HERITAGE RIDGE METROPOLITAN DISTRICT
THE TOWN OF BERTHOUD, STATE OF COLORADO

2025 ANNUAL REPORT

Town Attorney
Town of Berthoud, Colorado
via Email

Clerk and Recorder
Larimer County, Colorado
via Email

Office of the State Auditor
via E-Filing Portal

Division of Local Government
via E-Filing Portal

1525 Sherman Street, 7th Floor
Denver, Colorado 80203

1313 Sherman Street
Room 521
Denver, Colorado 80203

Pursuant to Section VII of the Service Plan for Heritage Ridge Metropolitan District (the "**District**") approved by the Town Council of the Town of Berthoud (the "**Town**"), the District is required to submit an annual report ("**Report**") no later than August 15 of each year to the Town Clerk which reflects activity and financial events of the District. To the best of our actual knowledge, for the year ending December 31, 2025, the District makes the following Report:

1. **Boundary changes made or proposed**:

There were no boundary changes made or proposed to the District's boundary during the Report year.

2. **Agreements with other governmental entities, either entered into, proposed or terminated**:

The District did not enter into, propose or terminate any new Intergovernmental Agreements during the Report year.

3. **Access information to obtain a copy of the Rules and Regulations**:

A copy of the District's Rules and Regulations can be found on its public website, https://www.heritageridgemd.com/.

4. **A summary of any litigation involving public improvements by the District**:

There is no litigation, pending or threatened, against the District of which we are aware.

5. **Status of the construction of public improvements by the District**:

The District did not construct or acquire any facilities or improvements during the Report year.

6. **A list of all facilities and improvements constructed or acquired by the District and those that have been dedicated to and accepted by the Town**:

The District did not construct or acquire any facilities or improvements during the Report year.

7. **Final Assessed Value of Taxable Property within the District's boundaries as of December 31, 2025**:

The 2025 total assessed value of taxable property within the boundaries of the District is $16,478,442.

8. **Current annual budget of the District**:

Attached as Exhibit A is a copy of the District's Budget for the current fiscal year 2026.

9. **Audit of District's financial statements, for the year ending December 31, 2025 prepared in accordance with generally accepted accounting principles or audit exemptions, if applicable**:

Audited financial statements for 2025 will be filed with the Town Clerk upon completion.

10. **Notice of continuing disclosure undertaking for events of default by the District, which continue beyond a ninety-day period, under any Debt instrument**:

The District is not in default of any debt.

11. **Any inability of the District to pay its obligations as they come due in accordance with the terms of and Debt instruments, which continue beyond a ninety-day period**:

The District is able to pay its obligations.

Respectfully submitted this 23rd day of July, 2026.

HERITAGE RIDGE METROPOLITAN DISTRICT

By: Signed by: Aaron Ferlin
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President

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EXHIBIT A
2026 BUDGET

HERITAGE RIDGE METROPOLITAN DISTRICT
2026 BUDGET MESSAGE

Heritage Ridge Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed in 2015. The District is located in the Town of Berthoud, Colorado and has a service area of approximately 146 acres. The District was organized to plan for, design, acquire, construct, install, relocate, redevelop, provide and finance public improvements and related operation and maintenance services within the boundaries of the District.

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

The budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

Overview

Highlights of the 2026 budget include the following:

- The District certified a tax levy of 78.280 mills on an assessed value of $16,478,442.
- The District's operations are expected to be fully funded through its taxes levy.

General Fund

Revenue
Budgeted income in the amount of $263,508 consists primarily of property taxes from the certified general fund mill levy of 15.000 mills.

Expenses
The District's 2026 general and administrative expenses budgeted amount is $242,648. Refer to the General Fund summary included with the budget.

Fund Balance/Reserves
The District has provided for an emergency reserve fund equal to at least 3% of the fiscal year spending for 2026, as defined under TABOR. It is anticipated that the District will end the 2025 fiscal year with an ending fund balance of $28,581.

Special Fund
Revenue
Budgeted revenues consist of pool fees charged to residents. Each homeowner is charged $216 annually for the operations and maintenance of the District's pool.

Expenses
Budgeted expenses are comprised of the costs to operate, maintain, and service the District's pool.

Special Landscaping Fund
Revenue
Budgeted revenues consist of landscape fees charged to residents. Each homeowner is charged $284 annually for the maintenance of the District's landscaping.

