

2023 ANNUAL REPORT (COMBINED)
HESS RANCH METROPOLITAN DISTRICT NOS. 4-8

Pursuant to Section VII of the Amended and Restated Service Plans for each of Hess Ranch Metropolitan District Nos. 4-8, approved by the Town of Parker, Colorado on August 5, 2019 (collectively, the “Service Plan”), the following combined report of Hess Ranch Metropolitan District Nos. 4-8 (the “Districts”) activities from January 1, 2023 to December 1, 2023 is hereby submitted.

1. A list of public infrastructure the Districts constructed or installed during the report year, and a schedule for the construction or installation of future public infrastructure, as well as any maintenance operations or activities the Districts have undertaken during the report year and maintenance operations or activities the District plan to undertake in the upcoming year:

In the report year 2023, the Districts did not install any public infrastructure, but District No. 6 did provide stormwater management inspections and maintenance as needed. Grading and other earthwork was undertaken by developers on the next phases of development in the Districts.

2. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

None in the report year of 2023.

3. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year:

See attached Exhibit A – 2023 Audit Exemptions for District Nos. 5, 7 and 8 and 2023 Audits for District Nos. 4 and 6.

4. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year:

See attached Audit Report for District Nos. 4 and 6 for capital expenditures incurred in 2023. It is anticipated that the Districts will continue to undertake and complete streets, stormwater, sanitary sewer, water, and landscaping and recreation improvements associated with Phase 1 of the Looking Glass development in the next five years as set forth in the Service Plan.

5. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including

the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year, and the current mill levy of the Districts pledged to Debt retirement in the report year:

See attached Exhibit A, Audit Report for District No. 6, and Exhibit B, 2024 Budgets.

6. The Districts' budget for the calendar year in which the annual report is submitted:

See attached Exhibit B – 2024 Budgets

7. The final assessed valuation of the District as of December 31 of the reporting year.

Hess Ranch Metropolitan District No. 4:	\$11,190,240.00
Hess Ranch Metropolitan District No. 5:	\$7,260.00
Hess Ranch Metropolitan District No. 6:	\$670.00
Hess Ranch Metropolitan District No. 7:	\$0.00
Hess Ranch Metropolitan District No. 8:	\$1,520.00

8. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the District.

None.

9. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

None.

10. A summary of the residential development in the Districts for the report year:

In the report year of 2023, residential development occurred in Looking Glass Filings 2, 3, 4, 5, 6 and 7.

11. A summary of all fees, charges and assessments imposed by the Districts as of January 1 of the report year:

No fees, charges or assessments were imposed by the Districts during 2023.

12. Certification of the Boards that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council:

The Boards of the Districts hereby certify that no action, event or condition in Town Code section 10.11.060 occurred in 2023.

13. The name, business address and telephone number of each member of the Boards and their chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards:

2023 Regular Meeting Dates: third Wednesday of each month at 12:00 p.m.

Donald Guerra, President
619 12th Street, #31
Golden, Colorado 80402
(303) 905-3496

Robert L. Eck II, Secretary/Treasurer
12650 W. 64th Avenue, Unit E #274
Arvada, Colorado 80004
Phone: 303-961-0313

Bradley Lenz, Director
12650 W. 64th Avenue, Unit E #274
Arvada, Colorado 80004
Phone: 303-356-0531

Matt Childers, Director
2000 N. Clay Street
Denver, CO 80211
Phone: 281-799-3727

General Counsel:
Spencer Fane LLP
Attn: Thomas N. George, Esq.
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Phone: 303-839-3800

Accountant:
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone: 303-779-5710

14. Certification from the Boards of the Districts that the Districts are in compliance with all provisions of the Service Plan:

The Boards hereby certify, to the best of their knowledge that the Districts are in compliance with all provisions of the Service Plan.

15. A copy of the most recent notice issued by the Districts, pursuant to Section 32-1-809, C.R.S.:

See attached Exhibit C – 2023 Transparency Notice

16. A copy of any intergovernmental agreements entered into by the District since the filing of the last annual report.

During the report year of 2023, the Districts did not enter into any intergovernmental agreements

17. Boundary changes made.

During the report year of 2023, the District Nos. 4 and 6 did not make changes to its boundaries. District Nos. 5 and 7 included and excluded property into its boundaries and District No. 8 included property into its boundaries. An updated map is on file with the Division of Local Government.

18. Access information to obtain a copy of the rules and regulations adopted by the Board.

The Districts have not adopted rules and regulations.

19. A summary of litigation involving public improvements owned by the District.

During the report year of 2023, the District was not involved in any litigation related to the public improvements owned by the District.

20. Access information to obtain a copy of rules and regulations adopted by the Board.

The Board has not adopted rules and regulations as of the date of this report. The district website is: <https://hessranchmd4-8.colorado.gov/>

EXHIBIT A

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Hess Ranch Metropolitan District No. 5
8390 East Crescent Parkway
Suite 300
Greenwood Village, CO 80111-2814
Paul Wilson
303-779-5710
paul.wilson@claconnect.com

For the Year Ended
12/31/23
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE

Paul Wilson
Accountant for the District
CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
303-779-5710

PREPARER <small>(SIGNATURE REQUIRED)</small>	DATE PREPARED
SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT	2/5/2024

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small> <input checked="" type="checkbox"/>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small> <input type="checkbox"/>
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PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 80	
2-2	Specific ownership	\$ 7	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 87	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 1	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24	Transfer to District No. 6	\$ 86	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 87	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - The District has no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - The District has no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
	General obligation bonds	\$ -	\$ -
	Revenue bonds	\$ -	\$ -
	Notes/Loans	\$ -	\$ -
	Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -
	Developer Advances	\$ -	\$ -
	Other (specify):	\$ -	\$ -
	TOTAL	\$ -	\$ -

**Subscription Based Information Technology Arrangements

*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">\$ 1,589,380,000.00</div>		
	Date the debt was authorized: <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">11/3/2015</div>		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much? <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">\$ -</div>		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding? <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">\$ -</div>		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased? <div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>		
	What is the original date of the lease? <div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>		
	Number of years of lease? <div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>		
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	What are the annual lease payments? <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">\$ -</div>		

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
Total Cash Deposits			\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
	<div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>	\$ -	
	<div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>	\$ -	
5-3	<div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>	\$ -	
	<div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>	\$ -	
Total Investments			\$ -
Total Cash and Investments			\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, **MUST** explain: Yes No

N/A - The District has no capital assets

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Part 7 - Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, **MUST** explain: Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain: Yes No N/A
-

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 100

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

- | | | Yes | No |
|------------|---|-------------------------------------|--------------------------|
| 9-1 | Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?
<small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

- | | | Yes | No |
|-------------|--|--------------------------|-------------------------------------|
| 10-1 | Is this application for a newly formed governmental entity? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Date of formation: <input style="width: 450px; height: 15px;" type="text"/> | | |
| 10-2 | Has the entity changed its name in the past or current year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If yes: **Please list the NEW name & PRIOR name:**

- | | | | |
|-------------|--|-------------------------------------|--------------------------|
| 10-3 | Is the entity a metropolitan district?
Please indicate what services the entity provides: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|--|-------------------------------------|--------------------------|

See below

10-4 Does the entity have an agreement with another government to provide services?

If yes: **List the name of the other governmental entity and the services provided:**

See below

- | | | | |
|-------------|--|--------------------------|-------------------------------------|
| 10-5 | Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|-------------|--|--------------------------|-------------------------------------|

If yes: **Date Filed:**

- | | | | |
|-------------|--|-------------------------------------|--------------------------|
| 10-6 | Does the entity have a certified Mill Levy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|--|-------------------------------------|--------------------------|

If yes: **Please provide the following mills levied for the year reported (do not report \$ amounts):**

Bond Redemption mills			-
General/Other mills			10.984
Total mills			10.984

- | | | Yes | No | N/A |
|-------------|---|-------------------------------------|--------------------------|--------------------------|
| 10-7 | NEW 2023! If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please use this space to provide any additional explanations or comments not previously included:

10-3: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.
 10-4: The District is affiliated with Hess Ranch 4, and 6-8 to perform the services as described in the Service Plan.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.

A MAJORITY of the members of the governing body must sign below.

