

2021 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, 2021 to December 1, 2021 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 2021, District No. 6 installed the following public infrastructure:

- Stroh Rd., Spirit Trail Boulevard, Chambers Rd., Jacqueline Blvd., Red Elder St. & Amber Sky Lane improvements (aka Hess Ranch Filing No. 1) are complete and are under a 2-year probationary acceptance with the Town of Parker (street and storm) as of 1/24/22 and Parker Water & Sanitation District 11/30/21.

In 2022 and 2023, it is anticipated that District No. 6 will provide the following maintenance operations:

- stormwater management inspections and maintenance as needed

2. 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 – 2021 Audit Exemptions for District Nos. 4, 5, 7 and 8 the 2021 Audit for District No. 6 isn't available as of the date of this filing.

3. 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 No. 6 for capital expenditures incurred in 2021. 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.

4. 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 and Exhibit B, 2022 Budgets.

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

See attached Exhibit B – 2022 Budgets

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

No residential development occurred in the Districts during 2021.

7. 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 2021.

8. 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 2021.

9. 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:

Donald Guerra, President
1551 Wild Rose Court
Golden, CO 80403
(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
13901 Quail Ridge Drive
Broomfield, CO 80020
Phone: 303-356-0531

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

2021 Regular Meeting Dates: third Wednesday of each month at 12:00 p.m.

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

10. 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.

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

See attached Exhibit C – 2022 Transparency Notice

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

During the report year of 2021, the Districts did not enter into any intergovernmental agreements.

EXHIBIT A

APPLICATION FOR EXEMPTION FROM AUDIT**SHORT FORM**NAME OF GOVERNMENT
ADDRESS**Hess Ranch Metropolitan District No. 4****8390 E Crescent Parkway****Suite 300****Greenwood Village, CO 80111**

CONTACT PERSON

Paul Niedermuller

PHONE

303-779-5710

EMAIL

Paul.Niedermuller@claconnect.com

FAX

303-779-0348For the Year Ended
12/31/21
or fiscal year ended:**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:

Paul Niedermuller

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

3/17/2022**PREPARER** (SIGNATURE REQUIRED)**SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT**Please indicate whether the following financial information is recorded
using Governmental or Proprietary fund types**GOVERNMENTAL**
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**
(CASH OR BUDGETARY BASIS)

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)	\$ 312	
2-2	Specific ownership	\$ 30	
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	\$ 342	

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	\$ 5	
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	Transfers to District No. 6	\$ 337	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 342	

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: N/A - The District has no debt	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: N/A - The District has no debt	<input type="checkbox"/>	<input type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year*	Issued during year		
	Retired during year	Outstanding at year-end		
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

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

Please use this space to provide any explanations or comments:

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):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
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 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 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)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

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?	\$ -

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.? 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
Amended General Fund	\$ 100
Amended Debt Service Fund	\$ 500

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)]?

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.

Yes

No

10-1 Is this application for a newly formed governmental entity?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

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

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

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 *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

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

Bond Redemption mills	67.000
General/Other mills	10.000
Total mills	77.000

Please use this space to provide any explanations or comments:

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 5-8 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. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Matthew Osborn	I Matthew Osborn, 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:  3/22/2022 Date: 3/22/2022 My term Expires: May 2023
Board Member 2	Robert L. Eck, II	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:  3/22/2022 Date: 3/22/2022 My term Expires: May 2022
Board Member 3	Bradley Lenz	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:  3/22/2022 Date: 3/22/2022 My term Expires: May 2022
Board Member 4	Donald Guerra	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:  3/22/2022 Date: 3/22/2022 My term Expires: May 2022
Board Member 5		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: _____
Board Member 6		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: _____
Board Member 7		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: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Hess Ranch Metropolitan District No. 4
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 4 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Hess Ranch Metropolitan District No. 4.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 17, 2022

Certificate Of Completion

Envelope Id: 8A6416E3355F470B997221530978B6BF

Status: Completed

Subject: Please DocuSign: HRMD No. 4 - 2021 Audit Exemption.pdf

Client Name: Hess Ranch Metropolitan District No. 4

Client Number: 011-044913-00

Source Envelope:

