13,337,155	31,288	-
Intergovernmental revenue from Dist # 3	172,353	233,960	106,970
Transfer from District 1 Capital Fund	-	91,050	650,000
Transfer from District 3 Capital Fund	-	-	-
Total Revenues	13,509,508	356,298	756,970
EXPENDITURES			
Bond Interest - Series 2011	482,934	-	-
Bond Interest - Series 2012	815,874	350,000	756,970
Subtotal of Interest payments	1,298,808	350,000	756,970
Bond Principal - Series 2011	8,135,071	-	-
Bond Principal - Series 2012	3,903,276	-	-
Subtotal of Bond Issue Payments	12,038,347	-	-
Transfer to Capital Fund	136,851		
Total Expenditures	13,474,006	350,000	756,970
Excess of Revenues over Expenditures	35,502	6,298	-
ENDING FUND BALANCE	148,439	154,737	154,737

Lorson Ranch Metropolitan District Nos. 1-7								
Property Taxes								
Year Ended 12/31/2018								
	Combined	District No. 1	District No. 2	District No. 3	District No. 4	District No. 5	District No. 6	District No. 7
Vacant Land Market Value	4,535,481	-	-	4,368,461	-	53,495	-	113,525
Percentage	29%	29%	29%	29%	29%	29%	29%	29%
Assessed Value	1,315,840	-	-	1,267,420	-	15,510	-	32,910
Residential Market Value	302,703,023		213,236,101	89,466,922				-
Percentage	7.96%		7.96%	7.96%				7.96%
Assessed Value	21,798,430		15,356,170	6,442,260				-
Commercial Market Value	19,801		11,723	8,078				
Percentage	29%		29%	29%				
Assessed Value	5,730		3,390	2,340				
Agricultural Market Value	38,374	122	122	9,893	16,359	2,167	7,827	1,884
Percentage	29%	29%	29%	29%	29%	29%	29%	29%
Assessed Value	3,450	40	40	2,870	4,730	640	2,280	560
Public Utility state value	2,183,861	92,000	858,276	313,000	211,724	291,103	250,689	167,069
Percentage	29%	29%	29%	29%	29%	29%	29%	29%
Assessed Value	633,320	26,680	248,900	90,770	61,400	84,420	72,700	48,450
Total Assessed Value	23,756,770	26,720	15,608,500	7,805,660	66,130	100,570	74,980	81,920
Mill Levy - General Operating & Capital		9.894	66.112	65.112	9.894	9.894	9.894	9.894
2017 Property Tax to be paid in 2018	\$ 1,543,617.37	\$ 264.37	\$ 1,031,909.00	\$ 508,242.00	\$ 654.00	\$ 995.00	\$ 742.00	\$ 811.00
Tax based on Mill Levy for 2018								
Capital - Debt	\$ 1,285,748.00	\$ -	\$ 861,464.00	\$ 424,284.00	\$ -	\$ -	\$ -	\$ -
General Operating	\$ 257,869.00	\$ 264.00	\$ 170,445.00	\$ 83,958.00	\$ 654.00	\$ 995.00	\$ 742.00	\$ 811.00
Total	\$ 1,543,617.00	\$ 264.00	\$ 1,031,909.00	\$ 508,242.00	\$ 654.00	\$ 995.00	\$ 742.00	\$ 811.00
Mill Levy Charged for 2018 - Gallagherized								
Capital - Debt			55.192	54.356		0		
General Operating		9.894	10.92	10.756	9.894	9.894	9.894	9.894
Repay FMIC 2017 tax								
Total		9.894	66.112	65.112	9.894	9.894	9.894	9.894

**Lorson Ranch Metropolitan District 1
El Paso County, CO
2018 Budget Narrative**

GENERAL FUND

REVENUES

1. Intergovernmental revenue is budgeted for property tax and specific ownership tax revenue from Lorson Ranch Metropolitan Districts # 2 - 7 transferred to District # 1.
2. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill levies are budgeted for Operations and Maintenance at 9.894 mills.
3. Specific ownership taxes are budgeted at 11% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.
4. Lien Release Fees and Covenant Violation Fees are based on estimated collections of fees for covenant violations and related releases of liens filed.

EXPENDITURES – Operating and Maintenance

1. Accounting and audit fees include the monthly accounting for the District, the costs of the accounting firm to prepare periodic financial statements and the cost of the Audit.
2. District Management costs are estimated based on costs to manage the District.
3. Dues and Subscriptions are the estimated SDA dues.
4. Insurance is the estimated charge from the Colorado Special Districts Property and Liability Pool insurance.
5. Legal fees are estimated based on the annual requirements of the District.
6. Maintenance is the cost to maintain and water the landscaping, common areas, parks and drainage systems, as well as the electricity cost for streetlights and entrance.

**Lorson Ranch Metropolitan District 1
El Paso County, CO
2018 Budget Narrative**

CAPITAL PROJECTS FUND

During 2018, public infrastructure improvements to the Lorson Ranch will continue to be constructed within the Lorson Ranch Metropolitan Districts Service Area. These improvements will be constructed and paid for by the Developer. They will then be certified for acceptance by District. Details of the budget are as follows:

REVENUES

1. Transfer from Lorson District 3 – Lorson Ranch Metropolitan District No. 3 has budgeted to issue bonds in 2018 to pay for the cost of public improvements within that District.
2. El Paso County Transportation Improvement Fees – The District has applied to El Paso County for reimbursement of eligible expenditures by the District for transportation improvements within the Districts.

EXPENDITURES

1. The District will transfer available funds to the Debt Service Fund to pay the debt obligations of the District.
2. The District has budgeted for the cost of public infrastructure improvements in 2018, for a total cost of \$11,750,000.

DEBT SERVICE FUND

REVENUES

1. Intergovernmental revenue is budgeted for net property tax revenue plus specific ownership tax, from Lorson Ranch Metropolitan District # 3.
2. A Transfer from District 1 Capital Fund is budgeted for the estimated reimbursement from El Paso County for the Transportation Improvement Fees.

EXPENDITURES

3. Bond interest payments are budgeted for the outstanding Series 2012 Bond Issue.

Lorson Ranch Metropolitan District 1
El Paso County, CO
2018 Budget Narrative

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.
2. There are no operating or capital lease obligations of the District.
3. The District is authorized to issue General Obligation Debt in an amount not to exceed \$80,000,000. The limit for all Lorson Districts is \$300,000,000. A mill levy cap of 50 mills applies to the District in connection with the General Obligation Debt, subject to the Gallagher provisions of the law.
4. The District issued a Limited Tax General Obligation Bond on 6/1/2012 in order to finance and refinance the public infrastructure. Terms of the Bond are as follows:
 - a. Principal amount at issue \$13,929,164
 - b. Balance at 12/31/17 \$9,840,166
 - c. Term 30 years – 6/1/2012 – 7/01/2041
 - d. Interest rate 10%
 - e. Interest payable semi-annually starting 01/2/2013
 - f. Interest accumulates if not paid when due.
 - g. There are no scheduled principal payments except the balance at Maturity.

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of revenues, excluding Developer Loan Proceeds. An Emergency Reserve has been established for 3% of the District's General Fund Revenues.