Expenses
Budgeted expenses are comprised of the costs to maintain, repair, and improve the District's landscape.

Debt Service Fund
Revenue
The District certified a debt service fund mill levy of 63.280 mills which will result in $1,042,756 in property taxes. Projected revenues from specific ownership tax for 2026 is $62,565.

Expenses
The District anticipates a debt service expense of $1,125,321 in 2026 with an ending fund balance of $15,378. Refer to the Debt Fund summary included with the budget.

Capital Projects Fund

Revenue/Expenses
The District does not anticipate having any Capital Projects in 2026; therefore, no budget summary is included.

Debt Summary
The District's debt summary is as follows:

Series 2021A Refunding Bond: $11,265,000; Issued December 23, 2021; Maturity December 1, 2051		
Year	**Mandatory Principal***	**Scheduled Interest***
2026	175,000	420,225
2027	185,000	411,475
2028	205,000	404,075
2029-2051	10,115,000	5,787,225
Total	10,680,000	7,023,000
*Optional redemption can affect future principal and interest payments		
Series 2021B Subordinate Refunding Bonds: $4,735,000; Issued December 23, 2021; Maturity December 15, 2051		
Principal and Interest payments are subject to prior pledge: 2021A Refunding Bond		

Heritage Ridge Metropolitan District
2026 Budget
General Fund

Modified Accrual Accounting Basis	2024 Actual	2025 Budget	2025 Estimated Actual & 2025 Amended Budget	2026 Budget
Beginning Fund Balance	36,065	(26,764)	(12,028)	28,581
Income				
Fines	2,650	-	1,540	-
NSF Fees	-	-	-	-
Key Replacement Fees	25	-	-	-
Interest Revenue	876	-	250	-
Design Review Fees	1,200	-	2,200	1,500
Property Taxes	253,856	247,190	247,190	247,177
Specific Ownership Taxes	15,327	14,831	14,831	14,831
Tax Related Interest	688	-	700	-
Grant Revenue	20,000	-	-	-
Other Income	800	-	-	-
Total Income	295,422	262,021	266,711	263,508
Expense				
General and Administrative				
Management & Accounting Services	59,958	17,100	17,100	17,955
Other Management Fees	-	-	-	-
Design Review Fees	1,300	-	2,200	1,500
Legal	20,630	15,000	27,000	25,000
Audit/Tax Prep	7,100	9,000	9,000	9,000
Election	-	10,000	-	-
Insurance	3,540	2,303	2,303	2,418
Treasurers Fees	5,080	4,944	4,944	4,944
Bad Debt Expense	1,050	-	2,500	1,500
Bank Fees	10	-	30	30
Office	5,423	4,500	7,000	7,500
ADA Compliance (Website)	-	2,000	2,000	250
Dues and Compliance	534	561	525	551
Total G&A	104,625	65,408	74,602	70,648
Other				
Contingency	-	500	500	1,000
Utilities				
Electric	850	-	-	-
Water	44,383	-	-	-
Telephone/Internet	1,135	-	-	-
Total Utilities	46,368	-	-	-
Communication/Social				
Community Events	364	1,000	1,000	1,000
Landscape				
Landscape Contract	91,498	-	-	-
Landscape - Improvements/Repairs	18,405	-	-	-
Landscape Projects	49,662	-	-	-
Snow Removal	187	-	-	-
Irrigation/Sprinklers	32,156	-	-	-
Trees/Bushes	250	-	-	-
Total Landscape	192,158	-	-	-
Transfer Out	-	150,000	150,000	170,000
Total Expense	343,515	216,908	226,102	242,648
Excess Revenue (Expenses)	(48,093)	45,113	40,609	20,860
Ending Fund Balance	(12,028)	18,349	28,581	49,441
Restricted (TABOR)		6,507		7,279