<p>Board Member 1</p>	<p>Print Board Member's Name Donald Guerra</p>	<p>I Donald Guerra, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/15/2024</u> My term Expires: May 2025</p>
<p>Board Member 2</p>	<p>Print Board Member's Name Robert L. Eck, II</p>	<p>I Robert L. Eck, II, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/15/2024</u> My term Expires: May 2027</p>
<p>Board Member 3</p>	<p>Print Board Member's Name Bradley Lenz</p>	<p>I Bradley Lenz, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/15/2024</u> My term Expires: May 2025</p>
<p>Board Member 4</p>	<p>Print Board Member's Name Matt Childers</p>	<p>I Matt Childers, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2027</p>
<p>Board Member 5</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 6</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 7</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Hess Ranch Metropolitan District No. 7
8390 East Crescent Parkway
Suite 300
Greenwood Village, CO 80111-2814
Paul Wilson
303-779-5710
paul.wilson@claconnect.com

For the Year Ended
12/31/23
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE

Paul Wilson
Accountant for the District
CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
303-779-5710

PREPARER <small>(SIGNATURE REQUIRED)</small>	DATE PREPARED
SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT	2/5/2024

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24	Transfer to District No. 6	\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - The District has no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - The District has no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
	General obligation bonds	\$ -	\$ -
	Revenue bonds	\$ -	\$ -
	Notes/Loans	\$ -	\$ -
	Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -
	Developer Advances	\$ -	\$ -
	Other (specify):	\$ -	\$ -
	TOTAL	\$ -	\$ -

**Subscription Based Information Technology Arrangements

*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? Date the debt was authorized:	\$ 1,589,380,000.00 11/3/2015	
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much?	\$ -	
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding?	\$ -	
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments?	\$ -	<input checked="" type="checkbox"/>

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
Total Cash Deposits			\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
		\$ -	
5-3		\$ -	
		\$ -	
Total Investments			\$ -
Total Cash and Investments			\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, **MUST** explain: Yes No

N/A - The District has no capital assets

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Part 7 - Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, **MUST** explain: Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain: Yes No N/A
-

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ -

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

- | | | Yes | No |
|------------|---|-------------------------------------|--------------------------|
| 9-1 | Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?
<small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

- | | | Yes | No |
|-------------|--|--------------------------|-------------------------------------|
| 10-1 | Is this application for a newly formed governmental entity? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Date of formation: <input style="width: 450px; height: 15px;" type="text"/> | | |
| 10-2 | Has the entity changed its name in the past or current year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If yes: **Please list the NEW name & PRIOR name:**

- | | | | |
|-------------|--|-------------------------------------|--------------------------|
| 10-3 | Is the entity a metropolitan district?
Please indicate what services the entity provides: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|--|-------------------------------------|--------------------------|

See below

10-4 Does the entity have an agreement with another government to provide services?

If yes: **List the name of the other governmental entity and the services provided:**

See below

- | | | | |
|-------------|--|--------------------------|-------------------------------------|
| 10-5 | Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|-------------|--|--------------------------|-------------------------------------|

If yes: **Date Filed:**

- | | | | |
|-------------|--|-------------------------------------|--------------------------|
| 10-6 | Does the entity have a certified Mill Levy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|--|-------------------------------------|--------------------------|

If yes: **Please provide the following mills levied for the year reported (do not report \$ amounts):**

Bond Redemption mills			-
General/Other mills			10.000
Total mills			10.000
	Yes	No	N/A

- | | | | | |
|-------------|---|-------------------------------------|--------------------------|--------------------------|
| 10-7 | NEW 2023! If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|-------------|---|-------------------------------------|--------------------------|--------------------------|

Please use this space to provide any additional explanations or comments not previously included:

10-3: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.
 10-4: The District is affiliated with Hess Ranch 4-6, and 8 to perform the services as described in the Service Plan.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.

A MAJORITY of the members of the governing body must sign below.

<p>Board Member 1</p>	<p>Print Board Member's Name Donald Guerra</p>	<p>I Donald Guerra, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  _____ Date: <u>3/15/2024</u> My term Expires: May 2025</p>
<p>Board Member 2</p>	<p>Print Board Member's Name Robert L. Eck, II</p>	<p>I Robert L. Eck, II, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  _____ Date: <u>3/15/2024</u> My term Expires: May 2027</p>
<p>Board Member 3</p>	<p>Print Board Member's Name Bradley Lenz</p>	<p>I Bradley Lenz, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  _____ Date: <u>3/15/2024</u> My term Expires: May 2025</p>
<p>Board Member 4</p>	<p>Print Board Member's Name Matt Childers</p>	<p>I Matt Childers, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2027</p>
<p>Board Member 5</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 6</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 7</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Hess Ranch Metropolitan District No. 8
8390 East Crescent Parkway
Suite 300
Greenwood Village, CO 80111-2814
Paul Wilson
303-779-5710
paul.wilson@claconnect.com

For the Year Ended
12/31/23
or fiscal year ended:

**CONTACT PERSON
PHONE
EMAIL**

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE**

Paul Wilson
Accountant for the District
CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
303-779-5710

PREPARER <small>(SIGNATURE REQUIRED)</small>	DATE PREPARED
SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT	2/5/2024

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 76	
2-2	Specific ownership	\$ 7	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 83	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 1	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24	Transfer to District No. 6	\$ 82	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 83	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - The District has no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A - The District has no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
	General obligation bonds	\$ -	\$ -
	Revenue bonds	\$ -	\$ -
	Notes/Loans	\$ -	\$ -
	Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -
	Developer Advances	\$ -	\$ -
	Other (specify):	\$ -	\$ -
	TOTAL	\$ -	\$ -

**Subscription Based Information Technology Arrangements

*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? Date the debt was authorized:	\$ 1,589,380,000.00 11/3/2015	
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much?	\$ -	
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding?	\$ -	
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments?	\$ -	<input checked="" type="checkbox"/>

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
Total Cash Deposits			\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
		\$ -	
5-3		\$ -	
		\$ -	
Total Investments			\$ -
Total Cash and Investments			\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 6-1 Does the entity have capital assets? Yes No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, **MUST** explain: Yes No

N/A - The District has no capital assets

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Part 7 - Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, **MUST** explain: Yes No N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain: Yes No N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 130

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
------------	--	--	--------------------------------

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

10-1	Is this application for a newly formed governmental entity?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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If yes: **Date of formation:**

10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
-------------	--	--------------------------	-------------------------------------

If yes: **Please list the NEW name & PRIOR name:**

10-3	Is the entity a metropolitan district? Please indicate what services the entity provides:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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10-4	Does the entity have an agreement with another government to provide services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
-------------	--	-------------------------------------	--------------------------

If yes: **List the name of the other governmental entity and the services provided:**

10-5	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during	<input type="checkbox"/>	<input checked="" type="checkbox"/>
-------------	---	--------------------------	-------------------------------------

If yes: **Date Filed:**

10-6	Does the entity have a certified Mill Levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
-------------	---	-------------------------------------	--------------------------

If yes: **Please provide the following mills levied for the year reported (do not report \$ amounts):**

Bond Redemption mills	40.000
General/Other mills	10.000
Total mills	50.000

Yes	No	N/A
------------	-----------	------------

10-7	NEW 2023! If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------	---	-------------------------------------	--------------------------	--------------------------

Please use this space to provide any additional explanations or comments not previously included:

10-3: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.
 10-4: The District is affiliated with Hess Ranch 4-7 to perform the services as described in the Service Plan.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

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- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
 - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below.

A MAJORITY of the members of the governing body must sign below.

<p>Board Member 1</p>	<p>Print Board Member's Name Donald Guerra</p>	<p>I Donald Guerra, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/15/2024</u> My term Expires: May 2025</p>
<p>Board Member 2</p>	<p>Print Board Member's Name Robert L. Eck, II</p>	<p>I Robert L. Eck, II, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/15/2024</u> My term Expires: May 2027</p>
<p>Board Member 3</p>	<p>Print Board Member's Name Bradley Lenz</p>	<p>I Bradley Lenz, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/15/2024</u> My term Expires: May 2025</p>
<p>Board Member 4</p>	<p>Print Board Member's Name Matt Childers</p>	<p>I Matt Childers, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2027</p>
<p>Board Member 5</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 6</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 7</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>

EXHIBIT B

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2024

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

Attached are the 2024 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 4 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 15, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 4, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: Don Guerra

RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 4

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAID 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 HESS RANCH METROPOLITAN DISTRICT NO. 4, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Hess 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 November 15, 2023 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 \$225,77; 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 \$1,512,782; 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 2023 valuation for assessment for the District as certified by the County Assessor of Arapahoe is \$20,968,920; and

WHEREAS, at an election held on November 3, 2015, 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 HESS RANCH METROPOLITAN DISTRICT NO. 4 OF DOUGLAS 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 Hess Ranch Metropolitan District No. 4 for calendar year 2024.

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 2024 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 2024 budget year, there is hereby levied a tax of 10.767 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

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 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 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 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 72.144 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 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 2023.

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 2023.

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 to the Board of County Commissioners of Douglas 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 Douglas 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 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.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 15th day of November 2023.