Document Pages: 8

Signatures: 4

Envelope Originator:

Certificate Pages: 5

Initials: 0

Lauryn Rodvold

AutoNav: Enabled

220 South 6th Street

Enveloped Stamping: Enabled

Suite 300

Time Zone: (UTC-06:00) Central Time (US & Canada)

Minneapolis, MN 55402

Lauryn.Rodvold@claconnect.com

IP Address: 165.225.10.154

Record Tracking

Status: Original

Holder: Lauryn Rodvold

Location: DocuSign

3/22/2022 3:37:51 PM

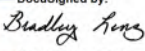
Lauryn.Rodvold@claconnect.com

Signer Events

Bradley Lenz

blenz@landassetstrategies.com

Secretary

Security Level: Email, Account Authentication
(None)**Signature**DocuSigned by:

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Signed: 3/22/2022 3:58:52 PM

Electronic Record and Signature Disclosure:

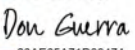
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Don Guerra

don.guerra@landassetstrategies.com

Principal

Security Level: Email, Account Authentication
(None)DocuSigned by:

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Accepted: 3/22/2022 5:16:18 PM

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Matthew P. Osborn

mosborn@resmark.com

Security Level: Email, Account Authentication
(None)DocuSigned by:

4394F9FDAC2B4D0...Signature Adoption: Uploaded Signature Image
Using IP Address: 96.93.223.173

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Electronic Record and Signature Disclosure:

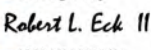
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Robert L. Eck II

bob.eck@landassetstrategies.com

President

Security Level: Email, Account Authentication
(None)DocuSigned by:

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Using IP Address: 71.218.80.255

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Signed: 3/22/2022 3:46:16 PM

Signer Events	Signature	Timestamp
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Electronic Record and Signature Disclosure:
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In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	3/22/2022 3:46:16 PM
Completed	Security Checked	3/22/2022 5:16:37 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

APPLICATION FOR EXEMPTION FROM AUDIT**SHORT FORM**NAME OF GOVERNMENT
ADDRESS

Hess Ranch Metropolitan District No. 5

8390 E Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON

Paul Niedermuller

PHONE

303-779-5710

EMAIL

Paul.Niedermuller@claconnect.com

FAX

303-779-0348

For the Year Ended
12/31/21
or fiscal year ended:**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:

Paul Niedermuller

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

3/17/2022

PREPARER (SIGNATURE REQUIRED)**SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT**

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)



PROPRIETARY
(CASH OR BUDGETARY BASIS)



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)	\$ 79	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 8	
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	
3-1	Administrative	\$ 1	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	Transfers 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: N/A - The District has no debt	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: N/A - The District has no debt	<input type="checkbox"/>	<input type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year*	Issued during year		
	Retired during year	Outstanding at year-end		
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

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

Please use this space to provide any explanations or comments:

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):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
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 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 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)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

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?	\$ -

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.? 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
Amended 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)]?

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.

Yes

No

10-1 Is this application for a newly formed governmental entity?

10-1

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

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

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

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 *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

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

Bond Redemption mills	-
General/Other mills	10.000
Total mills	10.000

Please use this space to provide any explanations or comments:

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, 6-8 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. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Matthew Osborn	I Matthew Osborn, 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>3/22/2022</u> My term Expires: May 2023
Board Member 2	Robert L. Eck, II	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>3/22/2022</u> My term Expires: May 2022
Board Member 3	Bradley Lenz	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>3/22/2022</u> My term Expires: May 2022
Board Member 4	Donald Guerra	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>3/22/2022</u> My term Expires: May 2022
Board Member 5		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: _____
Board Member 6		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: _____
Board Member 7		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: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Hess Ranch Metropolitan District No. 5
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 5 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Hess Ranch Metropolitan District No. 5.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 17, 2022

Certificate Of Completion

Envelope Id: ACFB27034F674151A9DB2CB275AA2CD5

Status: Completed

Subject: Please DocuSign: HRMD No. 5 - 2021 Audit Exemption.pdf

Client Name: Hess Ranch Metropolitan District No. 5

Client Number: 011-045922-00

Source Envelope:

Document Pages: 8

Signatures: 4

Envelope Originator:

Certificate Pages: 5

Initials: 0

Lauryn Rodvold

AutoNav: Enabled

220 South 6th Street

Enveloped Stamping: Enabled

Suite 300

Time Zone: (UTC-06:00) Central Time (US & Canada)

Minneapolis, MN 55402

Lauryn.Rodvold@claconnect.com

IP Address: 165.225.10.154

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3/22/2022 3:34:54 PM

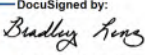
Lauryn.Rodvold@claconnect.com

Signer Events

Bradley Lenz

blenz@landassetstrategies.com

Secretary

Security Level: Email, Account Authentication
(None)**Signature**DocuSigned by:

C45A79770DAB4F9...Signature Adoption: Pre-selected Style
Using IP Address: 187.189.118.5**Timestamp**

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Signed: 3/22/2022 3:57:41 PM

Electronic Record and Signature Disclosure:

Accepted: 3/22/2022 3:57:20 PM

ID: 342600f9-368a-43b6-b3ec-81640efec511

Don Guerra

don.guerra@landassetstrategies.com

Principal

Security Level: Email, Account Authentication
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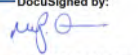
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Accepted: 3/22/2022 5:16:18 PM

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Matthew P. Osborn

mosborn@resmark.com

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(None)DocuSigned by:

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Electronic Record and Signature Disclosure:

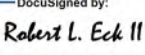
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Robert L. Eck II

bob.eck@landassetstrategies.com

President

Security Level: Email, Account Authentication
(None)DocuSigned by:

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Viewed: 3/22/2022 3:46:33 PM

Signed: 3/22/2022 3:47:05 PM

Signer Events	Signature	Timestamp
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Electronic Record and Signature Disclosure:
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In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	3/22/2022 3:47:05 PM
Completed	Security Checked	3/22/2022 5:17:02 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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Withdrawing your consent

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If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CliftonLarsonAllen LLP:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: BusinessTechnology@CLAconnect.com

To advise CliftonLarsonAllen LLP of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at BusinessTechnology@CLAconnect.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from CliftonLarsonAllen LLP

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with CliftonLarsonAllen LLP

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Hess Ranch Metropolitan District No. 7
8390 E Crescent Parkway
Suite 300
Greenwood Village, CO 80111
Paul Niedermuller
303-779-5710
Paul.Niedermuller@claconnect.com
303-779-0348

**For the Year Ended
12/31/21
or fiscal year ended:**

**CONTACT PERSON
PHONE
EMAIL
FAX**

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
DATE PREPARED**

Paul Niedermuller
Accountant for the District
CliftonLarsonAllen LLP
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
303-779-5710
3/17/2022

PREPARER (SIGNATURE REQUIRED)

See Accountant's Compilation Report

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)	\$ -	
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	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
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		\$ -	
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: N/A - The District has no debt	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: N/A - The District has no debt	<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)				
	Outstanding at end of prior year*	Issued during year		
	Retired during year	Outstanding at year-end		
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

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

Please use this space to provide any explanations or comments:

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 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 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)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

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?	\$ -

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.? 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)]?

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.

Yes

No

10-1 Is this application for a newly formed governmental entity?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

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

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

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 *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

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

Please use this space to provide any explanations or comments:

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 preform 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


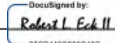

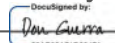
Policy - Requirements

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. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Matthew Osborn	I Matthew Osborn, 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:  3/22/2022 Date: 3/22/2022 My term Expires: May 2023
Board Member 2	Robert L. Eck, II	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:  3/22/2022 Date: 3/22/2022 My term Expires: May 2022
Board Member 3	Bradley Lenz	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:  3/22/2022 Date: 3/22/2022 My term Expires: May 2022
Board Member 4	Donald Guerra	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:  3/22/2022 Date: 3/22/2022 My term Expires: May 2022
Board Member 5		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: _____
Board Member 6		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: _____
Board Member 7		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: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Hess Ranch Metropolitan District No. 7
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 7 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Hess Ranch Metropolitan District No. 7.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 17, 2022

