

LETTER OF BUDGET TRANSMITTAL

Date: January 14, 2023

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

Attached are the 2023 budget and budget message for HOMESTEAD RANCH METROPOLITAN DISTRICT NO. 1 in Weld County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 28, 2022. If there are any questions on the budget, please contact:

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I, S. Alan Vancil, as Secretary of Homestead Ranch Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: S. Alan Vancil

**RESOLUTION**  
**TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**HOMESTEAD RANCH METROPOLITAN DISTRICT NO. 1**

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 HOMESTEAD RANCH METROPOLITAN DISTRICT NO. 1, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023, AND ENDING ON THE LAST DAY OF NOVEMBER, 2023,

WHEREAS, the Board of Directors of Homestead Ranch Metropolitan District No. 1 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 October 28, 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 \$ 0 ; 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 \$0; 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 Weld County is \$ 20 ; and

WHEREAS, at an election held on November 5, 2019, 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 HOMESTEAD RANCH METROPOLITAN DISTRICT NO. 1 OF WELD 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 Homestead Ranch Metropolitan District No. 1 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 0.000 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 0.000 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 November 15, 2022, to the Board of County Commissioners of Weld 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 Weld 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 November 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.

ADOPTED this 28th day of October, 2022.

HOMESTEAD RANCH METROPOLITAN  
DISTRICT NO. 1

*Jeff Mark*

\_\_\_\_\_  
President

ATTEST:

*S. Alan Vancil*

\_\_\_\_\_  
Secretary

<b>Homestead Ranch Metro District No. 1</b>			
<b>General Fund Budget</b>			
<b>Year Ended 12/31/2023</b>			
<b>Modified Accrual Basis</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
	<b>12/31/21</b>	<b>Actual</b>	<b>Budget</b>
<b>BEGINNING FUND BALANCE</b>	\$ 322,316	\$ 360,844	\$ 366,947
<b>REVENUES</b>			
Intergovernmental revenue from District 2	1,199	993	1,260
Intergovernmental revenue from District 3	56,544	22,067	46,671
Intergovernmental revenue from District 4	5,601	3,743	8,748
Contingency		-	1,000
Total Revenues	63,344	26,803	57,679
<b>EXPENDITURES</b>			
General Management:			
Accounting	10,164	7,000	7,700
Audit	8,600	-	3,000
Legal	5,652	8,000	8,800
District Management	-	5,000	6,000
Insurance	400	400	450
Dues & Subscriptions	-	300	400
Contingency	-	-	4,000
Total General Management	24,816	20,700	30,350
Total Expenses	24,816	20,700	30,350
Excess of Revenues over Expenditures	38,528	6,103	27,329
Transfer from District 2 Capital Fund	-	-	-
<b>ENDING FUND BALANCE</b>	360,844	366,947	394,276
Emergency Reserve - 3% of Revenues	1,900	804	1,730
Unrestricted Fund Balance	358,944	366,143	392,546

Homestead Ranch Metro District No. 1-4					
Property Taxes					
2022 Valuations for 2023 Taxes		1669	1670	1671	1672
	Combined	District	District	District	District
		No. 1	No. 2	No. 3	No. 4
Vacant Residential Land - Market Value	-	-	-	-	-
Percentage	0%	0%	0%	0%	0%
Assessed Value	-	-	-	-	-
Residential Land & Improvements - Market Value	-	-	-	-	-
Percentage	0%	0%	0%	0%	0%
Assessed Value	-	-	-	-	-
Agricultural Land & Buildings Market Value	35,192	20	15,614	9,067	10,491
Percentage	0%	10%	26%	26%	26%
Assessed Value	9,292	2	4,130	2,390	2,770
Severed Mineral Interests (Oil & Gas)	6,171,024		145,392	4,929,681	1,095,951
Percentage	0%	0%	29%	81%	64%
Assessed Value	4,734,910		42,180	3,986,160	706,570
Public Utility state value	860,555		223,007	425,596	211,952
Percentage	0%	0%	29%	29%	29%
Assessed Value	249,570		64,670	123,430	61,470
Total Assessed Value - Final as of	4,993,772	2	110,980	4,111,980	770,810
Mill Levy - General Operating & Debt Service	75.00	-	75.00	75.00	75.00
2022 Property Tax to be paid in 2023	\$ 374,534	\$ -	\$ 8,324	\$ 308,399	\$ 57,811
Property Tax					
Operations & Maintenance	\$ 49,938	\$ -	\$ 1,110	\$ 41,120	\$ 7,708
Contractual Obligations - URA Mill Levy	\$ 74,907	\$ -	\$ 1,665	\$ 61,680	\$ 11,562
Capital - Debt	\$ 249,688	\$ -	\$ 5,549	\$ 205,599	\$ 38,541
Total	\$ 374,533	\$ -	\$ 8,324	\$ 308,399	\$ 57,811
Mill Levy Charged					
Operations & Maintenance		-	10.00	10.00	10.00
Contractual Obligations - URA Mill Levy		-	15.00	15.00	15.00
Capital - Debt		-	50.00	50.00	50.00
Total		-	75.00	75.00	75.00

