

**HOGBACK METROPOLITAN DISTRICT
2022 ANNUAL REPORT**

Pursuant to the Service Plan for Hogback Metropolitan District (the “District”), the District is required to provide an annual report to the Clerk of the Board of County Commissioners. For the year ending December 31, 2022, the District makes the following report:

1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.

There were no boundary changes made or proposed in the year ending December 31, 2022.

2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.

None.

3. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

The District is not currently a party to any litigation which involves the Public Improvements.

4. Status of the District’s construction of the Public Improvements as of December 31 of the prior year.

No public improvements were completed by the District in 2022.

5. A list of all Public Improvements constructed by the District that have been dedicated to and accepted by the County as of December 31 of the prior year.

No facilities or improvements were dedicated to or accepted by the County in the year ending December 31, 2022.

6. The assessed valuation of the District for the current year.

The District assessed valuation for 2022 was \$7,400,742.

7. Current year budget including a description of the Public Improvements to be constructed in such year.

The District’s 2023 budget is attached hereto as **Exhibit A**.

8. **A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, Part 6 of Article 1 of Title 29, or the application for exemption from audit, as applicable.**

The District’s 2022 audit is attached hereto as **Exhibit B.**

9. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.**

None.

10. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.**

None.

The foregoing filing and accompanying exhibits, if any, are submitted this 27th day of July 2023.

HOGBACK METROPOLITAN DISTRICT

BY: Thomas N. George, General Counsel

EXHIBIT A
2023 Budget

LETTER OF BUDGET TRANSMITTAL

Date: January 23, 2023

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

Attached are the 2023 budget and budget message for HOGBACK METROPOLITAN DISTRICT in Jefferson County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 3, 2022. If there are any questions on the budget, please contact:

Marchetti & Weaver LLC
28 2nd Street
Edwards, CO 81632
970/926-6060
Eric Weaver Eric@mwcpaa.com
Susan Cary Susan@mwcpaa.com

I, Dennis Carruth as President of the Hogback Metropolitan District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: *Dennis Carruth*
Dennis Carruth, President

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HOGBACK METROPOLITAN DISTRICT**

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 HOGBACK METROPOLITAN DISTRICT, JEFFERSON 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 Hogback Metropolitan District 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 November 3, 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 \$ 74,007.42 ; 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 \$ 370,037.10 ; 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 Jefferson County is \$7,400,742; and

WHEREAS, 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 HOGBACK METROPOLITAN DISTRICT OF JEFFERSON 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 Hogback Metropolitan District 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 10.000 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 50.000 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 Jefferson 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 Jefferson 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.

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ADOPTED this 3rd day of November, 2022.

HOGBACK METROPOLITAN DISTRICT

Dennis Carruth

Dennis Carruth, President

ATTEST:

Jeff Burrows

Secretary

HOGBACK METROPOLITAN DISTRICT
2023 BUDGET MESSAGE

Hogback Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act.

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

The following budget is prepared on the modified accrual basis of accounting.

Budget Strategy

The District was formed to provide for all or part of the Public Improvements, as defined in the district's Service Plan, for the use and benefit of all inhabitants and taxpayers of the district. The primary purpose of the district is to finance the construction of these Public Improvements.

Revenues

For the 2023 budget the District will impose a mill levy of 60.000 mills. 10.000 mills of this will generate property tax revenue to cover a portion of General Fund expenditures. These funds and developer advances will be sufficient to provide for administrative and operation expenditures for the budget year. The remaining 50.000 mills will generate property tax revenue to partially fund debt service payments related to tax exempt bonds the District has issued.

Expenditures

The District has adopted three separate funds: 1) a General Fund to provide for general operating expenditures; 2) a Debt Service Fund to provide for debt service on debt issued by the District in 2021 and; 3) a Capital Projects Fund to account for expenses related to capital projects.

The District has provided for an Emergency Reserve Fund in the amount of 3% of the total fiscal year expenditures in the General Fund in accordance with the TABOR Amendment.

Hogback Metropolitan District
Statement of Net Position
September 30, 2022

	General Fund	Debt Service Fund	Capital Fund	Fixed Assets & LTD	Total
ASSETS					
CASH					
First Bank Checking	14,203				14,203
ColoTrust					-
UMB 2021A Bond Fund		2,245			2,245
UMB 2021A Capitalized Interest Fund		2,327,469			2,327,469
UMB 2021A Cost of Issuance Fund		-			-
UMB 2021A Reserve Fund		2,130,895			2,130,895
UMB 2021A Revenue Fund		15			15
UMB 2021A Project Fund			18,648,619		18,648,619
Pooled Cash	5,193	-	(5,193)		-
TOTAL CASH	19,397	4,460,624	18,643,426	-	23,123,447
OTHER CURRENT ASSETS					
Due From County Treasurer	-	-			-
Property Tax Receivable	-	-			-
Prepaid Expense	2,296				2,296
TOTAL OTHER CURRENT ASSETS	2,296	-	-	-	2,296
FIXED ASSETS					
Construction in Progress				-	-
TOTAL FIXED ASSETS	-	-	-	-	-
TOTAL ASSETS	21,693	4,460,624	18,643,426	-	23,125,743
LIABILITIES & DEFERED INFLOWS					
CURRENT LIABILITIES					
Accounts Payable	15,314	-			15,314
TOTAL CURRENT LIABILITIES	15,314	-	-	-	15,314
DEFERRED INFLOWS					
Deferred Property Taxes	-	-			-
TOTAL DEFERRED INFLOWS	-	-	-	-	-
LONG-TERM LIABILITIES					
Series 2021A Bonds Payable				23,095,000	23,095,000
Accrued Interest 2021A Bonds				(481,146)	(481,146)
Series 2021A Bond Premium, Net				1,058,927	1,058,927
Developer Payable- Capital				-	-
Developer Payable- Operations				55,100	55,100
Accrued Int- Developer Payable- Ops				-	-
Accrued Int- Developer Payable- Cap				-	-
TOTAL LONG-TERM LIABILITIES	-	-	-	23,727,881	23,727,881
TOTAL LIAB & DEF INFLOWS	15,314	-	-	23,727,881	23,743,195
NET POSITION					
Inv in Capital Assets				-	-
Amount to be Provided for Debt				(23,727,881)	(23,727,881)
Fund Balance- Non-Spendable	-				-
Fund Balance- Restricted	2,520	4,460,624	18,643,426		23,106,570
Fund Balance- Unassigned	3,859				3,859
TOTAL NET POSITION	6,379	4,460,624	18,643,426	(23,727,881)	(617,453)