Certificate Of Completion

Envelope Id: 273FFD6802A848CEB674415362B2F2AD

Status: Completed

Subject: Please DocuSign: HRMD No. 7 - 2021 Audit Exemption.pdf

Client Name: Hess Ranch Metropolitan District No. 7

Client Number: 011-045924-00

Source Envelope:

Document Pages: 8

Signatures: 4

Envelope Originator:

Certificate Pages: 5

Initials: 0

Lauryn Rodvold

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220 South 6th Street

Enveloped Stamping: Enabled

Suite 300

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Minneapolis, MN 55402

Lauryn.Rodvold@claconnect.com

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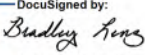
Lauryn.Rodvold@claconnect.com

Signer Events

Bradley Lenz

blenz@landassetstrategies.com

Secretary

Security Level: Email, Account Authentication
(None)**Signature**DocuSigned by:

C45A79770DAB4F9...Signature Adoption: Pre-selected Style
Using IP Address: 187.189.118.5**Timestamp**

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Viewed: 3/22/2022 3:56:25 PM

Signed: 3/22/2022 3:56:40 PM

Electronic Record and Signature Disclosure:

Accepted: 3/22/2022 3:56:25 PM

ID: 39fd5654-2e43-4b57-99aa-cb653b9de602

Don Guerra

don.guerra@landassetstrategies.com

Principal

Security Level: Email, Account Authentication
(None)DocuSigned by:

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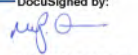
Electronic Record and Signature Disclosure:

Accepted: 3/22/2022 5:16:18 PM

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Matthew P. Osborn

mosborn@resmark.com

Security Level: Email, Account Authentication
(None)DocuSigned by:

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Signed: 3/22/2022 4:21:39 PM

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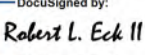
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ID: 2fedda1f-417d-4d91-900a-b7360875d1ed

Robert L. Eck II

bob.eck@landassetstrategies.com

President

Security Level: Email, Account Authentication
(None)DocuSigned by:

85CB443C000C48C...Signature Adoption: Pre-selected Style
Using IP Address: 71.218.80.255

Sent: 3/22/2022 3:34:42 PM

Viewed: 3/22/2022 3:47:26 PM

Signed: 3/22/2022 3:47:58 PM

Signer Events	Signature	Timestamp
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Electronic Record and Signature Disclosure:
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In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/22/2022 3:34:43 PM
Certified Delivered	Security Checked	3/22/2022 3:47:26 PM
Signing Complete	Security Checked	3/22/2022 3:47:58 PM
Completed	Security Checked	3/22/2022 5:18:18 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

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To contact us by email send messages to: BusinessTechnology@CLAconnect.com

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The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

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- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

APPLICATION FOR EXEMPTION FROM AUDIT**SHORT FORM**NAME OF GOVERNMENT
ADDRESS**Hess Ranch Metropolitan District No. 8****8390 E Crescent Parkway****Suite 300****Greenwood Village, CO 80111**

CONTACT PERSON

Paul Niedermuller

PHONE

303-779-5710

EMAIL

Paul.Niedermuller@claconnect.com

FAX

303-779-0348For the Year Ended
12/31/21
or fiscal year ended:**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:

Paul Niedermuller

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

3/17/2022**PREPARER** (SIGNATURE REQUIRED)**See Accountant's Compilation Report**Please indicate whether the following financial information is recorded
using Governmental or Proprietary fund types**GOVERNMENTAL**
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**
(CASH OR BUDGETARY BASIS)

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)	\$ -	
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	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
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		\$ -	
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: N/A - The District has no debt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: N/A - The District has no debt.	<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)				
	Outstanding at end of prior year*	Issued during year		
	Retired during year	Outstanding at year-end		
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

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

Please use this space to provide any explanations or comments:

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 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 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)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

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?	\$ -

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.? 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)]?

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.

