

**ARABIAN ACRES METROPOLITAN DISTRICT  
ANNUAL REPORT  
TO  
BOARD OF COUNTY COMMISSIONERS OF TELLER COUNTY  
FISCAL YEAR ENDING DECEMBER 31, 2021**

**I. ANNUAL REPORT REQUIREMENT**

Pursuant to Resolution No. 09-10-09 (37), adopted by the Board of County Commissioners of Teller County (the "Board") approving a material modification to the District's Service Plan, the District is required to provide an annual report to the Board no later than March 1<sup>st</sup> for the District's fiscal year ending on the previous December 31<sup>st</sup>. Such annual report shall include information concerning the following matters:

- A. A description of capital projects undertaken during the reporting year.
- B. A description of capital projects anticipated in the subsequent reporting year.
- C. Any changes in the District's operations during the reporting year.
- D. A copy of the adopted budget for the calendar year following the reporting year.

**II. FOR THE YEAR ENDING DECEMBER 31, 2021, THE DISTRICT MAKES THE FOLLOWING REPORT:**

A. Description of Capital Projects Completed During 2021.

The District upgraded the water system including replacement of two control buildings, improvement and replacement of the treatment facilities, drilled for a new well, and replacement of 20,000 linear feet water main lines.

B. Description of Capital Projects Planned for 2022.

This District anticipates excluding approximately sixty-four properties from the District Boundaries that currently are not service by the District.

C. Changes in the District's Operations.

The District changed their bi-monthly water usage billing cycle to monthly billing cycle and lowered the monthly Capital Improvement fee to \$65 per month, there were no other significant changes to the District's Operations

The Current Board is as follows:

Edith Coffman	2023
Elizabeth Douglass	2023
Lanny Hoel	2023
Allan Brown	2022
Stan Claassen	2022

D. Adopted 2021 Budget. Attached here to as Exhibit A.

DocuSigned by:  
*Rebecca Hardekopf*  
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Rebecca Hardekopf

District Manager  
2/23/2022

**RESOLUTION**  
**ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**  
**(2022)**

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The Board of Directors of Arabian Acres Metropolitan District (the “**Board**”), Teller County, Colorado (the “**District**”) held a regular meeting via tele/videoconference pursuant to their Emergency Declaration Resolution, on Wednesday, November 17, 2021, at the hour of 5:30 P.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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**Proof of Publication**

**THE TRANSCRIPT  
Colorado Springs, Colorado**

STATE OF COLORADO } ss.  
COUNTY OF EL PASO }

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper 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 fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

**17, NOVEMBER, A.D. 2021.**

And that the last publication of said notice was in the issue of said newspaper dated:

**17, NOVEMBER, A.D. 2021.**

In witness whereof, I have hereunto set my hand this 17th day of November, A.D. 2021.

*Amy Sweet*

**Publisher and Executive Editor / Authorized Agent**

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 17th day of November, A.D. 2021.

*Robyn Kirk*

**Notary Public**

ROBYN KIRK  
Notary Public  
State of Colorado  
Notary ID # 20114063677  
My Commission Expires 10-06-2023

**NOTICE OF PUBLIC HEARING  
ON THE AMENDED 2021 BUDGET  
AND NOTICE OF PUBLIC  
HEARING  
ON THE PROPOSED 2022  
BUDGET**

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the Arabian Acres Metropolitan District (the "District"), will hold a meeting via tele/videoconference on November 17, 2021 at 6:30 P.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2022 proposed budget (the "Proposed Budget"). The meeting can be joined using the following teleconference information:

From your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/800588117>

From your phone.

United States: +1 (872) 240-3212

Access Code: 800-588-117

NOTICE IS FURTHER GIVEN that a Proposed Budget has been submitted to the District. A copy of the Amended Budget and the Proposed Budget are on file in the office of Walker Schooler District Managers, 614 N. Tejon Street, Colorado Springs, Colorado 80903, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Amended Budget and Proposed Budget at any time prior to final adoption of the Amended Budget and Proposed Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (719) 447-1777

BY ORDER OF THE  
BOARD OF DIRECTORS:  
ARABIAN ACRES  
METROPOLITAN DISTRICT  
/s/ Walker Schooler  
District Managers  
District Manager

Publication Date: November 17, 2021  
Published in The Transcript  
DT40157

NOTICE AS TO PROPOSED 2022 BUDGET

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 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized its accountant and/or legal counsel 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 17, 2021, 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 2022. 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 2022 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 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2022 budget year, there is hereby levied a tax of 24.000 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 2022 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 2022 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 Teller 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 31 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.

