

MARABOU RANCH METROPOLITAN DISTRICT

2020 BUDGET MESSAGE

The attached 2020 Budget for Marabou Ranch Metropolitan District includes these important features:

Marabou Ranch Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The primary purpose of the District is to provide for the acquisition and/or the operation and maintenance of certain existing improvements previously constructed for Marabou Ranch and presently owned by the Marabou Ranch Owners Association. The improvements include a potable water system serving Marabou Ranch, as well as internal roads, perimeter fencing and riparian improvements.

The following 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.

2020 BUDGET STRATEGY

The primary services to be provided/delivered to the District's constituents during the budget year are the following:

- Operation of water treatment and delivery facilities and infrastructure
- Maintenance of the roadway system
- Fence maintenance
- Landscape maintenance
- Trail maintenance
- Pond, ditch, waterways, and irrigation maintenance

The District's strategy in preparing the 2020 budget is to strive to provide the scope of services desired by the property owners and residents of the District in the most economic manner possible. The District has determined that the most equitable way to fund the services to be provided is through a combination of assessments and property taxes against properties in the District.

Marabou Ranch Metropolitan District
Statement of Net Position
September 30, 2019

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Fund</u>	<u>TOTAL OPERATING FUNDS</u>	<u>Fixed Assets & LTD</u>	<u>TOTAL ALL FUNDS</u>
ASSETS						
CASH						
Alpine Bank Checking	32,774			32,774		32,774
ColoTrust	-			-		-
Community Banks- Bond Pmt Fund		10,000		10,000		10,000
Community Banks- Reserve Fund		68,000		68,000		68,000
Community Banks- Project Fund			243,267	243,267		243,267
Interfund Balances	4,249	(4,249)		-		-
TOTAL CASH	37,023	73,751	243,267	354,041	-	354,041
OTHER CURRENT ASSETS						
Due From County Treasurer	-			-		-
Property Taxes Receivable	1,624	-		1,624		1,624
Prepaid Expenses	-			-		-
Accounts Receivable	-			-		-
TOTAL OTHER CURRENT ASSETS	1,624	-	-	1,624	-	1,624
FIXED ASSETS						
Water Distribution System				-		-
Roads				-		-
Riparian Improvements				-		-
Accumulated Depreciation				-		-
TOTAL FIXED ASSETS	-	-	-	-	-	-
TOTAL ASSETS	38,648	73,751	243,267	355,665	-	355,665
LIABILITIES & DEFERED INFLOWS						
CURRENT LIABILITIES						
Accounts Payable	41,087			41,087		41,087
TOTAL CURRENT LIABILITIES	41,087	-	-	41,087	-	41,087
DEFERRED INFLOWS						
Deferred Property Taxes	1,624			1,624		1,624
TOTAL DEFERRED INFLOWS	1,624	-	-	1,624	-	1,624
LONG-TERM LIABILITIES						
Bonds Payable					800,000	800,000
Accrued Interest				-		-
TOTAL LONG-TERM LIABILITIES	-	-	-	-	800,000	800,000
TOTAL LIAB & DEF INFLOWS	42,711	-	-	42,711	800,000	842,711
NET POSITION						
Net Investment in Capital Assets				-		-
Amount to be Provided for Debt				-	(800,000)	(800,000)
Fund Balance- Restricted	4,813	73,751	243,267	321,831		321,831
Fund Balance-Assigned				-		-
Fund Balance- Unassigned	(8,876)			(8,876)		(8,876)
TOTAL NET POSITION	(4,063)	73,751	243,267	312,954	(800,000)	(487,046)
	=	=	=	=	=	=

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

Print Date: 01/19/20

	2018 Unaudited Actual	2019 Adopted Budget	2019 Amended Budget	2019 Forecast	YTD Thru 09/30/19 Actual	YTD Thru 09/30/19 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Lot Breakdown:									
# of Vacant Lots		54	54	54				54	
# of Improved Lots		9	9	8				8	Includes 2 under construction
Total # of Lots		63	63	62				62	
Average Vacant Lot AV				14,799				16,134	
Average Improved Lot AV				208,624				243,046	
Assessed Valuation	-	2,468,130	2,468,130	2,468,130				2,815,620	Final November Valuation
				=				=	
Mill Levy Breakdown:									
Mill Levy - Operations	0.000	13.000	13.000	13.000				12.000	Estimated Need
Mill Levy - Debt	0.000	0.000	0.000	0.000				5.000	8 mills originally projected
Total	-	13.000	13.000	13.000				17.000	
Property Tax Revenue - Operations	-	32,086	32,086	32,086				33,787	AV * Mill Levy / 1,000
Property Tax Revenue - Debt	-	-	-	-				14,078	AV * Mill Levy / 1,000
Total	-	32,086	32,086	32,086				47,866	
OPERATIONS & CAPITAL FEES									
Vacant Lot Fee Breakdown:									
Operations Assessment		2,325	2,325	2,325				2,725	For unimproved properties
Capital / Debt Assessment		-	-	-				1,135	\$1,344 originally projected need
Total Fee Per Vacant Lot		\$2,325	\$2,325	\$2,325				3,860	
Add Average Property Tax Per Vacant Lot		\$192	\$192	\$192				\$274	
Total Taxes & Fees- Vacant Lot		\$2,517	\$2,517	\$2,517				\$4,134	Average of 54 properties
Average Property Tax Per Improved Lot		\$2,411	\$2,411	\$2,712				\$4,132	Average of 9 properties