HESS RANCH METROPOLITAN
DISTRICT NO. 4

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 4

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**HESS RANCH METRO DISTRICT NO. 4
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	95,054	111,902	225,772
Property taxes - Capital Pledge	541,809	637,844	1,287,031
Property taxes - Regional Infrastructure	47,528	55,951	112,876
Property taxes - Town Infrastructure	47,528	55,951	112,875
Specific ownership taxes	9,064	48,000	20,319
Specific ownership taxes - Capital Pledge	51,666	25,000	115,833
Specific ownership taxes - Regional Infrastructure	4,532	2,500	10,159
Specific ownership taxes - Town Infrastructure	4,532	2,500	10,159
Interest income	45	160	-
Other revenue	-	-	24,976
Total revenues	<u>801,758</u>	<u>939,808</u>	<u>1,920,000</u>
Total funds available	<u>801,758</u>	<u>939,808</u>	<u>1,920,000</u>
EXPENDITURES			
General Fund	104,124	159,912	250,000
Debt Service Fund	697,634	779,896	1,670,000
Total expenditures	<u>801,758</u>	<u>939,808</u>	<u>1,920,000</u>
Total expenditures and transfers out requiring appropriation	<u>801,758</u>	<u>939,808</u>	<u>1,920,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HESS RANCH METRO DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Residential	\$ -	\$ -	\$ 4,708,380
State assessed	-	-	700
Vacant land	10,250,110	11,190,200	15,958,300
Personal property	-	-	301,300
Other	-	40	240
	10,250,110	11,190,240	20,968,920
MILL LEVY			
General	10.000	10.000	10.767
Debt Service	67.000	67.000	66.761
Town Contribution	0.000	0.000	5.383
Total mill levy	77.000	77.000	82.911
PROPERTY TAXES			
General	\$ 102,501	\$ 111,902	\$ 225,772
Debt Service	686,757	749,746	1,399,906
Town Contribution	-	-	112,876
Budgeted property taxes	\$ 731,920	\$ 861,648	\$ 1,738,554
BUDGETED PROPERTY TAXES			
General	\$ 95,055	\$ 111,902	\$ 225,772
Debt Service	636,865	749,746	1,399,906
Town Contribution	-	-	112,876
	\$ 731,920	\$ 861,648	\$ 1,738,554

**HESS RANCH METRO DISTRICT NO. 4
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	95,054	111,902	225,772
Specific ownership taxes	9,064	48,000	20,319
Interest income	6	10	-
Other revenue	-	-	3,909
Total revenues	104,124	159,912	250,000
Total funds available	104,124	159,912	250,000
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,426	1,679	3,387
Contingency	-	-	3,909
Transfers to District No. 6	102,698	158,233	242,704
Total expenditures	104,124	159,912	250,000
Total expenditures and transfers out requiring appropriation	104,124	159,912	250,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**HESS RANCH METRO DISTRICT NO. 4
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes - Capital Pledge	541,809	637,844	1,287,031
Property taxes - Regional Infrastructure	47,528	55,951	112,876
Property taxes - Town Infrastructure	47,528	55,951	112,875
Specific ownership taxes - Capital Pledge	51,666	25,000	115,833
Specific ownership taxes - Regional Infrastructure	4,532	2,500	10,159
Specific ownership taxes - Town Infrastructure	4,532	2,500	10,159
Interest income	39	150	-
Other revenue	-	-	21,067
Total revenues	697,634	779,896	1,670,000
Total funds available	697,634	779,896	1,670,000
EXPENDITURES			
General and administrative			
County Treasurer's fee - Capital Pledge	8,127	9,568	19,305
County Treasurer's fee - Regional Infrastructure	713	839	1,693
County Treasurer's fee - Town Infrastructure	713	839	1,693
Contingency	-	-	21,067
Transfers to District No. 6	688,081	768,650	1,626,242
Total expenditures	697,634	779,896	1,670,000
Total expenditures and transfers out requiring appropriation	697,634	779,896	1,670,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**HESS RANCH METROPOLITAN DISTRICT NO. 4
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 5, Hess Ranch No. 6, Hess Ranch No. 7, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (continued)

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District is required to impose a maximum Required Mill Levy of 55.664 mills for collection in 2024. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collection.

Transfers to Hess Ranch Metropolitan District No. 6

Pursuant to the Master Intergovernmental Agreement, Hess Ranch Metropolitan District No. 6 will provide certain operation, maintenance and administrative services benefitting the District, Hess Ranch Metropolitan District No. 5, Hess Ranch Metropolitan District No. 6, Hess Ranch Metropolitan District No. 7, and Hess Ranch Metropolitan District No. 8 (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to Hess Ranch Metropolitan District No. 6.

Debt and Leases

The District has no debt and operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Hess Ranch Metropolitan District No. 6, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Hess Ranch Metro District 4
 the Board of Directors
 of the Hess Ranch Metropolitan District No. 4**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$20,968,920** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$20,968,920**

Submitted: *Rob Lange* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.767 mills	\$225,772
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.767 mills	\$225,772
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	72.144 mills	\$1,512,782
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	82.911 mills	\$1,738,554

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

- 1. Purpose of Contract: Public infrastructure
 Title: Intergovernmental Agreement

Date of Issue:	2020-03-13
Principal Amount:	\$0
Maturity Date:	2049-12-01
Levy:	61.378
Revenue:	\$1,287,030
2. Purpose of Contract:	Regional infrastructure
Title:	Infrastructure Capital Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	
Levy:	5.383
Revenue:	\$112,876
3. Purpose of Contract:	Town Infrastructure
Title:	Town Capital and Maintenance Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	
Levy:	5.383
Revenue:	\$112,876

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Mon, 08 Jan 2024

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2024

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

Attached are the 2024 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 5 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 15, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 5, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: Don Guerra

RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 5

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAID 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 HESS RANCH METROPOLITAN DISTRICT NO. 5, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 5 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 15, 2023 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 \$499; 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 \$3,342; 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 2023 valuation for assessment for the District as certified by the County Assessor of Arapahoe is \$47,570; and

WHEREAS, at an election held on November 3, 2015, 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 HESS RANCH METROPOLITAN DISTRICT NO. 5 OF DOUGLAS 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 Hess Ranch Metropolitan District No. 5 for calendar year 2024.

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 2024 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 2024 budget year, there is hereby levied a tax of 10.487 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

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 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 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 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 70.262 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 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 2023.

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 2023.

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 to the Board of County Commissioners of Douglas 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 Douglas 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 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.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 15th day of November 2023.

HESS RANCH METROPOLITAN
DISTRICT NO. 5

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**HESS RANCH METRO DISTRICT NO. 5
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	80	80	499
Property taxes - Capital Pledge	-	-	2,844
Property taxes - Regional Infrastructure	-	-	249
Property taxes - Town Infrastructure	-	-	249
Specific ownership taxes	7	7	45
Specific ownership taxes - Capital Pledge	-	-	256
Specific ownership taxes - Regional Infrastructure	-	-	22
Specific ownership taxes - Town Infrastructure	-	-	22
Other revenue	-	-	1,413
Total revenues	<u>87</u>	<u>87</u>	<u>5,600</u>
Total funds available	<u>87</u>	<u>87</u>	<u>5,600</u>
EXPENDITURES			
General Fund	87	87	600
Debt Service Fund	-	-	5,000
Total expenditures	<u>87</u>	<u>87</u>	<u>5,600</u>
Total expenditures and transfers out requiring appropriation	<u>87</u>	<u>87</u>	<u>5,600</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HESS RANCH METRO DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Agricultural	\$ 7,980	7,260	7,470
State assessed	-	-	40,100
	7,980	7,260	47,570
 MILL LEVY			
General	10.000	10.984	10.487
Debt Service	0.000	0.000	65.019
Town Contribution	0.000	0.000	5.243
Total mill levy	10.000	10.984	80.749
 PROPERTY TAXES			
General	\$ 80	\$ 80	\$ 499
Debt Service	-	-	3,093
Town Contribution	-	-	249
Budgeted property taxes	\$ 80	\$ 80	\$ 3,841
 BUDGETED PROPERTY TAXES			
General	\$ 80	\$ 80	\$ 499
Debt Service	-	-	3,093
Town Contribution	-	-	249
	\$ 80	\$ 80	\$ 3,841

**HESS RANCH METRO DISTRICT NO. 5
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	80	80	499
Specific ownership taxes	7	7	45
Other revenue	-	-	56
Total revenues	87	87	600
Total funds available	87	87	600
EXPENDITURES			
General and administrative			
County Treasurer's fee	1	2	7
Contingency	-	-	56
Transfers to District No. 6	86	85	537
Operations and maintenance			
Total expenditures	87	87	600
Total expenditures and transfers out requiring appropriation	87	87	600
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**HESS RANCH METRO DISTRICT NO. 5
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes - Capital Pledge	-	-	2,844
Property taxes - Regional Infrastructure	-	-	249
Property taxes - Town Infrastructure	-	-	249
Specific ownership taxes - Capital Pledge	-	-	256
Specific ownership taxes - Regional Infrastructure	-	-	22
Specific ownership taxes - Town Infrastructure	-	-	22
Other Income	-	-	1,357
Total revenues	-	-	5,000
Total funds available	-	-	5,000
EXPENDITURES			
General and administrative			
County Treasurer's fee - Capital Pledge	-	-	43
County Treasurer's fee - Regional Infrastructure	-	-	4
County Treasurer's fee - Town Infrastructure	-	-	4
Transfers to District No. 6	-	-	3,593
Contingency	-	-	1,357
Total expenditures	-	-	5,000
Total expenditures and transfers out requiring appropriation	-	-	5,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**HESS RANCH METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 6, Hess Ranch No. 7, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District' s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided - (continued)

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District is required to impose a maximum Required Mill Levy of 80.749 mills for collection in 2024. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**HESS RANCH METRO DISTRICT NO. 5
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collection.