Special Fund - Pool

Modified Accrual Accounting Basis	2024 Actual	2025 Budget	2025 Estimated Actual & 2025 Amended Budget	2026 Budget
Beginning Fund Balance	67,496	81,498	83,490	84,796
Income				
Pool Fees	90,288	98,496	98,496	98,496
Pool Rental Fees	300	-	-	-
Pool Key Replacement Fees	625	-	900	-
Admin Fees Reimbursment	100	-	-	-
Legal Fees Reimbursement	4,968	-	-	-
Late Fees	15	-	3,000	-
NSF Fees	35	-	140	-
Interest Revenue	2,881	-	1,540	
Interest Charges	1,792	-	1,000	-
Total Income	101,004	98,496	105,076	98,496
Expense				
General and Administrative				
Management	10,980	20,400	20,400	21,420
Legal	13,598	-	-	-
Insurance	7,679	9,214	9,012	9,463
Bad Debt Expense	237	2,160	2,160	2,160
Office Expenses	-	250	-	250
Total G&A	32,494	32,024	31,572	33,293
Other				
Contingency	-	-	-	-
Utilities				
Electric - Pool	6,311	7,000	7,000	7,000
Gas - Pool	5,407	5,000	5,000	5,000
Water - Pool	1,329	1,500	1,500	1,500
Trash	298	400	450	400
Telephone/Internet	1,483	1,560	1,748	1,800
Total Utilities	14,828	15,460	15,698	15,700
Pool				
Pest Control	593	500	500	500
Pool Maintenance - Contract	13,079	15,000	15,000	15,000
Pool Supplies	1,041	1,500	3,000	1,500
Pool Chemicals	7,230	7,000	7,000	7,000
Pool Repairs	8,107	15,000	27,000	15,000
Pool Janitorial	1,644	2,000	2,000	2,000
Pool Improvements/Projects	5,994	10,000	2,000	10,000
Total Pool	37,688	51,000	56,500	51,000
Total Expense	85,010	98,484	103,770	99,993
Excess Revenue (Expenses)	15,994	12	1,306	(1,497)
Ending Fund Balance	83,490	81,510	84,796	83,299

[redacted]

Special Fund - Landscaping

Modified Accrual Accounting Basis	2024 Actual	2025 Budget	2025 Estimated Actual & 2025 Amended Budget	2026 Budget
Beginning Fund Balance	-	-	-	3,539
Income				
Landscape Fees	-	121,552	121,552	121,552
Interest Charges	-	-	250	-
Transfer In	-	150,000	150,000	170,000
Total Income	-	271,552	271,802	291,552
Expense				
General and Administrative				
Management	-	26,520	26,520	27,846
Bad Debt Expense	-	-	25	-
Total G&A	-	26,520	26,545	27,846
Other				
Contingency	-	-	-	10,000
Utilities				
Electric	-	1,000	1,000	1,000
Water	-	35,000	39,750	35,000
Telephone/Internet	-	1,198	1,500	1,740
Total Utilities	-	37,198	42,250	37,740
Landscape				
Landscape Contract	-	96,468	96,468	106,115
Landscape - Improvements/Repairs	-	20,000	20,000	20,000
Landscape Projects	-	-	50,000	15,000
Snow Removal	-	5,000	5,000	5,000
Irrigation/Sprinklers	-	20,000	20,000	20,000
Fencing	-	-	-	15,500
Trees/Bushes	-	8,000	8,000	8,000
Total Landscape	-	149,468	199,468	189,615
Total Expense	-	213,186	268,263	265,201
Excess Revenue (Expenses)	-	58,366	3,539	26,351
Ending Fund Balance	-	58,366	3,539	29,890

Debt Service Fund

Modified Accrual Accounting Basis	2024 Actual	2025 Budget	2025 Estimated Actual & 2025 Amended Budget	2026 Budget
Beginning Fund Balance	10,825	10,825	15,378	15,378
Income				
Interest Revenue	21,734	-	22,000	20,000
Property Tax	1,055,096	1,069,231	1,069,231	1,042,756
Specific Ownership Tax	66,061	64,154	64,154	62,565
Total Income	1,142,891	1,133,385	1,155,385	1,125,321
Expense				
Treasurers Fees	21,113	21,385	21,386	20,855
Paying Agent Fees	7,000	7,000	7,000	7,000
Bank Fees	1,010	500	650	500
Principal - Bonds	150,000	155,000	155,000	175,000
Interest - Bonds	959,215	949,500	971,349	921,966
Total Expense	1,138,338	1,133,385	1,155,385	1,125,321
Excess Revenue (Expenses)	4,553	-	-	-
Ending Fund Balance	15,378	10,825	15,378	15,378
Assessed Valuation		16,479,365		16,478,442
Operating Levy		15.000		15.000
Debt Levy		64.883		63.280
		79.883		78.280