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

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

Print Date: 12/10/22

	2021 Audited Actual	2022 Adopted Budget	Variance Positive (Negative)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	-	7,400,742	-	7,400,742				7,400,742	Dec. Final AV from County
Mill Levy - Operations	-	-	-	-				10.000	10 Mills, As Adjusted, For Operations
Mill Levy - Debt Service Fund	-	-	-	-				50.000	50 Mills, As Adjusted, For Debt Service
Total	-	-	-	-				60.000	
Property Tax Revenue - Operations	-	-	-	-				74,007	AV * Mills / 1,000
Property Tax Revenue - Debt Service Fund	-	-	-	-				370,037	AV * Mills / 1,000
Total	-	-	-	-				444,045	

Hogback Metropolitan District
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 Modified Accrual Basis For the Period Indicated

Print Date: 12/10/22

	2021 Audited Actual	2022 Adopted Budget	Variance Positive (Negative)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
COMBINED FUNDS									
REVENUE									
Property Taxes	-	-	-	-	-	-	-	444,045	10 Mills For Ops & 50 Mills for Debt, As Adjusted 6% of Property Taxes No Units Anticipated in 2023 Interest Earnings on Bond Funds
Specific Ownership Taxes	-	-	-	-	-	-	-	26,643	
System Development Fees	-	-	-	-	-	-	-	-	
Interest & Other Income	358	17,000	292,000	309,000	178,934	12,750	166,184	445,000	
TOTAL REVENUE	358	17,000	292,000	309,000	178,934	12,750	166,184	915,687	
EXPENDITURES									
Administration									
Accounting	2,680	30,000	10,000	20,000	11,174	22,500	11,326	30,000	Accounting, Audit Prep, Budget, Bond Compliance
Audit	-	7,500	1,200	6,300	6,300	7,500	1,200	6,750	Required for Bond Issuance
Legal	-	50,000	20,000	30,000	19,256	37,500	18,244	50,000	Assuming Increased Activity
Treasurer's Fees	-	-	-	-	-	-	-	6,661	1.5% of Property Taxes
Election	-	3,000	1,600	1,400	1,399	3,000	1,601	3,000	Assumed Cancelled for 2023
Insurance, Bonds & SDA Dues	-	3,000	532	2,468	2,468	3,000	532	3,000	Liability, D&O, Dues, & Other
Miscellaneous	-	1,500	300	1,200	344	1,125	781	2,260	Bill.com fees, website, misc other
Contingency	-	45,000	45,000	-	-	-	-	45,000	For Potential Unforeseen Needs
Debt Service									
Bond Interest	-	1,128,117	34,312	1,093,805	516,430	564,058	47,628	1,154,750	Per Amortization Schedule
Bond Principal	-	-	-	-	-	-	-	-	Per Amortization Schedule
Developer Note Repayment	-	-	(5,100)	5,100	5,100	-	(5,100)	-	
Debt Issuance Expense & Trustee Fees	704,424	4,000	5,720	(1,720)	(2,601)	-	2,601	9,000	\$4K Annual Fee + Investment Fees
Contingency	-	-	-	-	-	-	-	-	
Capital Outlay									
	-	18,512,000	18,028,446	483,554	10,916	9,181,000	9,170,084	18,598,991	See Capital Fund
TOTAL EXPENDITURES	707,103	19,784,117	18,142,010	1,642,107	570,787	9,819,683	9,248,897	19,909,412	
REVENUE OVER / (UNDER) EXPENDITURES	(706,746)	(19,767,117)	18,434,010	(1,333,107)	(391,852)	(9,806,933)	(9,082,712)	(18,993,725)	
OTHER SOURCES / (USES)									
Developer Advances	-	175,000	(91,000)	84,000	55,100	131,250	(76,150)	63,000	Operations Shortfall
Bond Proceeds & Premium	24,153,927	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	24,153,927	175,000	(91,000)	84,000	55,100	131,250	(76,150)	63,000	
CHANGE IN FUND BALANCE	23,447,181	(19,592,117)	18,343,010	(1,249,107)	(336,752)	(9,675,683)	9,338,931	(18,930,725)	
BEGINNING FUND BALANCE	-	23,601,611	(154,430)	23,447,181	23,447,181	23,601,611	(154,430)	22,198,075	
ENDING FUND BALANCE	23,447,181	4,009,495	18,188,580	22,198,074	23,110,429	13,925,928	9,184,501	3,267,350	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Non-Spendable	-	3,150	(150)	3,000	-	-	-	3,150	Prepaid Insurance & SDA Dues
TABOR Emergency Reserve	80	5,250	(2,730)	2,520	2,520	-	-	4,243	3% of operating expenditures
Restricted For Debt Service	4,949,579	3,994,495	(90,263)	3,904,231	4,460,624	-	-	3,252,170	Reserve, Cap I, & Bond Fund Accounts
Restricted for Capital Projects	18,500,282	-	18,278,991	18,278,991	18,643,426	-	-	-	Per Capital Fund
Unassigned	(2,760)	6,600	2,732	9,332	3,859	-	-	7,787	
TOTAL ENDING FUND BALANCE	23,447,181	4,009,495	18,188,580	22,198,074	23,110,429	13,925,928	9,184,501	3,267,350	