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GENERAL FUND										
REVENUE										
1-4100	Property Taxes	-	32,086	32,086	32,086	30,461	32,086	(1,624)	33,787	AV * Mill Levy / 1,000
1-4200	Specific Ownership Taxes	-	3,000	3,000	2,567	1,578	2,000	(422)	2,365	7.0% of Taxes
1-4000	Maintenance Fees	-	125,550	125,550	125,550	94,163	94,163	0	147,150	54 Lots @ \$2,725 each
1-4300	Vacant Lot Operations Fees	-	-	-	-	-	-	-	-	
	Water & Sewer Fees	-	-	-	-	-	-	-	-	
	Water Meters	-	-	-	-	-	-	-	-	
1-4705	Interest Income	-	50	50	-	-	38	(38)	90	2% of Fund Balance
1-4700	Late Fees & Interest	-	-	-	125	109	-	109	-	
1-4230	Other Income (Estoppel Fees)	-	-	-	100	100	-	100	-	
	TOTAL REVENUE	-	160,686	160,686	160,428	126,411	128,286	(1,875)	183,392	
EXPENDITURES										
Administration										
1-5100	Accounting	-	8,000	17,000	17,000	11,978	5,333	(6,645)	15,000	Based on 2019
1-5105	Audit	-	-	-	-	-	-	-	5,500	Required due to bond issuance
1-5115	District Management	-	12,000	12,000	12,000	9,000	9,000	-	12,000	Based on 2019
1-5120	Election	-	-	-	-	-	-	-	-	Only in Even Years
1-5125	Insurance & SDA Dues	-	5,000	5,000	2,853	2,853	5,000	2,147	3,500	Based on 2019
1-5130	Legal	-	30,000	45,000	45,000	36,983	22,500	(14,483)	30,000	Based on 2019
1-5145	Water Rights- Legal & Engineering	-	-	-	1,000	759	-	(759)	1,000	
1-5110	Director's Fees & Payroll Taxes	-	-	-	-	-	-	-	-	
1-5150	Website	-	-	-	-	-	-	-	-	
1-5135	Office Supplies & Misc Other	-	-	-	1,000	675	-	(675)	1,000	
1-5155	Credit Card Fees	-	-	-	2,100	1,596	-	(1,596)	2,100	
1-5140	Treasurer's Fees	-	963	963	963	743	963	219	1,014	3% of property taxes
	Total Administration	-	55,963	79,963	81,916	64,588	42,796	(21,792)	71,114	
Operations										
1-6150	Water System Maintenance	-	16,800	16,800	16,800	10,822	12,600	1,778	16,800	Per Scott
1-6130	Road Maintenance	-	10,000	10,000	-	-	8,333	8,333	3,000	Per Scott
1-6100	Cattle Guard Maintenance	-	2,000	2,000	-	-	1,667	1,667	2,000	Per Scott
1-6160	Snow Removal	-	15,000	35,000	35,000	27,328	10,000	(17,328)	18,000	2019 was a big snow year
1-6155	Ranch Truck	-	13,480	13,480	-	-	13,480	13,480	13,480	Per Scott
1-6110	Gate Maintenance	-	800	800	-	-	667	667	800	Per Scott
1-6105	Fence Maintenance	-	3,000	3,000	-	-	2,500	2,500	3,000	Per Scott
1-6120	Pond/Ditch/Irrigation Maintenance	-	4,000	4,000	-	-	3,333	3,333	4,000	Per Scott
1-6125	Riparian Improvement Maintenance	-	30,000	30,000	26,237	26,237	25,000	(1,237)	30,000	Per Scott
1-6115	Landscaping/Open Space Maintenance	-	500	500	-	-	417	417	500	Per Scott
1-6145	Trail Maintenance	-	3,000	3,000	1,500	1,500	2,500	1,000	3,000	Per Scott
1-6140	Sign Maintenance	-	1,000	1,000	-	-	833	833	1,500	Per Scott
1-6135	Septic System Maintenance	-	-	-	-	-	-	-	-	Removed- Not District Eligible
1-6165	Contingency	-	-	-	-	-	-	-	10,000	
	Total Operations	-	99,580	119,580	79,537	65,886	81,330	15,444	106,080	
	TOTAL EXPENDITURES	-	155,543	199,543	161,453	130,474	124,126	(6,348)	177,194	
	REVENUE OVER / (UNDER) EXP	-	5,143	(38,857)	(1,025)	(4,063)	4,160	(8,223)	6,199	
OTHER SOURCES / (USES)										
1-890	Transfer to Debt Service	-	-	-	-	-	-	-	-	
	Association Advance (Repayment)	-	-	44,000	5,000	-	-	-	(5,000)	Shortfall for expense overages
	TOTAL OTHER SOURCES / (USES)	-	-	44,000	5,000	-	-	-	(5,000)	
	CHANGE IN FUND BALANCE	-	5,143	5,143	3,975	(4,063)	4,160	(8,223)	1,199	
1-3000	BEGINNING FUND BALANCE	-	-	-	-	-	-	-	3,975	
	ENDING FUND BALANCE	-	5,143	5,143	3,975	(4,063)	4,160	(8,223)	5,174	