Transfers to Hess Ranch Metropolitan District No. 6

Pursuant to the Master Intergovernmental Agreement, Hess Ranch Metropolitan District No. 6 will provide certain operation, maintenance and administrative services benefitting the District, Hess Ranch Metropolitan District No. 4, Hess Ranch Metropolitan District No. 6, Hess Ranch Metropolitan District No. 7, and Hess Ranch Metropolitan District No. 8 (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to Hess Ranch Metropolitan District No. 6.

Debt and Leases

The District has no debt and operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Hess Ranch Metropolitan District No. 6, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Hess Ranch Metro District 5
 the Board of Directors
 of the Hess Ranch Metropolitan District No. 5**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$47,570** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$47,570**

Submitted: *Rob Lange* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.487 mills	\$499
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.487 mills	\$499
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	70.262 mills	\$3,342
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	80.749 mills	\$3,841

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

1. Purpose of Contract: Senior and Subordinate Capital Pledge Agreement
 Title: Intergovernmental Agreement with Hess Ranch MD No. 6

Date of Issue:	2020-03-13
Principal Amount:	\$0
Maturity Date:	2049-12-01
Levy:	59.776
Revenue:	\$2,844
2. Purpose of Contract:	Regional Infrastructure
Title:	Infrastructure Capital Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	2019-08-06
Levy:	5.243
Revenue:	\$249
3. Purpose of Contract:	Town Infrastructure
Title:	Town Capital and Maintenance Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	2019-08-06
Levy:	5.243
Revenue:	\$249

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Mon, 08 Jan 2024

**RESOLUTION TO AMEND 2023 BUDGET
HESS RANCH METROPOLITAN DISTRICT NO. 5**

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 5 appropriated funds for the fiscal year 2024 as follows:

Capital Projects Fund	\$0
-----------------------	-----

; and

WHEREAS, the necessity has arisen for additional expenditures or appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2024; and

WHEREAS, the expenditures are a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, the necessity has arisen for additional appropriations and expenditures of funds as reflected by satisfactory evidence presented to and accepted by the Board of Directors at this meeting and set out in the amended budget attached hereto as **Exhibit A**; and

WHEREAS, funds are available for such expenditures from revenue funds available to the District; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget amendment was available for inspection by the public at a designated public office, a public hearing was held on April 17, 2024, and interested electors were given the opportunity to file or register any objections to said proposed budget amendment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Hess Ranch Metropolitan District No. 5 shall and hereby does amend the budget for the fiscal year 2024 as follows:

Capital Projects Fund	\$9,579,223
-----------------------	-------------

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the above-referenced Fund(s) for the purposes stated in **Exhibit A** and, if applicable, that such action of the Board is hereby ratified and approved *nunc pro tunc* as of the date of the actual expenditures.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 17th day of April 2024.

HESS RANCH METROPOLITAN DISTRICT
NO. 5

Don Guerra

By: _____

President

ATTEST: *Robert L. Eck II*

Secretary

EXHIBIT A

**HESS RANCH METRO DISTRICT NO. 5
CAPITAL PROJECTS FUND
2024 AMENDED BUDGET**

	BUDGET 2024	AMENDED 2024
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
Bond Proceeds - Series 2024A-1	-	9,550,000
Bond Premium - Series 2024A-1	-	29,223
Total revenues	-	9,579,223
Total funds available	-	9,579,223
EXPENDITURES		
Bond Issue Costs	-	572,000
Capital outlay	-	9,007,223
Total expenditures	-	9,579,223
Total expenditures and transfers out requiring appropriation	-	9,579,223
ENDING FUND BALANCES	\$ -	\$ -

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2024

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

Attached are the 2024 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 6 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 15, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 6, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: Don Guerra

**RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 6**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAID 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 HESS RANCH METROPOLITAN DISTRICT NO. 6, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 6 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 15, 2023 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 \$8; 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 2023 valuation for assessment for the District as certified by the County Assessor of Arapahoe is \$690; and

WHEREAS, at an election held on November 3, 2015, 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 HESS RANCH METROPOLITAN DISTRICT NO. 6 OF DOUGLAS 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 Hess Ranch Metropolitan District No. 6 for calendar year 2024.

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 2024 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 2024 budget year, there is hereby levied a tax of 10.986 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

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 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 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 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 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 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 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 2023.

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 2023.

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 to the Board of County Commissioners of Douglas 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 Douglas 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 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.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 15th day of November 2023.

HESS RANCH METROPOLITAN
DISTRICT NO. 6

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METRO DISTRICT NO. 6

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**HESS RANCH METRO DISTRICT NO. 6
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 16,239,505	\$ 18,533,796	\$ 11,386,534
REVENUES			
Property taxes	7	7	8
Specific ownership taxes	1	1	1
Interest income	277,877	410,300	636,011
Developer advance	11,382,677	6,600,000	6,600,000
Bond issuance proceeds	17,319,000	-	-
Transfer from District No. 4	790,780	926,883	1,868,946
Transfer from District No. 5	86	85	537
Transfer from District No. 8	-	79	-
Total revenues	<u>29,770,428</u>	<u>7,937,355</u>	<u>9,105,503</u>
TRANSFERS IN	<u>2,501</u>	<u>-</u>	<u>-</u>
Total funds available	<u>46,012,434</u>	<u>26,471,151</u>	<u>20,492,037</u>
EXPENDITURES			
General Fund	97,375	129,961	230,000
Debt Service Fund	1,661,369	1,667,656	1,800,000
Capital Projects Fund	25,717,393	13,287,000	11,700,000
Total expenditures	<u>27,476,137</u>	<u>15,084,617</u>	<u>13,730,000</u>
Total expenditures and transfers out requiring appropriation	<u>27,478,638</u>	<u>15,084,617</u>	<u>13,730,000</u>
ENDING FUND BALANCES	<u>\$ 18,533,796</u>	<u>\$ 11,386,534</u>	<u>\$ 6,762,037</u>
EMERGENCY RESERVE	\$ 3,100	\$ 4,800	\$ 7,300
AVAILABLE FOR OPERATIONS	38,758	65,738	76,488
SURPLUS FUND	7,110,949	6,532,007	6,681,842
TOTAL RESERVE	<u>\$ 7,152,807</u>	<u>\$ 6,602,545</u>	<u>\$ 6,765,630</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METRO DISTRICT NO. 6
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/24/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Agricultural

730

670

690

Certified Assessed Value

\$ 730	\$ 670	\$ 690
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MILL LEVY

General

10.000

10.985

10.986

Total mill levy

10.000	10.985	10.986
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PROPERTY TAXES

Budgeted property taxes

\$ 7	\$ 7	\$ 8
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BUDGETED PROPERTY TAXES

General

\$ 7	\$ 7	\$ 8
------	------	------

\$ 7	\$ 7	\$ 8
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**HESS RANCH METRO DISTRICT NO. 6
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ (3,560)	\$ 41,858	\$ 70,538
REVENUES			
Property taxes	7	7	8
Specific ownership taxes	1	1	1
Interest income	-	300	-
Developer advance	40,000	-	-
Transfer from District No. 4	102,699	158,233	242,704
Transfer from District No. 5	86	85	537
Transfer from District No. 8	-	15	-
Total revenues	142,793	158,641	243,250
Total funds available	139,233	200,499	313,788
EXPENDITURES			
General and administrative			
Accounting	54,124	60,000	62,000
Auditing	5,200	11,500	11,500
Dues and membership	1,402	1,487	2,000
Insurance	16,065	15,052	17,000
Legal	19,674	35,000	40,000
Election	910	1,922	-
Contingency	-	-	57,500
Operations and maintenance			
Utilities	-	5,000	40,000
Total expenditures	97,375	129,961	230,000
Total expenditures and transfers out requiring appropriation	97,375	129,961	230,000
ENDING FUND BALANCES	\$ 41,858	\$ 70,538	\$ 83,788
EMERGENCY RESERVE	\$ 3,100	\$ 4,800	\$ 7,300
AVAILABLE FOR OPERATIONS	38,758	65,738	76,488
TOTAL RESERVE	\$ 41,858	\$ 70,538	\$ 83,788

No assurance provided. See summary of significant assumptions.