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

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

Print Date: 12/10/22

	2021 Audited Actual	2022 Adopted Budget	Variance Positive (Negative)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
GENERAL FUND									
REVENUE									
Property Taxes- Operations	-	-	-	-	-	-	-	74,007	10 Mills, As Adjusted, For Operations 6% of Property Taxes
Specific Ownership Taxes	-	-	-	-	-	-	-	4,440	
Interest Income	-	-	-	-	-	-	-	-	
TOTAL REVENUE	-	-	-	-	-	-	-	78,448	
EXPENDITURES									
Administration									
Accounting	2,680	30,000	10,000	20,000	11,174	22,500	11,326	30,000	Accounting, Audit Prep, Budget, Bond Compliance
Audit	-	7,500	1,200	6,300	6,300	7,500	1,200	6,750	Required for Bond Issuance
Legal	-	50,000	20,000	30,000	19,256	37,500	18,244	50,000	Assuming Increased Activity
Office Supplies, Bill.com Fees, Other	-	1,500	300	1,200	344	1,125	781	1,300	Bill.com Fees, Misc Other
Treasurer's Fees	-	-	-	-	-	-	-	1,110	1.5% of Property Taxes
Election	-	3,000	1,600	1,400	1,399	3,000	1,601	3,000	Assumed Cancelled for 2023
Insurance, Bonds & SDA Dues	-	3,000	532	2,468	2,468	3,000	532	3,000	Liability, D&O, Dues, & Other
Website	-	-	-	-	-	-	-	960	\$80 Per Month
Contingency /Emergencies	-	45,000	45,000	-	-	-	-	45,000	For Potential Unforeseen Needs
TOTAL EXPENDITURES	2,680	140,000	78,632	61,368	40,942	74,625	33,683	141,120	
REVENUE OVER / (UNDER) EXPENDITURES	(2,680)	(140,000)	78,632	(61,368)	(40,942)	(74,625)	33,683	(62,672)	
OTHER SOURCES / (USES)									
Transfers In/(Out)	-	-	-	-	-	-	-	-	To Cover Shortfall & Maintain Operating Reserve
Developer Advances Received	-	175,000	(91,000)	84,000	55,100	131,250	(76,150)	63,000	
Repay Developer Advance - Principal	-	-	(5,100)	(5,100)	(5,100)	-	(5,100)	-	
TOTAL OTHER SOURCES / (USES)	-	175,000	(96,100)	78,900	50,000	131,250	(81,250)	63,000	
CHANGE IN FUND BALANCE	(2,680)	35,000	(17,468)	17,532	9,058	56,625	(47,567)	328	
BEGINNING FUND BALANCE	-	(20,000)	17,320	(2,680)	(2,680)	(20,000)	17,320	14,852	
ENDING FUND BALANCE	(2,680)	15,000	(148)	14,852	6,379	36,625	(30,246)	15,180	
	=	=	=	=	=	=	=	=	

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

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

Print Date: 12/10/22

	2021 Audited Actual	2022 Adopted Budget	Variance Positive (Negative)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
DEBT SERVICE FUND									
System Development Fees:									
Fee Per Multi-Family Unit		500		500				500	Per Bond Model
Fee Per Townhome Unit		1,000		1,000				1,000	Per Bond Model
Fee Per Single Family Unit		1,500		1,500				1,500	Per Bond Model
# of Multi-Family Units		-		-				-	No Units Anticipated in 2023
# of Townhome Units		-		-				-	No Units Anticipated in 2023
# of Single Family Units		-		-				-	No Units Anticipated in 2023
REVENUE									
Property Taxes	-	-	-	-	-	-	-	370,037	50 Mills, As Adjusted, For Debt Service
Specific Ownership Taxes	-	-	-	-	-	-	-	22,202	6% of Property Taxes
System Development Fees	-	-	-	-	-	-	-	-	See Number of Units and Fees Per Unit Above
Interest Income	75	5,000	52,000	57,000	35,138	3,750	31,388	125,000	Investment of Reserve & Cap-I Funds
Other Income	-	-	-	-	-	-	-	-	
TOTAL REVENUE	75	5,000	52,000	57,000	35,138	3,750	31,388	517,239	
EXPENDITURES									
Treasurer's Fees	-	-	-	-	-	-	-	5,551	1.5% of Property Taxes
Bond Interest	-	1,128,117	34,312	1,093,805	516,430	564,058	47,628	1,154,750	Per Amortization Schedule
Bond Principal	-	-	-	-	-	-	-	-	Per Amortization Schedule
Paying Agent / Trustee Fees	-	4,000	1,720	2,280	1,399	-	(1,399)	9,000	\$4K Annual Fee + Investment Fees
Debt Issuance Expense	704,424	-	4,000	(4,000)	(4,000)	-	4,000	-	
Contingency	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	704,424	1,132,117	40,032	1,092,085	513,829	564,058	50,229	1,169,301	
REVENUE OVER / (UNDER) EXPENDITURES	(704,348)	(1,127,117)	92,032	(1,035,085)	(478,691)	(560,308)	81,617	(652,061)	
OTHER SOURCES / (USES)									
Transfers In/(Out)	(18,500,000)	-	(10,263)	(10,263)	(10,263)	-	(10,263)	-	
Bond Proceeds	23,095,000	-	-	-	-	-	-	-	
Bond Premium	1,058,927	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	5,653,927	-	(10,263)	(10,263)	(10,263)	-	(10,263)	-	
CHANGE IN FUND BALANCE	4,949,579	(1,127,117)	81,769	(1,045,348)	(488,955)	(560,308)	71,354	(652,061)	
BEGINNING FUND BALANCE	-	5,121,611	(172,032)	4,949,579	4,949,579	5,121,611	(172,032)	3,904,231	
ENDING FUND BALANCE	4,949,579	3,994,495	(90,263)	3,904,231	4,460,624	4,561,303	(100,679)	3,252,170	
COMPONENTS OF FUND BALANCE:									
Capitalized Interest Fund	2,825,973	1,793,000	(63,155)	1,729,845	2,327,469			566,095	Held To Make Portion of 2024 Interest Payments
Reserve Fund	2,117,343	2,196,495	(79,184)	2,117,311	2,130,895			2,117,311	\$2,117,311 Reserve Required By Bonds
Surplus Fund	-	5,000	(5,000)	-	-			568,764	
Revenue Fund	-	-	-	-	15			-	
Bond Payment Fund	-	-	57,076	57,076	2,245			-	
Cost of Issuance Fund	6,263	-	-	-	-			-	
Internal / Other Balances	-	-	-	-	-			-	
TOTAL ENDING FUND BALANCE	4,949,579	3,994,495	(90,263)	3,904,231	4,460,624			3,252,170	