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

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DEBT SERVICE FUND									
REVENUE									
Property Taxes	-	-	-	-	-	-	-	14,078	AV * Mill Levy / 1,000
Specific Ownership Taxes	-	-	-	-	-	-	-	985	7.0% of Taxes
Vacant Lot Capital / Debt Fees	-	-	-	-	-	-	-	61,290	54 Lots @ \$1,135 each
Interest Income	-	-	-	-	-	-	-	738	
TOTAL REVENUE	-	-	-	-	-	-	-	77,091	-
EXPENDITURES									
Bond Principal- Series A	-	-	-	-	-	-	-	25,000	Per Amortization Schedule
Bond Interest- Series A	-	-	-	-	-	-	-	44,866	Assuming 5/1/20 Draw date
Bond Principal- Series B	-	-	-	-	-	-	-	2,421	Assuming 5/1/20 Draw date
Bond Interest- Series B	-	-	-	-	-	-	-	422	3% of Property Taxes
Treasurer's Fees	-	-	-	-	-	-	-	10,000	
Contingency	-	-	-	-	-	-	-		
TOTAL EXPENDITURES	-	-	-	-	-	-	-	82,709	-
REVENUE OVER / (UNDER) EXP	-	-	-	-	-	-	-	(5,619)	-
OTHER SOURCES / (USES)									
2-9000 TransferTo Capital Fund	-	-	(679,000)	(673,268)	(673,268)	-	(673,268)	(220,000)	
2-4900 Bond Proceeds- Series A	-	-	800,000	800,000	800,000	-	800,000	120,000	Remaining A Bonds
Bond Proceeds- Series B	-	-	-	-	-	-	-	100,000	\$50K Fencing, \$50K Contingency
2-7000 Bond Issuance Costs	-	-	(53,000)	(52,981)	(52,981)	-	(52,981)	-	
TOTAL OTHER SOURCES / (USES)	-	-	68,000	73,751	73,751	-	73,751	-	
CHANGE IN FUND BALANCE	-	-	68,000	73,751	73,751	-	73,751	(5,619)	
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	73,751	
ENDING FUND BALANCE	-	-	68,000	73,751	73,751	-	73,751	68,132	
COMPONENTS OF FUND BALANCE:									
Debt Service Reserve Fund	-	-	68,000	68,000	68,000	-	-	68,000	
Surplus Fund	-	-	-	5,751	5,751	-	73,751	132	
TOTAL FUND BALANCE	-	-	68,000	73,751	73,751	-	73,751	68,132	-
	=	=	=	=	=	=	=	=	

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CAPITAL FUND									
REVENUE									
Interest income	-	-	-	-	-	-	-	-	
TOTAL REVENUE	-	-	-	-	-	-	-	-	
EXPENDITURES									
4-7900 Association Repayment- Organizational Costs		-	93,000	93,268	93,268	-	(93,268)		
4-7130 Capital- Roads	-	-	300,000	207,500	136,995	-	(136,995)	92,500	Partially completed in 2019
4-7105 Capital- Fencing	-	-	280,000	230,000	199,739	-	(199,739)	220,000	Includes extra \$50K for corral fencing
Capital- Other / Contingency	-	-	6,000	-	-	-	-	50,000	Unforeseen Needs
TOTAL EXPENDITURES	-	-	679,000	530,768	430,001	-	(430,001)	362,500	
REVENUE OVER / (UNDER) EXP	-	-	(679,000)	(530,768)	(430,001)	-	(430,001)	(362,500)	
OTHER SOURCES / (USES)									
4-9000 Transfer From Debt Service	-	-	679,000	673,268	673,268	-	673,268	220,000	From Bond Proceeds
TOTAL OTHER SOURCES / (USES)	-	-	679,000	673,268	673,268	-	673,268	220,000	
CHANGE IN FUND BALANCE	-	-	-	142,500	243,267	-	243,267	(142,500)	
BEGINNING FUND BALANCE	-	-	-	-	-	-	-	142,500	
ENDING FUND BALANCE	-	-	-	142,500	243,267	-	243,267	-	
	=	=	=	=	=	=	=	=	