**HESS RANCH METRO DISTRICT NO. 6
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 7,955,467	\$ 7,110,949	\$ 6,532,007
REVENUES			
Interest income	126,269	320,000	320,000
Transfer from District No. 4	688,081	768,650	1,626,242
Transfer from District No. 5	-	-	3,593
Transfer from District No. 8	-	64	-
Total revenues	<u>814,350</u>	<u>1,088,714</u>	<u>1,949,835</u>
TRANSFERS IN			
Transfers from other funds	<u>2,501</u>	-	-
Total funds available	<u>8,772,318</u>	<u>8,199,663</u>	<u>8,481,842</u>
EXPENDITURES			
Debt Service			
Paying agent fees	7,500	7,500	7,500
Contingency	-	-	70,892
Bond interest - Series 2020A-1	1,600,000	1,600,000	1,600,000
Bond interest - Series 2022C	2,522	-	-
Town infrastructure payment	51,347	60,156	121,608
Total expenditures	<u>1,661,369</u>	<u>1,667,656</u>	<u>1,800,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,661,369</u>	<u>1,667,656</u>	<u>1,800,000</u>
ENDING FUND BALANCES	<u>\$ 7,110,949</u>	<u>\$ 6,532,007</u>	<u>\$ 6,681,842</u>
SURPLUS FUND	<u>\$ 7,110,949</u>	<u>\$ 6,532,007</u>	<u>\$ 6,681,842</u>
TOTAL RESERVE	<u>\$ 7,110,949</u>	<u>\$ 6,532,007</u>	<u>\$ 6,681,842</u>

HESS RANCH METRO DISTRICT NO. 6
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 8,287,598	\$ 11,380,989	\$ 4,783,989
REVENUES			
Interest income	151,608	90,000	316,011
Developer advance	11,342,677	6,600,000	6,600,000
Bond issuance proceeds	17,319,000	-	-
Total revenues	<u>28,813,285</u>	<u>6,690,000</u>	<u>6,916,011</u>
Total funds available	<u>37,100,883</u>	<u>18,070,989</u>	<u>11,700,000</u>
EXPENDITURES			
Capital Projects			
Accounting	8,877	7,000	7,700
Legal	16,267	10,000	50,000
Repay developer advance	11,342,677	6,600,000	5,034,800
Bond Discount	1,354,173	-	-
Bond issue costs	842,241	-	-
Engineering	7,706	7,500	7,500
Capital outlay	12,145,452	6,662,500	6,600,000
Total expenditures	<u>25,717,393</u>	<u>13,287,000</u>	<u>11,700,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>2,501</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>25,719,894</u>	<u>13,287,000</u>	<u>11,700,000</u>
ENDING FUND BALANCES	<u>\$ 11,380,989</u>	<u>\$ 4,783,989</u>	<u>\$ -</u>

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 7, and Hess Ranch No. 8. The District serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided - (continued)

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District’s Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer’s election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The District is required to impose a maximum Required Mill Levy of 10.986 mills for collection in 2024. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount to pay the principal, premium if any, and interest on the Bonds as the same become due and payable.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

Developer Advances

The District's general and administrative costs in 2023 will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bonds proceeds and other legally available revenue.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

Transfers from Hess Ranch Metropolitan District Nos. 4-5 and 8

Pursuant to the Master Intergovernmental Agreement, the District will provide certain operation, maintenance, and administrative services benefiting the District, Hess Ranch Metropolitan District No. 4, Hess Ranch Metropolitan District No. 5, Hess Ranch Metropolitan District No. 7, and Hess Ranch Metropolitan District No. 8 (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to the District.

Expenditures

Capital Outlay

The District anticipates capital outlay as outlined in the Capital Project Fund.

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

Debt Service

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2020A-1 and Series 2020A-2 Bonds (discussed under Debt and Leases). There is no debt amortization schedule provided for the Series 2020B and 2022C Subordinate Bonds as the Bonds are cash flow bonds and the timing of the payments are unknown.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

Town Infrastructure Payment

Each of the Taxing Districts has entered into a separate intergovernmental agreement with the Town of Parker (collectively, the “Town IGAs”). The Town IGAs provide that the Taxing Districts impose the Town Capital Mill Levy (5.000 mills, subject to adjustment) to be used for the planning, design, and/or maintenance of Town infrastructure. As the operating district, all related revenues are transferred from the other districts and paid to the Town by the District.

Debt and Leases

Series 2020 Bonds

The District issued Limited Tax General Obligation Bonds, Series 2020A-1 (the 2020A-1 Senior Bonds), Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2020A-2 (the 2020A-2 Senior Bonds, and with the 2020A-1 Senior Bonds, the Senior Bonds), and Subordinate Limited Tax

General Obligation Bonds, Series 2020B (the Subordinate Bonds, and together with the Senior Bonds, the Bonds) on March 13, 2020, in the par amounts of \$32,000,000 for the 2020A-1 Senior Bonds, \$30,162,627.60 (value at issuance) and \$44,140,000 (value at conversion date) for the 2020A-2 Senior Bonds, and \$9,367,000 for the Subordinate Bonds.

Proceeds from the sale of the Senior Bonds were used to: (i) finance public improvements related to the development; (ii) fund capitalized interest on the 2020A-1 Senior Bonds; (iii) fund an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds of the Subordinate Bonds were used to finance additional public improvements related to the development.

2020A-1 Senior Bonds Details

The 2020A-1 Senior Bonds bear interest at 5.000% per annum and are payable semiannually on June 1 and December 1, beginning on June 1, 2020. The 2020A-1 Senior Bonds mature on December 1, 2049. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2029.

To the extent principal of any 2020A-1 Senior Bonds is not paid when due, such principal shall remain outstanding until the Senior Bonds Termination Date of December 1, 2059, and shall continue to bear interest at the rate then borne by the 2020A-1 Senior Bonds. To the extent interest on any 2020A-1 Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2020A-1 Senior Bonds. If any amount

of principal or interest due on the 2020A-1 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

2020A-2 Senior Bonds Details

The 2020A-2 Senior Bonds were issued as capital appreciation bonds and automatically convert to current interest bonds on December 1, 2026. Prior to conversion to current interest bonds, the 2020A-2

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

2020A-2 Senior Bonds Details - (continued)

Senior Bonds do not pay current interest and accrete in value at an annual yield equal to 5.750%. The accreted amount compounds semiannually on each interest payment date (June 1 and December 1),

beginning June 1, 2020, to and including December 1, 2026. Such accreted amount, together with the original principal amount of the 2020A-2 Senior Bonds, bears interest at the interest rate borne by the 2020A-2 Senior Bonds upon conversion to current interest bonds.

The accreted principal balance at conversion on December 1, 2026, will be \$44,140,000. Upon conversion to current interest bonds, the 2020A-2 Senior Bonds will bear interest at a rate of 5.750%, payable semiannually on June 1 and December 1, commencing on June 1, 2027. Annual principal payments are due on December 1 of each year beginning December 1, 2029. The 2020A-2 Senior Bonds mature on December 1, 2049.

On and after conversion to current interest bonds, to the extent principal of any 2020A-2 Senior Bonds is not paid when due, such principal shall remain outstanding until the Senior Bonds Termination Date, and shall continue to bear interest at the rate then borne by the 2020A-2 Senior Bonds. To the extent

interest on any 2020A-2 Senior Bonds is not paid when due, such unpaid interest shall compound semiannually on each interest payment date (June 1 and December 1) at the rate borne by the 2020A-2 Senior Bonds. If any amount of principal or interest due on the 2020A-2 Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on the Senior Bonds Termination Date, such unpaid amount will be deemed discharged.

Senior Bonds Optional Redemption

The Senior Bonds are subject to redemption prior to maturity, at the option of the District (or with respect to the redemption of the 2020A-2 Senior Bonds, prior to the 2020A-2 Current Interest Conversion Date), on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed (or, with respect to the redemption of the 2020A-2 Bonds, prior to the 2020A-2 Current Interest Conversion Date, upon payment of the accreted value and a redemption premium equal to a percentage of the accreted value so redeemed), as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and thereafter	0.00

The Taxing Districts

The District was organized simultaneously with Hess Ranch Metropolitan District No. 4 (“District No. 4”), Hess Ranch Metropolitan District No. 5 (“District No. 5”), Hess Ranch Metropolitan District No. 7 (“District No. 7”), and Hess Ranch Metropolitan District No. 8 (“District No. 8”). District No. 6 is the Issuing District. District No. 4, District No. 5, District No. 7, and District No. 8, together with District No.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Taxing Districts - (continued)

6, are referred to herein as the Taxing Districts. District No. 4, District No. 5, District No. 6, and District No. 7 are residential districts and District No. 8 is a commercial district. District No. 4, District No. 5, District No. 7, and District No. 8 are required to transfer proceeds from their debt service mill levies to District No. 6, or to the Trustee in accordance with the Pledge Agreements, to be applied to debt service.