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

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

Print Date: 12/10/22

	2021 Audited Actual	2022 Adopted Budget	Variance Positive (Negative)	2022 Forecast	YTD Thru 09/30/22 Actual	YTD Thru 09/30/22 Budget	Variance Positive (Negative)	2023 Adopted Budget	Budget Notes/Assumptions
CAPITAL FUND									
REVENUE									
Interest Income	282	12,000	240,000	252,000	143,797	9,000	134,797	320,000	Investment of Project Funds
TOTAL REVENUE	282	12,000	240,000	252,000	143,797	9,000	134,797	320,000	
EXPENDITURES									
Legal	-	20,000	15,000	5,000	-	10,000	10,000	20,000	Cost Certification & Other Capital Related Work
Accounting	-	25,000	20,000	5,000	-	12,500	12,500	20,000	Cost Certification, Bond Draws, Capital Acctg
Paying Agent / Trustee Fees	-	-	(11,000)	11,000	5,723	-	(5,723)	14,000	Investment Management Fees
Engineering	-	15,000	-	15,000	5,193	7,500	2,307	20,000	Cost Certification Work
Roads	-	-	-	-	-	-	-	-	
Water	-	-	-	-	-	-	-	-	
Sanitary Sewer	-	-	-	-	-	-	-	-	
Storm Sewer	-	-	(55,039)	55,039	-	-	-	-	
Streets	-	-	-	-	-	-	-	-	
Parks & Recreation	-	-	-	-	-	-	-	-	
Capital Improvements	-	18,302,000	18,010,000	292,000	-	9,151,000	9,151,000	9,000,000	Estimated Infrastructure Costs for 2023
Organizational Costs	-	150,000	49,485	100,515	-	-	-	-	Organizational Costs Reimbursed to Developer
Contingency	-	-	-	-	-	-	-	9,524,991	Remaining Available Bonds Funds
TOTAL EXPENDITURES	-	18,512,000	18,028,446	483,554	10,916	9,181,000	9,170,084	18,598,991	
REVENUE OVER / (UNDER) EXPENDITURES	282	(18,500,000)	18,268,446	(231,554)	132,881	(9,172,000)	9,304,881	(18,278,991)	
OTHER SOURCES / (USES)									
Transfers In/(Out)	18,500,000	-	10,263	10,263	10,263	-	10,263	-	Transfer of Bond Proceeds
Developer Advances	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	18,500,000	-	10,263	10,263	10,263	-	10,263	-	
CHANGE IN FUND BALANCE	18,500,282	(18,500,000)	18,278,709	(221,291)	143,144	(9,172,000)	9,315,144	(18,278,991)	
BEGINNING FUND BALANCE	-	18,500,000	282	18,500,282	18,500,282	18,500,000	282	18,278,991	Roll-Forward of Bond Funds From Prior Year
ENDING FUND BALANCE	18,500,282	-	18,278,991	18,278,991	18,643,426	9,328,000	9,315,426	-	
	=	=	=	=	=	=	=	=	

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

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Jefferson County, Colorado.

On behalf of the Hogback Metropolitan District

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Hogback Metropolitan District

(local government)^C

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

\$ 7,400,742

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

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:

\$ 7,400,742

(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: 12/12/2022
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2023.
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.000</u> mills	<u>74,007.42</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>74,007.42</u>
3. General Obligation Bonds and Interest ^J	<u>50.000</u> mills	<u>370,037.10</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>444,044.52</u>

Contact person: Eric Weaver
(print)

Daytime phone: (970) 926-6060 extension 6

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>Financing of Public Infrastructure Pursuant to the Service Plan of the District</u> |
| | Series: | <u>General Obligation Limited Tax Bonds Series 2021A(3)</u> |
| | Date of Issue: | <u>December 20, 2021</u> |
| | Coupon rate: | <u>5.000%</u> |
| | Maturity Date: | <u>December 1, 2051</u> |
| | Levy: | <u>50.000</u> |
| | Revenue: | <u>\$370,037.10</u> |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

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

EXHIBIT B
2022 Audit

HOGBACK METROPOLITAN DISTRICT

FINANCIAL STATEMENTS
December 31, 2022

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hogback Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of Hogback Metropolitan District as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Hogback Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Hogback Metropolitan District as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hogback Metropolitan District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hogback Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