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ADOPTED THIS 17<sup>th</sup> DAY OF NOVEMBER, 2021

ARABIAN ACRES METROPOLITAN DISTRICT

DocuSigned by:

*Edith Coffman*

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\_\_\_\_\_  
Officer of District

ATTEST:

DocuSigned by:

*Allan Brown*

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\_\_\_\_\_

STATE OF COLORADO  
COUNTY OF TELLER  
ARABIAN ACRES METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on Wednesday, November 17, 2021, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17<sup>th</sup> day of November, 2021.

*K. Wash*  
\_\_\_\_\_



**EXHIBIT A**

**BUDGET DOCUMENT**

**BUDGET MESSAGE**

**ARABIAN ACRES METROPOLITAN DISTRICT  
2021 AMENDED AND 2022 BUDGET  
GENERAL FUND**

	2020 BUDGET	2021 ACTUAL	2021 PROJECTED / AMENDED	2021 BUDGET	2022 BUDGET
<b>GENERAL FUND: BEGINNING BALANCE</b>	\$ 128,585.08	\$ 631,984.85	\$ 631,984.85	\$ 570,961.79	\$ 335,824.17
<b>REVENUES</b>					
CAPITAL IMPROVEMENT FEE	\$ 130,000.00	\$ 107,016.77	\$ 102,000.00	\$ 120,000.00	\$ 106,000.00
CORA REQUESTS			\$ -	\$ -	\$ -
INTEREST INCOME	\$ 6,000.00		\$ -	\$ 6,000.00	\$ -
LATE FEES		\$ 2,446.10	\$ 2,100.00	\$ -	\$ -
MISCELLANEOUS (Trout Haven Exclusions)		\$ 8,400.00	\$ 8,400.00	\$ -	\$ -
RESTITUTION		\$ 220.08	\$ 166.20	\$ -	\$ -
TAP FEE	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ -	\$ -
TITLE PASS THROUGH				\$ -	\$ -
WATER SERVICE FEE	\$ 107,503.00	\$ 107,908.69	\$ 109,000.00	\$ 107,503.00	\$ 100,000.00
WATER USAGE	\$ 80,000.00	\$ 82,867.26	\$ 93,000.00	\$ 80,000.00	\$ 100,000.00
<b>TOTAL REVENUES</b>	<b>\$ 331,503.00</b>	<b>\$ 316,858.90</b>	<b>\$ 322,666.20</b>	<b>\$ 313,503.00</b>	<b>\$ 306,000.00</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 460,088.08</b>	<b>\$ 948,843.75</b>	<b>\$ 954,651.05</b>	<b>\$ 875,464.79</b>	<b>\$ 641,824.17</b>
<b>EXPENSES</b>					
ADVERTISING/ PROMOTING	\$ 500.00		\$ -	\$ 500.00	\$ -
AUDIT	\$ 7,500.00	\$ 7,100.00	\$ 7,100.00	\$ 7,100.00	\$ 8,000.00
BAD DEBT					
BANK SERVICE CHARGES	\$ 750.00	\$ 7.00	\$ 100.00	\$ 300.00	\$ 100.00
CHEMICALS & SUPPLIES	\$ 2,500.00	\$ 693.88	\$ 1,200.00	\$ 2,000.00	\$ 2,000.00
DIRECTOR FEES	\$ 10,000.00	\$ 7,000.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
DISTRICT MANAGEMENT	\$ 50,000.00	\$ 46,900.44	\$ 46,900.00	\$ 55,000.00	\$ 54,000.00
DUES, FEES, SUBSCRIPTIONS	\$ 3,500.00	\$ 1,704.47	\$ 1,500.00	\$ 2,500.00	\$ 2,500.00
ELECTION - TABOR/BOD	\$ 6,000.00		\$ -	\$ -	\$ 10,000.00
ENGINEERING	\$ 2,000.00	\$ 2,357.25	\$ -	\$ 3,000.00	\$ -
INSURANCE	\$ 8,000.00	\$ 14,838.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
LEGAL	\$ 20,000.00	\$ 4,382.00	\$ 8,000.00	\$ 15,000.00	\$ 10,000.00
LOCATES					
OFFICE EXPENSE	\$ 500.00		\$ -	\$ 200.00	\$ -
ORC FEES	\$ 44,000.00	\$ 40,800.00	\$ 40,800.00	\$ 48,000.00	\$ 48,000.00
OTHER (TROUT HAVEN EXCLUSIONS)		\$ 1,272.38	\$ 1,260.00		
POSTAGE & COPIES	\$ 800.00	\$ 3,096.17	\$ 3,400.00	\$ 2,000.00	\$ 4,000.00
REPAIRS & MAINTENANCE	\$ 20,000.00	\$ 35,378.11	\$ 27,500.00	\$ 15,000.00	\$ 30,000.00
TITLE PASS THROUGH					
UTILITIES	\$ 12,500.00	\$ 9,416.36	\$ 9,500.00	\$ 12,500.00	\$ 12,500.00
WATER BILLING	\$ 5,000.00	\$ 8,100.00	\$ 7,200.00	\$ 8,000.00	\$ 10,000.00
WATER DISTRIBUTION/ PURCHASE	\$ 30,000.00	\$ 14,300.00	\$ 8,000.00	\$ 10,000.00	\$ 10,000.00
WATER SHARES					
WATER TAPS					
WATER TESTING	\$ 3,000.00	\$ 1,149.00	\$ 1,500.00	\$ 7,000.00	\$ 4,000.00
WEBSITE	\$ 750.00		\$ -	\$ -	\$ -
CONTINGENCY	\$ 10,000.00		\$ -	\$ 20,000.00	\$ 20,000.00
<b>TOTAL EXPENSES</b>	<b>\$ 237,300.00</b>	<b>\$ 198,495.06</b>	<b>\$ 179,460.00</b>	<b>\$ 223,600.00</b>	<b>\$ 240,600.00</b>
<b>OTHER FINANCING SOURCES</b>					
TRANSFERS OUT - DEBT SERVICE		\$ 58,095.88	\$ 58,095.88	\$ 35,000.00	\$ 74,825.27
TRANSFERS OUT - CAPITAL FUND		\$ 381,271.00	\$ 381,271.00		
<b>GENERAL FUND: ENDING BALANCE</b>	<b>\$ 222,788.08</b>	<b>\$ 369,077.69</b>	<b>\$ 335,824.17</b>	<b>\$ 616,864.79</b>	<b>\$ 326,398.90</b>
EMERGENCY RESERVE: State Required at 3%	\$ 7,119.00	\$ 5,954.85	\$ 5,383.80	\$ 6,708.00	\$ 7,218.00