Yes

No

10-1 Is this application for a newly formed governmental entity?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

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

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

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 *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

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

Please use this space to provide any explanations or comments:

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 MD NO. 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

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. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Matthew Osborn	I Matthew Osborn, 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>3/22/2022</u> My term Expires: May 2023
Board Member 2	Robert L. Eck, II	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>3/22/2022</u> My term Expires: May 2022
Board Member 3	Bradley Lenz	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>3/22/2022</u> My term Expires: May 2022
Board Member 4	Donald Guerra	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>3/22/2022</u> My term Expires: May 2022
Board Member 5		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: _____
Board Member 6		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: _____
Board Member 7		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: _____



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Hess Ranch Metropolitan District No. 8
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 8 as of and for the year ended December 31, 2021, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Hess Ranch Metropolitan District No. 8.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
March 17, 2022

Certificate Of Completion

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Status: Completed

Subject: Please DocuSign: HRMD No. 8 - 2021 Audit Exemption.pdf

Client Name: Hess Ranch Metropolitan District No. 8

Client Number: 011-045925-00

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Signatures: 4

Envelope Originator:

Certificate Pages: 5

Initials: 0

Lauryn Rodvold

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Minneapolis, MN 55402

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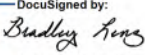
Lauryn.Rodvold@claconnect.com

Signer Events

Bradley Lenz

blenz@landassetstrategies.com

Secretary

Security Level: Email, Account Authentication
(None)**Signature**DocuSigned by:

C45A79770DAB4F9...Signature Adoption: Pre-selected Style
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Signed: 3/22/2022 3:55:46 PM

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Accepted: 3/22/2022 3:55:20 PM

ID: 33287a33-d900-406a-82d5-a65e0b8ac9c9

Don Guerra

don.guerra@landassetstrategies.com

Principal

Security Level: Email, Account Authentication
(None)DocuSigned by:

23AE65A71D6847A...Signature Adoption: Pre-selected Style
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Accepted: 3/22/2022 5:16:18 PM

ID: 72e320df-5cea-4032-b5d6-d738d69fe3b4

Matthew P. Osborn

mosborn@resmark.com

Security Level: Email, Account Authentication
(None)DocuSigned by:

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Using IP Address: 96.93.223.173

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Signed: 3/22/2022 4:20:55 PM

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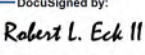
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Robert L. Eck II

bob.eck@landassetstrategies.com

President

Security Level: Email, Account Authentication
(None)DocuSigned by:

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Using IP Address: 71.218.80.255

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Viewed: 3/22/2022 3:48:15 PM

Signed: 3/22/2022 3:48:47 PM

Signer Events	Signature	Timestamp
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Electronic Record and Signature Disclosure:
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In Person Signer Events	Signature	Timestamp
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Editor Delivery Events	Status	Timestamp
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Agent Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	3/22/2022 3:30:31 PM
Certified Delivered	Security Checked	3/22/2022 3:48:15 PM
Signing Complete	Security Checked	3/22/2022 3:48:47 PM
Completed	Security Checked	3/22/2022 5:18:43 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

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If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

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ii. send us an email to BusinessTechnology@CLAconnect.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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EXHIBIT B

RESOLUTION
TO ADOPT 2022 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 2022 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, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

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 October 25, 2021 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 \$102,501.00 and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0.00 and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0.00 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 \$ 686,758.00 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 \$0.00 and

W□EREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0.00□and

W□EREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$10,250,110.00□and

W□EREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article □, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, T□HEREFORE, BE IT RESOLVED B□ T□E BOARD OF DIRECTORS OF T□E □ESS RANC□ METROPOLITAN DISTRICT NO. 4 OF DOUGLAS COUNT□, 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 □ess Ranch Metropolitan District No. 4 for calendar year 2022.

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 2022 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 2022 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 2021.

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 □ 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 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 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 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 budget year, as detailed in the following [Certification of Tax Levies,] there is hereby levied a tax of 67.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 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 2021.

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 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, 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 on or about December 10, 2021 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 17th day of November 2021.