PO Box 865
Longmont, CO 80502

Green & Associates • LLC

PHONE (720) 839-6458
www.GreenCPAfirm.com

Certified Public Accountants & Business Consultants

In performing an audit in accordance with generally accepted auditing standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hogback Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hogback Metropolitan District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hogback Metropolitan District's financial statements as a whole. The other supplementary information which includes the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Capital Projects Fund, and the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual Debt Service Fund, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

DRAFT

Longmont, Colorado
April 25, 2023

Basic Financial Statements

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**Hogback Metropolitan District
Statement of Net Position
December 31, 2022**

Assets

Current Assets

Cash and cash equivalents - unrestricted	\$ 12,567
Cash and cash equivalents - restricted	22,575,876
Property taxes receivable	444,044
Prepaid expenses	2,791
Total Current Assets	23,035,278

Noncurrent Assets

Capital assets	
Nondepreciable	55,039
Net Capital Assets	55,039
Total Assets	23,090,317

Current Liabilities

Accounts payable	5,066
Accrued interest	96,229
Total Current Liabilities	101,295

Long-Term Liabilities

Bonds payable	24,112,008
Accrued interest - developer payable	2,280
Developer advance payable	75,000
Total Long-Term Liabilities	24,189,288
Total Liabilities	24,290,583

Deferred Inflows of Resources

Deferred property tax revenue	444,044
Total Deferred Inflows of Resources	444,044

Net Position

Restricted for debt service and capital	22,558,782
Restricted for emergencies	1,501
Unrestricted	(24,204,593)
Total Net Position	\$ (1,644,310)

The accompanying notes are an integral part of these financial statements

**Hogback Metropolitan District
Statement of Activities
For the Year Ended December 31, 2022**

Governmental Activities	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Governmental Activities
General government	\$ 184,243	\$ -	\$ -	\$ (184,243)
Interest and related costs on long-term debt	1,115,111	-	-	(1,115,111)
Total Governmental Activities	\$ 1,299,354	\$ -	\$ -	\$ (1,299,354)
General Revenues				
				393,074
				4,000
				<u>397,074</u>
				(902,280)
				(742,030)
				<u>\$ (1,644,310)</u>

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**Hogback Metropolitan District
Balance Sheet
Governmental Funds
December 31, 2022**

	General	Capital Projects	Debt Service	Total Governmental Funds
Assets				
Current Assets				
Cash and cash equivalents - unrestricted	\$ 12,567	\$ -	\$ -	\$ 12,567
Cash and cash equivalents - restricted	-	18,654,689	3,921,187	22,575,876
Property taxes receivable	74,007	-	370,037	444,044
Prepaid expenses	2,791	-	-	2,791
Due from other funds	17,094	-	-	17,094
Total Assets	<u>106,459</u>	<u>18,654,689</u>	<u>4,291,224</u>	<u>23,052,372</u>
Liabilities				
Current Liabilities				
Accounts payable	5,066	-	-	5,066
Due to other funds	-	17,094	-	17,094
Total Liabilities	<u>5,066</u>	<u>17,094</u>	<u>-</u>	<u>22,160</u>
Deferred Inflows of Resources				
Deferred property tax revenue	74,007	-	370,037	444,044
Total Deferred Inflows of Resources	<u>74,007</u>	<u>-</u>	<u>370,037</u>	<u>444,044</u>
Equity				
Fund Balance				
Restricted	1,501	18,637,595	3,921,187	22,560,283
Unassigned	25,885	-	-	25,885
Total Fund Balance	<u>27,386</u>	<u>18,637,595</u>	<u>3,921,187</u>	<u>22,586,168</u>
Total Liabilities, Equity and Deferred Inflows of Resources	<u>\$ 106,459</u>	<u>\$ 18,654,689</u>	<u>\$ 4,291,224</u>	<u>\$ 23,052,372</u>

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total Fund Balance	\$ 22,586,168
Amounts reported for governmental funds in the Statement of Net Position are different because:	
Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	55,039
Accrued interest on long-term debt does not require current financial resources therefore is not reported in the fund statements.	(98,509)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements.	<u>(24,187,008)</u>
Total Net Position	<u>\$ (1,644,310)</u>

Hogback Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General	Capital Projects	Debt Service	Total Governmental Funds
Revenues				
Interest income	\$ -	\$ 317,950	\$ 75,124	\$ 393,074
Miscellaneous	-	-	4,000	4,000
Total Revenue	-	317,950	79,124	397,074
Expenditures				
Operations				
Accounting	15,748	1,937	-	17,685
Audit	6,300	-	-	6,300
Legal	19,144	8,064	-	27,208
Election	1,501	-	-	1,501
Engineering	-	7,093	-	7,093
Insurance	1,788	-	-	1,788
Supplies and other	453	-	-	453
Trustee fees	-	14,252	7,448	21,700
Organizational costs	-	100,515	-	100,515
Capital outlay	-	55,039	-	55,039
Debt service				
Bond interest expense	-	-	1,093,805	1,093,805
Principal on developer advances	5,100	-	-	5,100
Total Expenditures	50,034	186,900	1,101,253	1,338,187
Revenue Over (Under) Expenditures	(50,034)	131,050	(1,022,129)	(941,113)
Other Financing Sources and (Uses)				
Developer advances	80,100	-	-	80,100
Transfers	-	6,263	(6,263)	-
Total Other Financing Sources and (Uses)	80,100	6,263	(6,263)	80,100
Net Change in Fund Balance	30,066	137,313	(1,028,392)	(861,013)
Fund Balance, Beginning of Year	(2,680)	18,500,282	4,949,579	23,447,181
Fund Balance, End of Year	<u>\$ 27,386</u>	<u>\$ 18,637,595</u>	<u>\$ 3,921,187</u>	<u>\$ 22,586,168</u>

Total Change in Fund Balance Governmental Fund \$ (861,013)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.