Town Intergovernmental Agreements

Each of the Taxing Districts has entered into a separate intergovernmental agreement with the Town of Parker (collectively, the “Town IGAs”). The Town IGAs provide that the Taxing Districts impose the Infrastructure Capital Mill Levy (5.000 mills, subject to adjustment) and use the proceeds for Regional Infrastructure. The Town IGAs require that the proceeds of the Infrastructure Capital Mill Levy be paid by the Taxing Districts to the Town; however, the Taxing Districts are permitted to retain revenues from the Infrastructure Capital Mill Levy to the extent needed to pay debt service on obligations repayable in whole or in part from such mill levy (which includes the Bonds).

Senior Bonds Pledged Revenue

The Senior Bonds are secured by Senior Pledged Revenue which means: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; (c) all Senior PILOT (payment in lieu of taxes) Revenues; (d) all Capital Fees, if any; and (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

“*Senior Property Tax Revenues*” means all moneys derived from imposition by the Taxing Districts of the Senior Required Mill Levy and the Infrastructure Capital Mill Levy. Senior Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County and do not include specific ownership tax revenues.

“*Senior Specific Ownership Tax Revenues*” means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Senior Required Mill Levy and the Infrastructure Capital Mill Levy.

“*Senior PILOT Revenues*” means all revenues derived from any PILOT relating to the Senior Required Mill Levy and the Infrastructure Capital Mill Levy imposed by any Taxing District.

“*Capital Fees*” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by a Taxing District for services, programs, or facilities furnished by a Taxing District. Capital Fees do not include Excluded Fees or any fee imposed solely for the purpose of funding operation and maintenance expenses. Currently none of the Taxing Districts impose a Capital Fee and none expect to do so.

Senior Required Mill Levy

Pursuant to the Senior Capital Pledge Agreement between the Taxing Districts and the Trustee, the Taxing Districts are required to impose an ad valorem mill levy upon all taxable property of each Taxing District each year in an amount determined by the District which maintains the Relative Required Mill

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Senior Required Mill Levy (continued)

Levy Ratio (defined below) that, when combined with moneys then on deposit in the Senior Bond Fund (and, for the last Mill Levy Certification Date, the Senior Surplus Fund), would generate Senior Property Tax Revenues and Senior PILOT Revenues relating to the Senior Required Mill Levy sufficient, together with the Senior Property Tax Revenues and Senior PILOT Revenues (if any) resulting from or relating to the Infrastructure Capital Mill Levy imposed by all Taxing Districts, to pay debt service on the Senior Bonds and, if necessary, an amount sufficient to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, but (i) not in excess of the applicable Maximum Required Mill Levy, and (ii) until the Maximum Surplus Amount has been accumulated in the Senior Surplus Fund, not less than

the Maximum Required Mill levy for each Taxing District, or such lesser mill levy which will pay debt service on the Senior Bonds when due and fund the Senior Surplus Fund to the Maximum Surplus Amount. The foregoing minimum and maximum mill levies are subject to adjustment to reflect changes in the method of calculating assessed valuation on or after January 1, 2019.

Maximum Required Mill

Maximum Required Mill Levy is defined in the Senior Capital Pledge Agreement as (i) with respect to the District, District No. 4, District No. 5, and District No. 7, 57.000 mills (as adjusted); and (ii) with respect to District No. 8, 30.000 mills. If the method of calculating assessed valuation changes after January 1, 2019, the 57.000 (as adjusted) and 30.000 mill levy maximums will be increased or decreased with respect to each Taxing District separately to reflect such changes, such increases or decreases to be determined by the District in good faith in consultation with the applicable Taxing District (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. Such adjustment may result in different mill levies being imposed by the District, District No. 4, District No. 5, and District No. 7. In accordance with the Service Plans, the maximum mill levies of 57.000 mills (as adjusted) and 30.000 mills shall be reduced by the number of mills necessary to pay unlimited mill levy debt.

Relative Required Mill Levy Ratio

Relative Required Mill Levy Ratio means the relationship of the Senior Required Mill Levies imposed by the Taxing Districts with each other represented by the imposition of 57.000 mills (as adjusted) by the residential districts and 30.000 mills by the commercial district; that is, the ratio of 57.000 : 30.000. As a result of the reduction in the residential assessment ratio for the 2019 mill levy year, the Relative Required Mill Levy Ratio, as adjusted, is anticipated to be 57.398 mills for each of the residential districts and 30.000 mills for the commercial district.

Mill Levy Commencement Year

The Mill Levy Commencement Year for debt service mill levies is: (a) for each Residential Taxing District, *the earlier of* (i) the first calendar year in which, prior to the Mill Levy Certification Date in such year: (A) any portion of the property in such Residential Taxing District (as applicable) is classified by the County Assessor as residential, commercial or vacant land, as reflected in the publicly available

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Mill Levy Commencement Year – (continued)

records of the County Assessor indicating the Final Assessed Valuation of the applicable Taxing District, and (B) a final subdivision plat has been recorded with respect to all or a portion of property in the applicable Taxing District, or (ii) the calendar year ending December 31, 2025; and (b) for District No. 8, the calendar year ending December 31, 2020.

Additional Security for Senior Bonds

The Senior Bonds are further secured by capitalized interest which was funded from proceeds of the 2020A-1 Senior Bonds in the amount of \$4,800,000 and by amounts in the Senior Surplus Fund (if any). Except for an initial deposit of \$5,868,000 from proceeds of the Senior Bonds, the Senior Surplus Fund will be funded from deposits of annual Taxing District Pledged Revenue in excess of that needed to pay annual debt service (if any) up to the Maximum Surplus Amount of \$12,432,526.

Amounts on deposit in the Senior Surplus Fund (if any) on the final maturity date of the Senior Bonds shall be applied to the payment of the Senior Bonds. The availability of such amount is to be taken into account in calculating the Senior Required Mill Levy to be imposed in the levy year prior to the year of the final maturity of the Senior Bonds.

Subordinate Bonds Details

The Subordinate Bonds bear interest at the rate of 8.000% per annum and are payable annually on December 15, beginning December 15, 2020 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15.

If any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on the Subordinate Bonds Termination Date of December 15, 2059, such unpaid amount will be deemed discharged.

Subordinate Bonds Optional Redemption

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and thereafter	0.00

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Subordinate Bonds Pledged Revenue

The Subordinate Bonds are secured by Subordinate Pledged Revenue which means: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; (c) all Subordinate PILOT Revenues; (d) all Subordinate Capital Fee Revenue, if any; (e) all Subordinate Infrastructure Capital Mill Levy Revenues, if any; and (f) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

“Subordinate Property Tax Revenues” means all moneys derived from imposition by the Taxing Districts of the Subordinate Required Mill Levy. Subordinate Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County and do not include specific ownership tax revenues.

“Subordinate Specific Ownership Tax Revenues” means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Subordinate Required Mill Levy.

“Subordinate PILOT Revenues” means all revenues derived from any PILOT relating to the Subordinate Required Mill Levy imposed by any Taxing District.

“Subordinate Capital Fee Revenues” means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations.

“Subordinate Infrastructure Capital Mill Levy Revenues” means the following revenues to the extent remaining after deduction of any amount applied to the payment of any Senior Obligations: (i) all moneys derived from imposition by the Taxing Districts of the Infrastructure Capital Mill Levy (inclusive of specific ownership taxes, but net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County); and (ii) all revenues derived from any PILOT relating to the Infrastructure Capital Mill Levy imposed by any Taxing District.

Subordinate Required Mill Levy

Pursuant to the Subordinate Capital Pledge Agreement, each Taxing District is required to impose an ad valorem mill levy upon all taxable property of the respective Taxing District each year in an amount equal to: (i) the applicable Maximum Required Mill Levy less the then applicable Senior Obligation Mill Levy, or (ii) such lesser amounts determined by the District which maintains the Relative Required Mill Levy Ratio and that will generate Subordinate Property Tax Revenues and Subordinate PILOT Revenues (if any) relating to the Subordinate Required Mill Levy which, together with the Subordinate Infrastructure Capital Mill Levy Revenues (if any) would be sufficient to pay the Subordinate Bonds.

Senior Obligation Mill levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Senior Obligations (excluding the Infrastructure Capital Mill Levy).