ESS RANC METROPOLITAN
DISTRICT NO. 4

Met.P.O.
[Signature Line]

President

ATTEST:

Robert L. Eck II

[Signature Line]

Secretary

LETTER OF BUDGET TRANSMITTAL

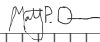
Date: January 11, 2022

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

Attached are the 2022 budget and budget message for LESS 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 17, 2021. If there are any questions on the budget, please contact:

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

I, Matthew Osborn, as President of the Less Ranch Metropolitan District No. 4, hereby certify that the attached is a true and correct copy of the 2022 budget.

By: 

ATTACHMENT C OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 4

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**HESS RANCH METROPOLITAN DISTRICT NO. 4
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	41	102,501
Property taxes - Capital Pledge	-	231	584,257
Property taxes - Regional infrastructure	-	20	51,250
Property taxes - Town infrastructure	-	20	51,250
Specific ownership tax	-	4	8,200
Specific ownership tax - Capital Pledge	-	22	46,741
Specific ownership tax - Regional infrastructure	-	3	4,100
Specific ownership tax - Town infrastructure	-	3	4,100
Other revenue	-	-	12,601
Total revenues	-	344	865,000
Total funds available	-	344	865,000
EXPENDITURES			
General Fund	-	45	115,000
Debt Service Fund	-	299	750,000
Total expenditures	-	344	865,000
Total expenditures and transfers out requiring appropriation	-	344	865,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

HESS RANCH METROPOLITAN DISTRICT NO. 4
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/1/21

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Vacant land	-	4,050	10,250,110
Certified Assessed Value	\$ -	\$ 4,050	\$ 10,250,110

MILL LEVY

General	0.000	10.000	10.000
Debt Service	0.000	67.000	67.000
Total mill levy	0.000	77.000	77.000

PROPERTY TAXES

General	\$ -	\$ 41	\$ 102,501
Debt Service	-	271	686,757
Budgeted property taxes	\$ -	\$ 312	\$ 789,258

BUDGETED PROPERTY TAXES

General	\$ -	\$ 41	\$ 102,501
Debt Service	-	271	686,757
	\$ -	\$ 312	\$ 789,258

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	41	102,501
Specific ownership tax	-	4	8,200
Other revenue	-	-	4,299
Total revenues	<u>-</u>	<u>45</u>	<u>115,000</u>
Total funds available	<u>-</u>	<u>45</u>	<u>115,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	1	1,538
Contingency	-	-	4,299
Transfers to District No. 6	-	44	109,163
Total expenditures	<u>-</u>	<u>45</u>	<u>115,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>45</u>	<u>115,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes - Capital Pledge	-	231	584,257
Property taxes - Regional infrastructure	-	20	51,250
Property taxes - Town infrastructure	-	20	51,250
Specific ownership tax - Capital Pledge	-	22	46,741
Specific ownership tax - Regional infrastructure	-	3	4,100
Specific ownership tax - Town infrastructure	-	3	4,100
Other revenue	-	-	8,302
Total revenues	-	299	750,000
Total funds available	-	299	750,000
EXPENDITURES			
General and administrative			
County Treasurer's fee - Capital Pledge	-	3	8,764
County Treasurer's fee - Regional infrastructure	-	-	769
County Treasurer's fee - Town infrastructure	-	-	769
Contingency	-	-	8,302
Transfers to District No. 6	-	296	731,396
Total expenditures	-	299	750,000
Total expenditures and transfers out requiring appropriation	-	299	750,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
2022 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
2022 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 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.

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 8% 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.

**HESS RANCH METROPOLITAN DISTRICT NO. 4
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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: **\$10,250,110** 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: **\$10,250,110**

Submitted: *Lindsay Ross* for budget/fiscal year 2021

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.000 mills	\$102,501
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$102,501
3. General Obligation Bonds and Interest	0.000 mills	\$0
4. Contractual Obligations	67.000 mills	\$686,758
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:	77.000 mills	\$789,259

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: Public infrastructure
Title: Intergovernmental Agreement

Date of Issue:	2020-03-13
Principal Amount:	\$0
Maturity Date:	2049-12-01
Levy:	57.000
Revenue:	\$584,256
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:	\$51,251
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:	\$51,251