Developer advances	(80,100)
Repayment of principal	5,100

Capital outlay to purchase or build capital assets is reported in governmental funds as an expenditure. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives. 55,039

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported in the fund statements.

Accrued interest	(21,306)
------------------	----------

Change in Net Position of Governmental Activities	<u>\$ (902,280)</u>
---	---------------------

Hogback Metropolitan District
Statement of Revenue and Expenditures and Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
Operations			
Accounting	\$ 30,000	\$ 15,748	\$ 14,252
Audit	7,500	6,300	1,200
Legal	50,000	19,144	30,856
Office Supplies, Bill.com Fees, Other	1,500	453	1,047
Election	3,000	1,501	1,499
Insurance, Bonds & SDA Dues	3,000	1,788	1,212
Contingency	45,000	-	45,000
Debt service			
Principal on developer advances	-	5,100	(5,100)
Total Expenditures and Transfers	<u>140,000</u>	<u>50,034</u>	<u>89,966</u>
Revenue Over (Under) Expenditures	(140,000)	(50,034)	89,966
Other Financing Sources and (Uses)			
Developer advances	175,000	80,100	(94,900)
Total Other Financing Sources and (Uses)	<u>175,000</u>	<u>80,100</u>	<u>(94,900)</u>
Net Change in Fund Balance	<u>\$ 35,000</u>	<u>30,066</u>	<u>\$ (4,934)</u>
Beginning Fund Balance		(2,680)	
Ending Fund Balance		<u>\$ 27,386</u>	

The accompanying notes are an integral part of these financial statements

Fund Financial Statements

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**Hogback Metropolitan District
Notes to Financial Statements
December 31, 2022**

Note 1 Summary of Significant Accounting Policies

Hogback Metropolitan District (the District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson County. The District was established primarily to construct, own, and operate certain public improvements, and provide certain services for the residential development to be known as North Plains. The District anticipates that all, or some, of the improvements may be dedicated to the County, or other service provider.

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

Financial Reporting Entity

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The District is not financially accountable for any other entity, nor is the District a component unit of any other governmental entity; therefore, no other entities are included in the District's financial statements.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial position of the governmental activities at the end of the year. The statement of activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the District. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting

During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. The major fund types used by the District are described below.

Governmental Fund Type

General Fund –is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund- accounts for the revenues received related to the construction and acquisition of capital projects.

Debt Service Fund- accounts for the repayment of long-term debt incurred by the district.

Measurement Focus

Government-wide Financial Statement

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the District are included in the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures, and Changes in Fund Balance.

The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (revenue and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022

Note 1 Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

The District follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* as amended by Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* and Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. These statements establish standards for external financial reporting for all state and local governmental entities which includes a management’s discussion and analysis section; a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. It requires the classification of net position into three components: net investment in capital assets, restricted, and unrestricted.

Revenue

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures of the fiscal period, which is typically within sixty days of realization.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. Revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Property Taxes

The County Treasurer collects and remits property taxes to the District monthly. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied for the current year prior to December 31 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. Property taxes are recorded as receivables and deferred revenue when levied. As taxes are collected, the receivable and deferral are reduced and income is recognized. Property taxes were assessed for property tax year 2022, to be collected in fiscal year 2023.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022

Note 1 Summary of Significant Accounting Policies (Continued)
Basis of Accounting (continued)

Assets and Liabilities

Cash and cash equivalents - the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with maturities of 90 days or less at the date of their acquisition.

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital assets – all capital assets are stated at cost or estimated cost. The capitalization threshold for fixed assets is \$5,000. Depreciation of the estimated useful lives of the assets is computed using the straight-line method. Estimated useful lives range from 5-40 years for capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Accrued Liabilities and long-Term Obligation

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Deferred Inflows of Resources and Deferred Outflows of Resources

The District implemented the provisions of GASB No. 65 *Items Previously Reported as Assets and Liabilities* (GASB 65). As a result in addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Net Position

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.

**Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022**

Note 1 Summary of Significant Accounting Policies (Continued)
Basis of Accounting (continued)

c. Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.” The net position is available for future operations or distributions.

Fund Balance

Nonspendable - consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance was \$0 as of December 31, 2022.

Restricted - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the District to establish Emergency reserves (see Note 6). A reservation of \$1,501 of the General Fund balance has been made in compliance with this requirement. The District had \$22,558,782 restricted for the use of acquisition and construction of public improvements.

Committed - General Fund - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors formally removes or changes the specified uses. The District had a committed fund balance of \$0 as of December 31, 2022.

Assigned – Includes all amounts that are constrained by the District’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Directors. As of December 31, 2022, the assigned fund balance was \$0.

Unassigned - consists of the residual classification for each fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis except for accrual of current vendor invoices. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The District Board must approve revisions that alter the total expenditures of any fund.

**Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022**

Note 1 Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Continued)

- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District Board or amended by the District Board.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Transfers

For the year ended December 31, 2022 the Debt Service fund permanently transferred \$6,263 to the Capital Projects fund. This was a one-time transfer in order to finance the construction and acquisition of public improvements.

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2022, the District's cash deposits had a carrying balance of \$12,567 with a corresponding bank balance of \$12,567, all of which is federally insured.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The District had \$0 collateralized under PDPA.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2022, none of the District's bank deposits were exposed to custodial credit risk.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper.

**Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022**

Note 2 Cash and Investments (Continued)

- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

At December 31, 2022, the District had \$22,575,876 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST EDGE, and COLOTRUST PLUS+. All portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under section 24-75-601, C.R.S., as amended. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust.

