

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2

Via email – dlq-filing@state.co.us

January 25, 2021

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

RE: Saddlehorn Ranch Metropolitan District No. 2

LG ID# 67298

Attached is the 2021 Budget for the Saddlehorn Ranch Metropolitan District No. 2 in El Paso County Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted at the District's meeting held on November 10, 2020. If there are any questions on the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060 Ext. 6.

The mill levy certified to the County Commissioners of El Paso County is 10.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 50.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$3,720, the total property tax revenue is \$223. A copy of the certification of mill levies sent to the County Commissioners for El Paso County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of El Paso County, Colorado.

Sincerely,



Eric Weaver
District Accountant

Enclosure(s)

Administrative & Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS
(2021)

The Board of Directors of Saddlehorn Ranch Metropolitan District No. 2 (the “**Board**”), County of El Paso, Colorado (the “**District**”) held a special meeting held via teleconference on Tuesday, November 10, 2020, at the hour of 9:00 A.M.

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

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NOTICE AS TO PROPOSED 2021 BUDGET

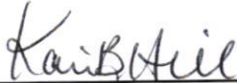
**THE EL PASO COUNTY ADVERTISER AND NEWS,
FOUNTAIN, COLORADO 80817
STATE OF COLORADO**

ss.

COUNTY OF EL PASO

I, Karin B. Hill, do solemnly swear that I am Managing Editor of the El Paso County Advertiser and News, that the same is a weekly newspaper printed, in whole or in part, and published in the County of El Paso, state of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said county of El Paso for a period of more than 52 weeks next prior to the first publication of the annexed notice and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That copies of each number of said paper in which said notice and list were published were delivered by carriers or transmitted by mail to each of the subscribers of said paper for a period of 1 consecutive insertions, once each week, and on the same day of each week; and that first publication of said notice was in the issue of said newspaper dated Nov 4, A.D. 2020 and that the last publication of said notice was in the issue of said newspaper dated Nov 4 A.D. 2020.

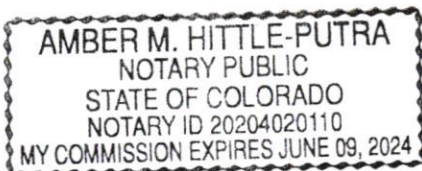


Karin B. Hill
Managing Editor

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 4th day of November A.D. 2020.



Amber M. Hittle-Putra
Notary Public
My Commission Expires June 09, 2024



**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2021 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE AMENDED 2020 BUDGET**

NOTICE IS HEREBY GIVEN that proposed 2021 budgets have been submitted to the Boards of Directors (the "Boards") of the SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3 (the "Districts"). A copy of each of the proposed budgets is on file in the office of Marchetti & Weaver, LLC, 245 Century Circle, Suite 103, Louisville, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2020 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of Marchetti & Weaver, LLC, 245 Century Circle, Suite 103, Louisville, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a public hearing during a joint meeting of the Districts to be held on Thursday, November 10, 2020 at 9:00 A.M. Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Public Health and Environment, and the threat posed by the COVID-19 coronavirus, this meeting will be held via teleconferencing and can be joined through the directions below:

<https://zoom.us/j/99081556535>
Meeting ID: 990 8155 6535
Call-In: 1-346-248-7799

Any interested elector of the Districts may file or register any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the District.

BY ORDER OF THE BOARDS OF DIRECTORS:
SADDLEHORN RANCH METROPOLITAN DISTRICT NOS. 1-3

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

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2021 AND ENDING ON THE LAST DAY OF DECEMBER 2021.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 10, 2020, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2021. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2021 budget year, there is hereby levied a tax of

50.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2021 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.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2021 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.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of El Paso County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of page intentionally left blank.]

ADOPTED THIS 10TH DAY OF NOVEMBER, 2020.

SADDLEHORN RANCH METROPOLITAN DISTRICT
NO. 2

Bill Guman
Bill Guman (Jan 20, 2021 14:02 MST)

Officer of the District

ATTEST:

Mike Bramlett
Mike Bramlett (Jan 20, 2021 17:02 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Bob Dh

General Counsel to the District

STATE OF COLORADO
COUNTY OF EL PASO
SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Tuesday, November 10, 2020, via teleconference as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 10th day of November 2020.