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Details of the Junior Bonds

The Junior Bonds bear interest at the rate of 8.25% per annum and are payable annually on December 15, beginning on December 15, 2022, from, and to the extent of, available Junior Pledged Revenue available, if any, pursuant to a mandatory redemption. The Junior Bonds mature on December 15, 2052.

The Junior Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Junior Bonds compounds annually on each December 15. If any amount of principal or interest on the Junior Bonds remains unpaid after the application of all Junior Pledged Revenue available on the Junior Bonds Termination Date of December 15, 2062, such unpaid amount will be deemed discharged.

Payments on the Junior Bonds are to be made annually from any Junior Pledged Revenue after all payments required to be paid on the Senior Bonds, any Parity Bonds under the 2020A Senior Indenture, the Subordinate Bonds, and any Parity Bonds under the 2020B Subordinate Indenture, in such calendar year have been made.

Optional Redemption

The Junior Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2025, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2025, to February 28, 2026	3.00%
March 1, 2026, to February 28, 2027	2.00
March 1, 2027, to February 29, 2028	1.00
March 1, 2028, and thereafter	0.00

Junior Pledged Revenue

The Junior Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Junior Property Tax Revenues; (b) all Junior Specific Ownership Tax Revenues; (c) all Junior PILOT (payment in lieu of taxes) Revenues; (d) all Junior Capital Fee Revenues, if any; (e) all Junior Infrastructure Capital Mill Levy Revenues, if any; and (f) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Bond Fund.

Junior Property Tax Revenues means all moneys derived from imposition by the Taxing Districts of the Junior Required Mill Levy. Junior Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County and do not include specific ownership tax revenues.

Junior Specific Ownership Tax Revenues means the specific ownership taxes remitted to the Taxing Districts as a result of their imposition of the Junior Required Mill Levy.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Junior Pledged Revenue (continued)

Junior PILOT Revenues means all revenues derived from any PILOT relating to the Junior Required Mill Levy imposed by any Taxing District.

Junior Capital Fee Revenues means any revenue from Capital Fees remaining after deduction of any amount applied to the payment of any Senior Obligations and Subordinate Obligations.

Junior Infrastructure Capital Mill Levy Revenues means the following revenues to the extent remaining after deduction of any amount applied to the payment of any Senior Obligations and Subordinate Obligations: (i) all moneys derived from imposition by the Taxing Districts of the Infrastructure Capital Mill Levy (inclusive of specific ownership taxes, but net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County); and (ii) all revenues derived from any PILOT relating to the Infrastructure Capital Mill Levy imposed by any Taxing District.

Junior Required Mill Levy

Pursuant to the Junior Capital Pledge Agreement, each Taxing District has covenanted to impose an ad valorem mill levy upon all taxable property of the respective Taxing District each year in an amount equal to: (i) the applicable Maximum Required Mill Levy less the then applicable Senior Obligation Mill Levy and Subordinate Obligation Mill Levy, or (ii) such lesser amounts determined by the District which maintains the Relative Required Mill Levy Ratio and that will generate Junior Property Tax Revenues and Junior PILOT Revenues (if any) relating to the Junior Required Mill Levy which, together with the Junior Infrastructure Capital Mill Levy Revenues (if any) would be sufficient to pay the Junior Bonds and any other Additional Junior Obligations in full in the year of collection.

Maximum Required Mill Levy means: (i) with respect to the Residential Taxing Districts (District Nos. 4, 5, 6, and 7), 57 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2019); and (ii) with respect to District No. 8, 30 mills. Relative Required Mill Levy Ratio means the relationship of the Senior Required Mill Levies imposed by the Taxing Districts vis a vis each other represented by the imposition of 57 mills (as adjusted) for each of the Residential Taxing Districts and 30 mills for District No. 8.

Senior Obligation Mill Levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Senior Obligations (excluding the Infrastructure Capital Mill Levy). Subordinate Obligation Mill levy means the ad valorem property tax levy required to be imposed by the Taxing Districts for the payment of Subordinate Obligations (excluding the Infrastructure Capital Mill Levy).

Restricted Junior Bond Proceeds

Net proceeds from the sale of the Junior Bonds in the amount of \$13,754,667 were deposited to the Unrestricted Account of the Junior Project Fund and the remaining net proceeds of \$1,365,590 were deposited to the Restricted Account of the Junior Project Fund. The Restricted Account is required to be used to pay costs associated with Regional Infrastructure. The funds in the Restricted Account will be transferred to the Unrestricted Account upon the District's submission to the Trustee of a requisition certifying that the amounts drawn will be used to pay Project Costs associated with Regional Infrastructure.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Junior Bonds Debt Service

The annual debt service requirements of the Junior Bonds are not currently determinable since they are payable only from available Junior Pledged Revenue.

	Balance at December 31, 2021*	Additions*	Payments*	Balance at December 31, 2022*
Developer advance payable	\$ 302,340	\$ 40,000	\$ -	\$ 342,340
Accrued interest on advances	20,835	23,535	-	44,370
	<u>\$ 323,175</u>	<u>\$ 63,535</u>	<u>\$ -</u>	<u>\$ 386,710</u>
	Balance at December 31, 2022*	Additions*	Payments*	Balance at December 31, 2023*
Developer advance payable	\$ 342,340	\$ 36,417	\$ -	\$ 378,757
Accrued interest on advances	44,370	26,549	-	70,919
	<u>\$ 386,710</u>	<u>\$ 62,966</u>	<u>\$ -</u>	<u>\$ 449,676</u>

*Estimated amounts

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR.

Debt Service Reserve

The District is required to maintain a Surplus Fund comprised of funds that exceed the current year Debt Service requirements as outlined in the terms of the Bonds. The Surplus Fund is not to exceed \$12,432,526 and shall be drawn in the event Pledged Revenues are insufficient to cover current Debt Service requirements.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Hess Ranch Metro District 6
 the Board of Directors
 of the Hess Ranch Metropolitan District No. 6**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$690** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$690**

Submitted: *Rob Lange* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.986 mills	\$8
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.986 mills	\$8
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	10.986 mills	\$8

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Sat, 06 Jan 2024

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2024

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

Attached are the 2024 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 7 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 15, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 7, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: Don Guerra

**RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 7**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAID 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 HESS RANCH METROPOLITAN DISTRICT NO. 7, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 7 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 15, 2023 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 2023 valuation for assessment for the District as certified by the County Assessor of Arapahoe is \$0; and

WHEREAS, at an election held on November 3, 2015, 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 HESS RANCH METROPOLITAN DISTRICT NO. 7 OF DOUGLAS 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 Hess Ranch Metropolitan District No. 7 for calendar year 2024.

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 2024 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 2024 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 2023.

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 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 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 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 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 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 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 2023.

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 2023.

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 to the Board of County Commissioners of Douglas 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 Douglas 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 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.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 15th day of November 2023.

HESS RANCH METROPOLITAN
DISTRICT NO. 7

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 7

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**HESS RANCH METRO DISTRICT NO. 7
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**HESS RANCH METRO DISTRICT NO. 7
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/22/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Certified Assessed Value

\$	-	\$	-	\$	-
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MILL LEVY

General

10.000	10.000	10.000
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Total mill levy

10.000	10.000	10.000
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PROPERTY TAXES

General

\$	-	\$	-	\$	-
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Budgeted property taxes

\$	-	\$	-	\$	-
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BUDGETED PROPERTY TAXES

General

\$	-	\$	-	\$	-
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\$	-	\$	-	\$	-
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**HESS RANCH METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 6, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District' s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 7
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided - (continued)

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

The District has no revenue.

Expenditures

The District has no expenditures.

Debt and Leases

The District has no debt and operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. Since District has no expenditures during 2024, an emergency reserve is not reflected in the District's budget.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Hess Ranch Metro District 7
 the Board of Directors
 of the Hess Ranch Metropolitan District No. 7**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$0** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$0**

Submitted: *Rob Lange* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.000 mills	\$0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$0
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	10.000 mills	\$0

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Sat, 06 Jan 2024

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2024

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

Attached are the 2024 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 8 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 15, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Alex Fink
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Donald Guerra, as President of the Hess Ranch Metropolitan District No. 8, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: Don Guerra

RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
HESS RANCH METROPOLITAN DISTRICT NO. 8

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAID 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 HESS RANCH METROPOLITAN DISTRICT NO. 8, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 8 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 15, 2023 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 2023 valuation for assessment for the District as certified by the County Assessor of Arapahoe is \$0; and

WHEREAS, at an election held on November 3, 2015, 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 HESS RANCH METROPOLITAN DISTRICT NO. 8 OF DOUGLAS 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 Hess Ranch Metropolitan District No. 8 for calendar year 2024.

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 2024 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 2024 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 2023.

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 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 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 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 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 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 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 2023.

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 2023.

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 to the Board of County Commissioners of Douglas 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 Douglas 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 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.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 15th day of November 2023.

