

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. 4 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:

Carrie Bartow
CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 500
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, S. Alan Vancil, as Secretary of Homestead Ranch Metropolitan District No. 4, 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. 4

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. 4, 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 the Homestead Ranch Metropolitan District No. 4 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 \$ 7,708 ; 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 \$ 50,103 ; 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 \$ 770,810 ; 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 THE HOMESTEAD RANCH METROPOLITAN DISTRICT NO. 4 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 the Homestead Ranch Metropolitan District No. 4 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 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 65.000 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. 4

Jeff Mark

President

ATTEST:

S. Alan Vancil

Secretary

Homestead Ranch Metro District No. 4			
General Fund Budget			
Year Ended 12/31/2023			
Modified Accrual Basis			
	2021	2022	2023
	Actual 12/31/21	Estimated	Proposed Budget
BEGINNING FUND BALANCE	\$ -	\$ 7,404	\$ 12,283
REVENUES			
Property Tax - Operating	5,011	3,302	\$ 7,708
Property Tax - Urban Renewal Authority	7,517	4,953	11,562
Interest - ColoTrust D4	37	-	-
Specific Ownership Tax	628	491	1,156
Contingency Income	-	-	100
Total Revenues	13,193	8,746	20,526
EXPENDITURES			
County Collection Fee	75	50	116
County Collection Fee - Urban Renewal Authority	113	74	173
Intergovernmental expenditures - District 1 General Fund	5,601	3,743	8,748
Intergovernmental expenditures - Urban Renewal Authority	-	-	-
Contingency Expense	-	-	100
Total Expenses	5,789	3,867	9,137
Excess of Revenues over Expenditures	7,404	4,879	11,389
ENDING FUND BALANCE	\$ 7,404	\$ 12,283	\$ 23,672
Emergency Reserve - 3% of Expenses	\$ -	\$ -	\$ -
Unrestricted Fund Balance	\$ -	\$ -	\$ -

Homestead Ranch Metro District No. 4			
Capital Fund Budget			
Year Ended 12/31/2023			
Modified Accrual Basis			
	2021	2022	2023
	Actual 12/31/21	Estimated	Proposed Budget
BEGINNING FUND BALANCE	\$ 43,655	\$ 69,591	\$ 87,636
REVENUES			
Property Tax	25,056	16,510	38,541
Specific Ownership tax	1,256	983	2,312
Interest on investments	-	800	800
Contingency		-	200
Total Revenues	26,312	18,293	41,853
EXPENDITURES			
County Collection Fee	376	248	578
Contingency	-	-	200
Total Expenditures	376	248	778
Excess of Revenues over Expenditures	25,936	18,045	41,075
ENDING FUND BALANCE	\$ 69,591	\$ 87,636	\$ 128,711

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. 4
Weld County, CO
2023 Budget Message**

Homestead Ranch Metropolitan District No. 4 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 No. 1 ("Service District") and Nos. 2 and 3 ("Financing Districts") this Financing 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 98.632 acres, more or less. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for 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.

The District is authorized to issue General Obligation Debt in an amount not to exceed \$25,000,000. A mill levy cap of 50 mills applies to the District in connection with the General Obligation Debt.

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. Property Taxes - O&M are based on the assessed value of property within the District as established by Weld County. Mill levies are budgeted for Operations and Maintenance at 10 mills.
2. Property Taxes - URA are based on an IGA with the Town of Firestone, Colorado. The property taxes are collected by District #3 and transfer to The Town of Firestone net of county collection fee. Mill levies are budgeted for the URA at 15 mills.
3. Specific ownership taxes are budgeted at 6.0% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.

**GENERAL FUND
EXPENDITURES**

1. The County property tax collection fee is based on 1.5% of the property tax received.
2. Net Operations & Maintenance tax revenues are paid as Intergovernmental Expenses for services to District #1.
3. Net URA tax revenues are transferred to The Town of Firestone.

**Homestead Ranch Metropolitan District No. 4
Weld County, CO
2023 Budget Message**

**DEBT SERVICE FUND
REVENUES**

The District has budgeted no revenues for 2023.

EXPENDITURES

The District has budgeted no expenditures for 2023.

**CAPITAL FUND
REVENUES**

1. Property Taxes are based on the assessed value of property within the District as established by Weld County. Mill levies are budgeted for Debt Service at 50 mills.
2. Specific ownership taxes are budgeted at 6.0% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.

EXPENDITURES

1. The County property tax collection fee is based on 1.5% of the property tax received.

DEBT AND LEASES

The District has no debt, nor any operating or capital leases

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year revenues. Since substantially all funds received by the District are transferred to District #1, which pays for all of the Districts' operations and maintenance costs, an emergency reserve is not reflected in the District's Budget.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL GovernmentsTO: County Commissioners¹ of Weld County, Colorado.On behalf of the Homestead Ranch Metropolitan District No. 4,
(taxing entity)^Athe Board of Directors
(governing body)^Bof the Homestead Ranch Metropolitan District No. 4
(local government)^C

Hereby officially certifies the following mills
to be levied against the taxing entity's GROSS \$ 770,810
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

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 \$ 770,810
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: (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: 12/05/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>7,708</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 7,708
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	<u>50.000</u> mills	\$ <u>38,541</u>
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): <u>IGA - URA</u>	<u>15.000</u> mills	\$ <u>11,562</u>
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	75.000 mills	\$ 57,811

Contact person: _____ Daytime
(print) Seef Le Roux phone: (719) 635 - 0330

Signed: _____ Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-I-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (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 (32-1-1603 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^J:

- | | | |
|----|-------------------|-------|
| 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^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | Public Infrastructure |
| | Title: | Anticipated 2024 |
| | Date: | December 6, 2019 |
| | Principal Amount: | TBD |
| | Maturity Date: | December 31, 2023 |
| | Levy: | 50.000 |
| | Revenue: | \$38,541 |
| | | |
| 4. | Purpose of Contract: | URA Mill Levy |
| | Title: | IGA with The Town of Firestone, Colorado |
| | Date: | September 11, 2019 |
| | Principal Amount: | N/A |
| | Maturity Date: | September 11, 2024 |
| | Levy: | 15.000 |
| | Revenue: | \$11,562 |

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