**Homestead Ranch Metropolitan District No. 1**  
**Weld County, CO**  
**2023 Budget Message**

The Homestead Ranch Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2019. The District was established as part of a "Multiple District Structure" for The Homestead Ranch community located in the Town of Firestone, Weld County, Colorado. Along with its companion Districts Nos. 2, 3 and 4 ("Financing Districts") this "Service District" was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The District is located in the West Half of Section 4, Township 2 North, Range 67 West of 6th P.M., Town of Firestone, County of Weld, State of Colorado and contains approximately 0.115 acres, more or less. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for a non-potable water system, streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

Pursuant to the Service Plan, the District is authorized to issue General Obligation Debt, Revenue Debt and other Debt in an amount not to exceed \$25,000,000.

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

The following budget is prepared on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**GENERAL FUND**  
**REVENUES**

1. Intergovernmental revenue is budgeted for General Fund tax revenue from Homestead Ranch Metropolitan Districts # 2, #3 and #4 transferred to District # 1. Districts #2, #3 and #4 have assessed 10 mills for Operations and Maintenance for 2023. The related property tax revenue and an allocation of specific ownership tax are included in this budgeted revenue.

**GENERAL FUND**  
**EXPENDITURES**

1. Expenditures include the operating and maintenance costs for Districts #1 - #4 since all of the net operating tax revenues of District #2 - #4 are transferred to District #1 as intergovernmental revenue.
2. Accounting fees include the monthly accounting for the District and the costs of the accounting firm to prepare periodic and annual financial statements, and to record mill levy certifications and budgets with regulatory authorities.
3. Legal fees are estimated based on the annual requirements of the District.
4. District Management costs are estimated based on costs to manage the District.
5. Insurance is the estimated charges from Colorado Special District Property and Liability Pool insurance.
6. Dues & subscription are the estimated SDA dues and office expenses.
7. A contingency expense is budgeted for unexpected expenses.



**Homestead Ranch Metropolitan District No. 1  
Weld County, CO  
2023 Budget Message**

**CAPITAL PROJECTS FUND**

There are no Revenues or Expenditures budgeted for the Capital Project Fund in 2023.

**DEBT SERVICE FUND**

There are no Revenues or Expenditures budgeted for the Debt Service Fund in 2023.

**RESERVES**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of revenues, excluding Developer Loan Proceeds.

**ADDITIONAL INFORMATION**

1. The basis of accounting for the District is the Modified Accrual Basis.
2. The District has no debt, nor any operating or capital leases.



**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, 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<sup>J</sup>:**

1.      Purpose of Issue: \_\_\_\_\_  
          Series: \_\_\_\_\_  
          Date of Issue: \_\_\_\_\_  
          Coupon Rate: \_\_\_\_\_  
          Maturity Date: \_\_\_\_\_  
          Levy: \_\_\_\_\_  
          Revenue: \_\_\_\_\_
  
2.      Purpose of Issue: \_\_\_\_\_  
          Series: \_\_\_\_\_  
          Date of Issue: \_\_\_\_\_  
          Coupon Rate: \_\_\_\_\_  
          Maturity Date: \_\_\_\_\_  
          Levy: \_\_\_\_\_  
          Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

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.