Mike Bramlett
Mike Bramlett (Jan 20, 2021 17:02 MST)

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

SADDLEHORN RANCH METROPOLITAN DISTRICT NO. 2

2021

BUDGET MESSAGE

Saddlehorn Ranch Metropolitan Districts Nos. 1-3 are quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The districts were created under the Service District/Financing District structure under El Paso County policies. District No. 2 is intended to be a financing district.

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

The following budget is prepared using the modified accrual basis of accounting and has been adopted after proper postings, publications and publichearing.

BUDGET STRATEGY

District No. 2 is intended to be a financing district responsible for providing the funding and tax base needed to support the plan for financing of public improvements. The district's budget strategy is to perform its activities as cost effectively as possible.

REVENUE

The district has imposed 10.000 mills for General Fund operations and 50.000 mills for debt service to generate revenue to repay bonds anticipated to be issued in 2021. The assessed value for the district is \$3,720 resulting in \$223 of revenue.

EXPENDITURES

The district has adopted 2 separate funds, a General Fund to provide for transfers to District No. 1 for operations and a Debt Service fund to provide for payments on bonds anticipated to be issued in 2021.

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2019 Unaudited Actual	2020 Adopted Budget	Variance Positive (Negative)	2020 Forecast	2021 Adopted Budget	Budget Notes/Assumptions
PROPERTY TAXES						
Total Assessed Valuation	-	-	-	-	3,720	December Final AV
Mill Levy - Debt Service	-	50.000	-	50.000	50.000	50 Mills Gallagherized
Mill Levy - Operations	-	10.000	-	10.000	10.000	10 Mills Paid over to District No. 1
Mill Levy - Covenant Enforcement	-	-	-	-	-	Assume 0 Mills for 2021 (5 Mills Max)
Total	-	60.000	-	60.000	60.000	
Property Tax Revenue - Debt Service	-	-	-	-	186	AV * Mills / 1,000
Property Tax Revenue - Operations	-	-	-	-	37	AV * Mills / 1,000
Property Tax Revenue - Covenant Enforcement	-	-	-	-	-	AV * Mills / 1,000
Total	-	-	-	-	223	

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2019 Unaudited Actual	2020 Adopted Budget	Variance Positive (Negative)	2020 Forecast	2021 Adopted Budget	Budget Notes/Assumptions
GENERAL FUND						
REVENUE						
Property taxes- Operations	-	-	-	-	37	10 Mills Paid over to District No. 1
Property taxes- Covenant Enforcement	-	-	-	-	-	Assume 0 Mills for 2021 (5 Mills Max)
Specific Ownership Taxes	-	-	-	-	2	6% of Property Taxes
Interest Income	-	-	-	-	-	
Miscellaneous Income	-	-	-	-	-	
System Development Fees	-	-	-	-	-	
TOTAL REVENUE	-	-	-	-	39	
EXPENDITURES						
Accounting	-	-	-	-	-	Paid By District No. 1
Audit	-	-	-	-	-	No required, exemption paid by District No. 1
Legal	-	-	-	-	-	Paid By District No. 1
Insurance & SDA Dues	-	-	-	-	-	Paid By District No. 1
Office Supplies, Bank & Biilc.om Fees, Other	-	-	-	-	-	Paid By District No. 1
Treasurer's Fees	-	-	-	-	1	1.5 % of property taxes
Contingency	-	-	-	-	-	
TOTAL EXPENDITURES	-	-	-	-	1	
REVENUE OVER / (UNDER) EXPENDITURES	-	-	-	-	39	
OTHER SOURCES / (USES)						
Transfers In/(Out)	-	-	-	-	-	
Transfers to District No. 1	-	-	-	-	(39)	Transfer all available funds to #1 for Operations
Developer Advances (Repayments)	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	(39)	
CHANGE IN FUND BALANCE	-	-	-	-	-	
BEGINNING FUND BALANCE	-	-	-	-	-	
ENDING FUND BALANCE	-	-	-	-	-	
	=	=	=	=	=	