**ARABIAN ACRES METROPOLITAN DISTRICT  
2021 AMENDED AND 2022 BUDGET  
DEBT SERVICE FUND**

	2020 BUDGET	2021 ACTUAL	2021 PROJECTED / AMENDED	2021 BUDGET	2022 BUDGET
<b>DEBT SERVICE FUND: BEGINNING BALANCE</b>	\$ (22,648.32)	\$ 48,267.30	\$ 48,267.30	\$ 2,855.00	\$ 11,232.99
<b>REVENUE</b>					
INTEREST INCOME	\$ 2,500.00	\$ 268.88	\$ 500.00	\$ 2,500.00	-
MISCELLANEDUS					
PROPERTY TAX REVENUE	\$ 121,646.88	\$ 117,682.32	\$ 117,460.80	\$ 122,843.28	\$ 142,291.92
SPECIFIC OWNERSHIP TAX	\$ 8,515.28	\$ 13,474.91	\$ 13,941.00	\$ 8,599.03	\$ 9,960.43
STATE SENIOR/ VETERAN FUNDS		\$ 6,507.19	\$ 6,507.19		
TRANSFERS IN FROM GENERAL FUND	\$ 28,523.74	\$ 58,095.88	\$ 10,000.00	\$ 35,000.00	\$ 50,000.00
<b>TOTAL REVENUE</b>	<b>\$ 161,185.90</b>	<b>\$ 196,029.18</b>	<b>\$ 148,408.99</b>	<b>\$ 168,942.31</b>	<b>\$ 202,252.35</b>
<b>EXPENSES</b>					
2007 BOND INTEREST	\$ 54,408.00	\$ 51,580.00	\$ 51,580.00	\$ 51,580.00	\$ 48,500.00
2007 BOND PRINCIPAL	\$ 65,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 75,000.00
NATIONAL RURAL WATER INTEREST	\$ 1,578.18	\$ 1,382.97	\$ 1,288.89	\$ 1,288.89	\$ 990.81
NATIONAL RURAL WATER PRINCIPAL	\$ 9,511.02	\$ 9,800.31	\$ 9,800.31	\$ 9,800.31	\$ 10,098.39
CO WATER RESOURCES & POWER DEV AUTHORITY INTEREST		\$ 7,168.75	\$ 3,201.24		\$ 5,356.10
CO WATER RESOURCES & POWER DEV AUTHORITY PRINCIPAL		\$ 20,117.37	\$ 20,117.37		\$ 34,692.60
CWCD METER LOAN	\$ 27,614.00	\$ 23,688.07	\$ 23,688.07	\$ 27,614.00	\$ 23,688.07
TREASURER COLLECTION FEE	\$ 1,824.70	\$ 3,524.54	\$ 3,517.42	\$ 1,842.65	\$ 4,268.76
TRUSTEE FEES	\$ 250.00	\$ 250.00	\$ 250.00	\$ 500.00	\$ 500.00
CONTINGENCY	\$ 1,000.00		\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
<b>TOTAL EXPENSES</b>	<b>\$ 161,185.90</b>	<b>\$ 187,512.01</b>	<b>\$ 185,443.30</b>	<b>\$ 164,625.85</b>	<b>\$ 205,094.73</b>
<b>DEBT SERVICE: ENDING BALANCE</b>	<b>\$ (22,648.32)</b>	<b>\$ 56,784.47</b>	<b>\$ 11,232.99</b>	<b>\$ 7,171.46</b>	<b>\$ 8,390.62</b>
<b>ASSESSED VALUATION</b>					
MILL LEVY	\$ 5,068,620.00	\$ 5,118,470.00	\$ 5,118,470.00	\$ 5,118,470.00	\$ 5,928,830.00
	24.00		24.00	24.00	24.00