COLOTRUST measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in COLOTRUST is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72. COLOTRUST PLUS+ and COLOTRUST PRIME are rated by S&P Global Ratings. The current rating is 'AAAm.' COLOTRUST EDGE is rated by Fitch Ratings. The current rating is 'AAAf/S1.

COLOTRUST PLUS+ and PRIME

PRIME is presently allowed by the Trust's investment policies to maintain a portion of its assets in U.S. Treasury securities or repurchase agreements collateralized by U.S. Treasury securities. It may also invest assets in securities of a Federal Farm Credit Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, and other federal instrumentality or agency security permitted by the Legal Investments Act, repurchase agreements collateralized by those securities, collateralized bank deposits, and 'AAAm' rated government money market funds. The PRIME portfolio may be invested in securities with a maximum maturity of 397 days for fixed rate debt and 762 days for sovereign government floating-rate debt. The PRIME portfolio is limited to an average weighted maturity not to exceed 60 days to reset and 120 days to final. PRIME seeks to maintain a stable Net Asset Value (NAV) of \$1.00 per share.

**Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022**

Note 2 Cash and Investments (Continued)

COLOTRUST EDGE

COLOTRUST EDGE is a variable net asset value (NAV) local government investment pool that offers weekly liquidity to participants. EDGE is suitable for a local government's strategic reserves / non-operating funds and has a NAV that is managed to approximate a \$10.00 transactional share price.

As of December 31, 2022, the Board had not adopted a formal investment policy.

Note 3 Capital Assets

	Balance at 12/31/2021	Additions	Deletions	Balance at 12/31/2022
Nondepreciable				
Easement	\$ -	\$ 55,039	\$ -	\$ 55,039
Total Nondepreciable	-	55,039	-	55,039
Net Capital Assets	<u>\$ -</u>	<u>\$ 55,039</u>	<u>\$ -</u>	<u>\$ 55,039</u>

Note 4 Long-term Debt

The District's long-term debt is as follows:

Series 2021A Limited Tax General Obligation Bonds (the Bonds) totaling \$23,095,000 dated December 20, 2021, with interest rates of 5%. The Maximum Mill Levy for the Bonds is capped at 50 mills subject to adjustments for changes in the ratio of actual value to assessed value of the property within the District. Maximum Mill Levy means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in the District's Service Plan.

The Bonds are secured by and payable from the Pledged Revenue, meaning monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, net of County Treasurer fees, 2) all development fees, 3) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and 4) any other legally available monies which the District determines to be treated as Pledged Revenue. The bonds are also secured by amounts on deposit in the Reserve Fund which is required to be funded in an amount up to \$2,117,311 and by amounts in the Surplus Fund which is required under the Indenture to be funded with excess Pledged Revenue up to \$2,309,500.

The bonds are subject to repayment due semi-annually on June 1 and December 1, and principal payments due on December 1 of each year. Interest payments are due beginning on June 1, 2022 and principal payments are due beginning December 1, 2028, but only to the extent of Pledged Revenue available for such purpose. The bonds are subject to optional redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000 prior to their maturity beginning December 1, 2026. Any amounts remaining outstanding after December 2, 2062 will be discharged.

**Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022**

Note 4 Long-term Debt (Continued)

The Changes in Long-term Debt during 2022 were as follows:

	Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	Amounts Due Within One Year
General Obligation Debt					
Series 2021A Bonds	\$ 23,095,000	\$ -	\$ -	\$ 23,095,000	\$ -
Premium on bonds	1,058,927	-	(41,919)	1,017,008	-
Developer Advances					
Principal	-	80,100	(5,100)	75,000	-
Interest	-	2,280	-	2,280	-
Total Long-term Debt	\$ 24,153,927	\$ 82,380	\$ (47,019)	\$ 24,189,288	\$ -

Future debt service requirements for the Series 2021A Bonds are as follows:

Year	Principal	Interest	Total
2023	\$ -	\$ 1,154,750	\$ 1,154,750
2024	-	1,154,750	1,154,750
2025	-	1,154,750	1,154,750
2026	-	1,154,750	1,154,750
2027-2031	500,000	5,745,000	6,245,000
2032-2036	1,790,000	5,499,000	7,289,000
2037-2041	3,485,000	4,893,500	8,378,500
2042-2046	5,970,000	3,789,750	9,759,750
2047-2051	11,350,000	1,991,000	13,341,000
Total	\$ 23,095,000	\$ 26,537,250	\$ 49,632,250

Note 5 Agreements

Reimbursement Agreement (Operations)

On December 3, 2021, the District entered into a *Reimbursement Agreement (Operations)* with NADG Ken-Caryl Ranch LP (Developer) where the Developer has agreed to fund certain operational expenditures relating to the District. In exchange the District has agreed to reimburse the Developer for these expenditures plus simple interest at an annual rate of 7% beginning on the date of advance to the date of repayment. No specific source of funds is pledged, and no other form of security is pledged, to the payment of the Reimbursement Obligation.

**Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022**

Note 5 Agreements (Continued)

Facilities Funding and Acquisition Agreement

On December 3, 2021 the District entered into a *Facilities Funding and Acquisition Agreement* with NADG Ken -Caryl Ranch LC (Developer) where the developer has agreed to either initially construct the Improvements to convey to the District or to initially fund the construction of the Improvements of the District. In exchange the District has agreed to reimburse the Developer for these expenditures plus simple interest at an annual rate of 7% beginning on the date of advance to the date of repayment. In the event the District is unable to reimburse Developer for Developer Advances or the acquisition of Improvements within 30 years of the date of the advancement, any amount of principal and accrued interest outstanding at such time shall be deemed to be forever discharged and satisfied in full.