HESS RANCH METROPOLITAN
DISTRICT NO. 8

Don Guerra

President

ATTEST:

Robert L. Eck II

Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 8

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**HESS RANCH METRO DISTRICT NO. 8
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	15	-
Property taxes - Capital Pledge	-	45	-
Property taxes - Regional Infrastructure	-	8	-
Property taxes - Town Infrastructure	-	8	-
Specific ownership taxes	-	1	-
Specific ownership taxes - Capital Pledge	-	4	-
Specific ownership taxes - Regional Infrastructure	-	1	-
Specific ownership taxes - Town Infrastructure	-	1	-
Other revenue	-	-	-
Total revenues	-	83	-
Total funds available	-	83	-
EXPENDITURES			
General Fund	-	16	-
Debt Service Fund	-	67	-
Total expenditures	-	83	-
Total expenditures and transfers out requiring appropriation	-	83	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**HESS RANCH METRO DISTRICT NO. 8
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Agricultural	\$ -	1,520	-
	-	1,520	-
 MILL LEVY			
General	10.000	10.000	10.000
Debt Service	40.000	40.000	40.000
Total mill levy	50.000	50.000	50.000
 PROPERTY TAXES			
General	\$ -	\$ 15	\$ -
Debt Service	-	61	-
Budgeted property taxes	\$ -	\$ 76	\$ -
 BUDGETED PROPERTY TAXES			
General	\$ -	\$ 15	\$ -
Debt Service	-	61	-
	\$ -	\$ 76	\$ -

**HESS RANCH METRO DISTRICT NO. 8
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	15	-
Specific ownership taxes	-	1	-
Other revenue	-	-	-
Total revenues	-	16	-
Total funds available	-	16	-
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	1	-
Contingency	-	-	-
Transfers to District No. 6	-	15	-
Total expenditures	-	16	-
Total expenditures and transfers out requiring appropriation	-	16	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**HESS RANCH METRO DISTRICT NO. 8
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/22/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes - Capital Pledge	-	45	-
Property taxes - Regional Infrastructure	-	8	-
Property taxes - Town Infrastructure	-	8	-
Specific ownership taxes - Capital Pledge	-	4	-
Specific ownership taxes - Regional Infrastructure	-	1	-
Specific ownership taxes - Town Infrastructure	-	1	-
Other revenue	-	-	-
Total revenues	-	67	-
Total funds available	-	67	-
EXPENDITURES			
General and administrative			
County Treasurer's fee - Capital Pledge	-	1	-
County Treasurer's fee - Regional Infrastructure	-	1	-
County Treasurer's fee - Town Infrastructure	-	1	-
Contingency	-	-	-
Transfers to District No. 6	-	64	-
Total expenditures	-	67	-
Total expenditures and transfers out requiring appropriation	-	67	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**HESS RANCH METROPOLITAN DISTRICT NO. 8
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 6, and Hess Ranch No. 7. The District serves as the commercial district for Hess Ranch Metropolitan Districts 4-7. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

**HESS RANCH METROPOLITAN DISTRICT NO. 8
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided - (continued)

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**HESS RANCH METROPOLITAN DISTRICT NO. 8
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collection.

Transfers to Hess Ranch Metropolitan District No. 6

Pursuant to the Master Intergovernmental Agreement, Hess Ranch Metropolitan District No. 6 will provide certain operation, maintenance and administrative services benefitting the District, Hess Ranch Metropolitan District No. 4, Hess Ranch Metropolitan District No. 5, Hess Ranch Metropolitan District No. 6, and Hess Ranch Metropolitan District No. 7 (collectively, "districts"). The Districts will pay all costs of such services through the imposition of ad valorem property taxes and transferring the net tax revenues to Hess Ranch Metropolitan District No. 6.

Debt and Leases

The District has no debt and operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Hess Ranch Metropolitan District No. 6, which pays for all Districts' operations and maintenance costs, and which provides for the required reserve amount, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
On behalf of the Hess Ranch Metro District 8
the Board of Directors
of the Hess Ranch Metropolitan District No. 8**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$0** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$0**

Submitted: *Rob Lange* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.000 mills	\$0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$0
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	40.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	50.000 mills	\$0

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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

No Bonds Available

CONTRACTS

- Purpose of Contract: Sr and Sub Capital Pledge Agreement
Title: Intergovernmental Agreement w/ Hess Ranch #6

Date of Issue:	2020-03-13
Principal Amount:	\$0
Maturity Date:	2049-12-01
Levy:	30.000
Revenue:	\$0
2. Purpose of Contract:	Regional infrastructure
Title:	Infrastructure Capital Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	
Levy:	5.000
Revenue:	\$0
3. Purpose of Contract:	Town Infrastructure
Title:	Town Capital and Maintenance Mill Levy
Date of Issue:	2019-08-05
Principal Amount:	\$0
Maturity Date:	
Levy:	5.000
Revenue:	\$0

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Sat, 06 Jan 2024

EXHIBIT C

Hess Ranch Metropolitan District Nos. 4, 5, 6, 7, 8

Pursuant to section 32-1-809, Colorado Revised Statutes for Transparency Notices may be filed with Special District Association of Colorado. This information must be provided annually to the eligible electors of the district no later than January 15 of each year.

***Note that some information provided herein may be subject to change after the notice is posted.**

District's Principal Business Office

Company Spencer Fane LLP
Contact Thomas N. George, Esq.
Address 1700 Lincoln Street, Suite 2000, Denver, Colorado 80203
Phone 303-839-3800

District's Physical Location

Counties Douglas

Regular Board Meeting Information

Location District Office or Spencer Fane LLP
Address 4100 East Mississippi Avenue, Suite 500, Denver, Colorado 80246
Day(s) Monthly, 3rd Wednesday
Time 12:00 p.m.

Posting Place for Meeting Notice

Location <https://hessranchmd4-8.colorado.gov/>
Address

Notice of Proposed Action to Fix or Increase Fees, Rates, Tolls, Penalties or Charges for Domestic Water or Sanitary Sewer Services

Location
Address
Date
Notice

Current District Mill Levy

Mills District 4: 77.000 mills; District 5: 10.984 mills; District 6: 10.985 mills; District 7: 10.000 mills; District 8: 50.000 mills

Ad Valorem Tax Revenue

Revenue reported may be incomplete or unaudited as of the date this Notice was posted.

Amount(\$) District 4: \$789,259; District 5: \$80.00; District 6: \$7.00; District 7: \$0.00; District 8: \$0.00 (2022 unaudited)

Date of Next Regular Election

Date 05/02/2023

Pursuant to 24-72-205 C.R.S

The district's research and retrieval fee is **\$33.58 for** per hour

District Policy

The Board has adopted a policy regarding the research and retrieval of the District's public records. To view the policy, contact the person named below.

District contact information for open records request:

Thomas N. George, Esq.

Names of District Board Members

Board President

Name Donald Guerra

Contact Info tgeorge@spencerfane.com

Election **No**, this office will not be on the next regular election ballot

Board Member 2

Name Robert L. Eck, II

Contact Info tgeorge@spencerfane.com

Election **Yes**, this office will be on the next regular election ballot

Board Member 3

Name Bradley Lenz

Contact Info tgeorge@spencerfane.com

Election **No**, this office will not be on the next regular election ballot

Board Member 4

Name Vacant

Contact Info

Election **Yes**, this office will be on the next regular election ballot

Board Member 5

Name Vacant

Contact Info

Election **Yes**, this office will be on the next regular election ballot

Board Member 6**Name** N/A**Contact Info****Election** **No**, this office will not be on the next regular election ballot**Board Member 7****Name** N/A**Contact Info****Election** **No**, this office will not be on the next regular election ballot

Board Candidate Self-Nomination Forms

Any eligible elector of the special district who desires to be a candidate for the office of special district director must file a self-nomination and acceptance form or letter with the designated election official.

Deadline for Self-Nomination Forms

Self-nomination and acceptance forms or letters must be filed not less than 67 days before the date of the regular election.

District Election Results

The district's election results will be posted on the website of the Colorado Secretary of State (www.sos.state.co.us) and the website indicated below, if any.

Website <https://dola.colorado.gov/lgis/> and <https://hessranchmd4-8.colorado.gov/>

Permanent Mail-In Voter Status

Absentee voting and Permanent absentee voter status (formerly Permanent Mail-In voter status): Where to obtain and return forms.

Designated Election Official (see below)

Applications for absentee voting or for permanent absentee voter status are available from and must be returned to the Designated Election Official.

Spencer Fane LLP, c/o Becky Johnson, 1700 Lincoln Street, Suite 200, Denver, Colorado 80203, (303) 839-3885

Notice Completed By

Name Becky Johnson
Company/District Spencer Fane LLP
Title Paralegal
Email bjohnson@spencerfane.com
Dated 01/12/2023