**ARABIAN ACRES METROPOLITAN DISTRICT  
2021 AMENDED AND 2022 BUDGET  
CAPITAL GRANT FUND**

	2020 BUDGET	2021 ACTUAL	2021 AMENDED	2021 BUDGET	2022 BUDGET
<b>CAPITAL GRANT FUNDS</b>	\$ 63,140.10			\$ 179,251.40	\$ -
<b>REVENUES-SERIES 2015 BOND PROCEEDS</b>					
CDPHE PLANNING & DESIGN GRANT 10k				\$ -	\$ -
CDPHE DESIGN & ENGINEERING GRANT 300k	\$ 176,111.30			\$ -	\$ -
CWCB METER LOAN 400K	\$ 214,459.76			\$ -	\$ -
EIAF WATER METER GRANT 200K				\$ -	\$ -
CAPITAL LOAN DOLA	\$ -			\$ -	\$ -
CAPITAL GRANT DOLA	\$ 1,155,150.94	\$ 166,133.34	\$ 166,133.34		
POSTAGE & COPIES					
TRANSFER IN FROM GENERAL FUND		\$ 381,271.27	\$ 381,271.27		
<b>TOTAL REVENUES</b>	\$ 1,545,722.00	\$ 547,404.61	\$ 547,404.61	\$ -	\$ -
<b>TOTAL REVENUE &amp; FUND BALANCE</b>	\$ 1,608,862.10	\$ 547,404.61	\$ 547,404.61	\$ 179,251.40	\$ -
<b>EXPENSES</b>					
BID ADVERTISING	\$ -				
CAPITAL OUTLAY				\$ 500.00	\$ -
DISTRICT MANAGEMENT	\$ 1,519,407.23	\$ 547,404.61	\$ 547,404.61	\$ 178,751.40	\$ -
ORC FEES	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -
TRANSFER TO GENERAL FUND	\$ 3,460.00	\$ -	\$ -	\$ -	\$ -
	\$ 84,994.87			\$ -	\$ -
<b>TOTAL EXPENSES</b>	\$ 1,608,862.10	\$ 547,404.61	\$ 547,404.61	\$ 179,251.40	\$ -
<b>GRANT FUND: ENDING BALANCE</b>	\$ -	\$ -	\$ -	\$ -	\$ -

## BUDGET MESSAGE

(Pursuant to § 29-1-103(1) (e), C.R.S.)

### Arabian Acres Metropolitan District

The attached 2022 Budget for Arabian Acres Metropolitan District includes these important features:

- The primary sources of revenue for the District are fees, rates, tolls, penalties, and charges.
- The District anticipates the use of the awarded grant and loan proceeds to complete the water system improvements.
- No increase in commercial and residential rates and fees.
- Upgrade operations and management for new facilities.
- Continued maintenance of the system to insure ongoing levels of service to existing customers.
- Payment of debt service obligations.

The Budgetary basis of accounting timing measurement method used is:

- Cash basis
- Modified accrual basis
- Encumbrance basis
- Accrual basis

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the district's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The services to be provided/ delivered during the budget year are the following:

- Potable water to customers.
- Contracted legal and management services including state required reporting, financial and accounting reports, billing and other services.
- Operations including required monitoring, testing, repair and other operational activities as well as payroll and other employment training and expenses.
- Capital construction for public water system improvements.