Statement of Revenues, Expenditures, & Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2019 Unaudited Actual	2020 Adopted Budget	Variance Positive (Negative)	2020 Forecast	2021 Adopted Budget	Budget Notes/Assumptions
DEBT SERVICE FUND						
REVENUE						
Property Taxes	-	-	-	-	186	50 Mills Gallagherized
Specific Ownership Taxes	-	-	-	-	11	6% of Property Taxes
Interest Income	-	-	-	-	-	
TOTAL REVENUE	-	-	-	-	197	
EXPENDITURES						
Treasurer's Fees	-	-	-	-	3	1.5 % of property taxes
Series 2021A- Interest	-	-	-	-	166,458	Per DA Davidson 05/11/20 Projection
Series 2021A- Principal	-	-	-	-	-	Per DA Davidson 05/11/20 Projection
Series 2021B- Interest	-	-	-	-	-	Per DA Davidson 05/11/20 Projection
Series 2021B- Principal	-	-	-	-	-	Per DA Davidson 05/11/20 Projection
Cost of Issuance	-	-	-	-	350,780	Per DA Davidson 05/11/20 Projection
Transfer to District No. 1 For Capital	-	-	-	-	3,315,949	Per DA Davidson 05/11/20 Projection
Contingency	-	-	-	-	-	
TOTAL EXPENDITURES	-	-	-	-	3,833,190	
REVENUE OVER / (UNDER) EXPENDITURES	-	-	-	-	(3,832,993)	
OTHER SOURCES / (USES)						
Bond Proceeds	-	-	-	-	4,691,000	Per DA Davidson 05/11/20 Projection
TOTAL OTHER SOURCES / (USES)	-	-	-	-	4,691,000	
CHANGE IN FUND BALANCE	-	-	-	-	858,007	
BEGINNING FUND BALANCE	-	-	-	-	-	
ENDING FUND BALANCE	-	-	-	-	858,007	
COMPONENTS OF FUND BALANCE:						
Debt Service Reserve Fund	-	-	-	-	358,438	Per DA Davidson 05/11/20 Projection
Capitalized Interest Fund	-	-	-	-	499,375	To Cover A Bond Interest in later years
Bond Payment / Surplus Fund	-	-	-	-	194	Excess funds held for use in later year
TOTAL ENDING FUND BALANCE	-	-	-	-	858,007	
	=	=	=	=	=	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso, Colorado.

On behalf of the Saddlehorn Ranch Metropolitan District No. 2

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Saddlehorn Ranch Metropolitan District No. 2

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 3,720

(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 3,720

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)


USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/9/2020
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2021.
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>37.20</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ <u>-</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>10.000</u> mills	<u>\$ 37.20</u>
3. General Obligation Bonds and Interest ^J	<u>50.000</u> mills	\$ <u>186.00</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ <u>-</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ <u>-</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ <u>-</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ <u>-</u>
	<u>0.000</u> mills	\$ <u>-</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>60.000</u> mills	<u>\$ 223.20</u>

Contact person: Eric Weaver Daytime phone: (970) 926-6060 x6
(print)

Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | |
|----------------------|---|
| 1. Purpose of Issue: | <u>To finance public infrastructure as described in the service plan.</u> |
| Series: | <u>Anticipated Bond Issuance in 2021</u> |
| Date of Issue: | <u>To be determined</u> |
| Coupon rate: | <u>To be determined</u> |
| Maturity Date: | <u>To be determined</u> |
| Levy: | <u>50.000</u> |
| Revenue: | <u>\$186.00</u> |
| | |
| 2. Purpose of Issue: | <u> </u> |
| Series: | <u> </u> |
| Date of Issue: | <u> </u> |
| Coupon rate: | <u> </u> |
| Maturity Date: | <u> </u> |
| Levy: | <u> </u> |
| Revenue: | <u> </u> |

CONTRACTS^K:

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

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