Note 6 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado Constitution, the Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

Spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for allowable increases based upon inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves, which must be at least 3% of fiscal year spending, excluding bonded debt service. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District is a participant in the Colorado Special District Association Property and Liability Pool. The Pool was formed by an agreement by member special districts of the Special District Association as a separate and independent governmental and legal entity pursuant to the provisions of Article XIV, Section 18(2) of the Colorado Constitution and Sections 29-1-201 et. seq., 8-44-101(1)(c) and (3), 8-44-204, 24-10-115.5, and 29-13-102, C.R.S, as amended. Membership is restricted to Colorado special districts which are members of the Special District Association.

**Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022**

Note 7 Risk Management (Continued)

The purpose of the Pool is to provide defined property, liability, workers' compensation, and associated coverages, and claims and risk management services related thereto, for member special districts through a self-insurance pool. The Pool has contracted with other third parties to operate, administer and manage the Pool. In the event aggregated losses incurred by the Pool exceed amounts recoverable from the reinsurance contracts and capital and surplus accumulated by the Pool, additional contributions may be required from the Pool members. Settled claims have not exceeded the District's commercial coverage in the last three years.

Note 8 Related Parties

Multiple members of the Board of Directors are officers or employees of owners (or affiliated entities) of property within the District. These members may have conflicts of interest with respect to certain transactions which come before the Board.

Note 9 Authorized but Unissued Debt

The District has authorized but unissued debt in the amount of \$520,905,000 however, under the terms of the District's Service Plan, the maximum total aggregate principal amount of debt that may be issued or incurred by the District shall not exceed \$32,000,000. As of December 31, 2022 the District had \$8,905,000 of debt that was available to be issued under the service plan. As of December 31, 2022 the District has authorized but unissued debt for the following purposes:

**Hogback Metropolitan District
Notes to Financial Statements (Continued)
December 31, 2022**

Note 9 Authorized but Unissued Debt (Continued)

Purpose	Principal Amount Voted at 2014 Election	Principal Mount of Voted Authorization Allocated to Bonds	Principal Amount of Voted Debt Authorization Remaining from 2014 Election
Street	\$ 32,000,000	\$ 8,545,150	\$ 23,454,850
Parks and Recreation	32,000,000	5,080,900	26,919,100
Water	32,000,000	2,309,500	29,690,500
Sanitation	32,000,000	5,773,750	26,226,250
Transportation	32,000,000	-	32,000,000
Mosquito Control	32,000,000	-	32,000,000
Traffic Safety	32,000,000	692,850	31,307,150
Fire Protection	32,000,000	692,850	31,307,150
Television Relay / Translation	32,000,000	-	32,000,000
Security	32,000,000	-	32,000,000
TOTAL PUBLIC IMPROVEMENTS	320,000,000	23,095,000	296,905,000
Operations and Maintenance	32,000,000	-	32,000,000
Refunding	64,000,000	-	64,000,000
Reimbursement Agreements	32,000,000	-	32,000,000
Business Recruitment Debt	32,000,000	-	32,000,000
Revenue Debt	32,000,000	-	32,000,000
Special Assessed Debt	32,000,000	-	32,000,000
GRAND TOTAL	\$ 544,000,000	\$ 23,095,000	\$ 520,905,000

Other Supplemental Information

DRAFT

Hogback Metropolitan District
Statement of Revenue and Expenditures and Change in Fund Balance
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest income	\$ 12,000	\$ 317,950	\$ 305,950
Total Revenue	<u>12,000</u>	<u>317,950</u>	<u>305,950</u>
Expenditures			
Operations			
Legal	20,000	8,064	11,936
Accounting	25,000	1,937	23,063
Engineering	15,000	7,093	7,907
Organizational costs	150,000	100,515	49,485
Trustee fees	-	14,252	(14,252)
Capital improvements	<u>18,302,000</u>	<u>55,039</u>	<u>18,246,961</u>
Total Expenditures	<u>18,512,000</u>	<u>186,900</u>	<u>18,325,100</u>
Revenue Over (Under) Expenditures	<u>(18,500,000)</u>	<u>131,050</u>	<u>18,631,050</u>
Other Financing Sources and (Uses)			
Transfers	-	6,263	6,263
Total Other Financing Sources and (Uses)	-	<u>6,263</u>	<u>6,263</u>
Net Change in Fund Balance	<u>\$ (18,500,000)</u>	<u>137,313</u>	<u>\$ 18,637,313</u>
Beginning Fund Balance		18,500,282	
Ending Fund Balance		<u>\$ 18,637,595</u>	

The accompanying notes are an integral part of these financial statements

Hogback Metropolitan District
Statement of Revenue and Expenditures and Change in Fund Balance
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$ 5,000	\$ 75,124	\$ 70,124
Miscellaneous	-	4,000	\$ 4,000
Total Revenue	<u>5,000</u>	<u>79,124</u>	<u>74,124</u>
Expenditures			
Operations			
Trustee fees	4,000	7,448	(3,448)
Debt service			
Bond interest	1,128,117	1,093,805	34,312
Total Expenditures	<u>1,132,117</u>	<u>1,101,253</u>	<u>30,864</u>
Revenue Over (Under) Expenditures	<u>(1,127,117)</u>	<u>(1,022,129)</u>	<u>104,988</u>
Other Financing Sources and (Uses)			
Transfers	-	(6,263)	(6,263)
Total Other Financing Sources and (Uses)	-	(6,263)	(6,263)
Net Change in Fund Balance	<u>\$ (1,127,117)</u>	<u>(1,028,392)</u>	<u>\$ 98,725</u>
Beginning Fund Balance		4,949,579	
Ending Fund Balance		<u>\$ 3,921,187</u>	

The accompanying notes are an integral part of these financial statements