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 08 Dec 2021

RESOLUTION
TO ADOPT 2022 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 2022 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, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

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 October 25, 2021 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 \$80.00 and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0.00 and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0.00 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 \$0.00 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 \$0.00 and

W□EREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0.00□and

W□EREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$7,980.00□and

W□EREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article □, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, T□HEREFORE, BE IT RESOLVED B□ T□E BOARD OF DIRECTORS OF T□E □ESS RANC□ METROPOLITAN DISTRICT NO. 5 OF DOUGLAS COUNT□, 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 □ess Ranch Metropolitan District No. 5 for calendar year 2022.

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 2022 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 2022 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 2021.

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 □ 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 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 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 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 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 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 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 2021.

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 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, 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 on or about December 10, 2021 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 17th day of November 2021.

ESS RANC METROPOLITAN
DISTRICT NO. 5

M. P. G.

President

ATTEST:

Robert L. Eck II

Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 11, 2022

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

Attached are the 2022 budget and budget message for LESS 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 17, 2021. If there are any questions on the budget, please contact:

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

I, Matthew Osborn, as President of the Less Ranch Metropolitan District No. 5, hereby certify that the attached is a true and correct copy of the 2022 budget.

By: 

ATTACHMENT COP OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 5

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**HESS RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	79	80
Specific ownership tax	-	8	6
Other revenue	-	-	14
Total revenues	<u>-</u>	<u>87</u>	<u>100</u>
Total funds available	<u>-</u>	<u>87</u>	<u>100</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	1	1
Contingency	-	-	14
Transfers to District No. 6	-	86	85
Total expenditures	<u>-</u>	<u>87</u>	<u>100</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>87</u>	<u>100</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
----------------	-------------------	----------------

ASSESSED VALUATION

Agricultural	-	7,930	7,980
Certified Assessed Value	\$ -	\$ 7,930	\$ 7,980

MILL LEVY

General	10.069	10.000	10.000
Total mill levy	10.069	10.000	10.000

PROPERTY TAXES

Budgeted property taxes	\$ -	\$ 79	\$ 80
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BUDGETED PROPERTY TAXES

	\$ -	\$ 79	\$ 80
--	------	-------	-------

**HESS RANCH METROPOLITAN DISTRICT NO. 5
2022 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 METROPOLITAN DISTRICT NO. 5
2022 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 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.

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 8% 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.

**HESS RANCH METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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: **\$7,980** 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: **\$7,980**

Submitted: *Lindsay Ross* for budget/fiscal year 2021

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.000 mills	\$80
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$80
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	\$80

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 Wed, 08 Dec 2021

RESOLUTION
TO ADOPT 2022 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 2022 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, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

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 October 25, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$7.00 and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0.00 and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0.00 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 \$0.00 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 \$0.00 and

W□EREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0.00□and

W□EREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$730.00□and

W□EREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article □, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, T□HEREFORE, BE IT RESOLVED B□ T□E BOARD OF DIRECTORS OF T□E □ESS RANC□ METROPOLITAN DISTRICT NO. 6 OF DOUGLAS COUNT□, 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 □ess Ranch Metropolitan District No. 6 for calendar year 2022.

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 2022 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 2022 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 2021.

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 □ 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 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 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 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 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 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 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 2021.

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 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, 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 on or about December 10, 2021 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 17th day of November 2021.

ESS RANC METROPOLITAN
DISTRICT NO. 6



President

ATTEST:



Secretary

LETTER OF BUDGET TRANSMITTAL


Date: January 11, 2022

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

Attached are the 2022 budget and budget message for ESS RANC METROPOLITAN DISTRICT NO. 6 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 17, 2021. If there are any questions on the budget, please contact:

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

I, Matthew Osborn, as President of the ess Ranch Metropolitan District No. 6, hereby certify that the attached is a true and correct copy of the 2022 budget.

By: 

ATTACHMENT C OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METRO DISTRICT NO. 6

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**HESS RANCH METROPOLITAN DISTRICT NO. 6
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ 35,662,329	\$ 18,854,678
REVENUES			
Property taxes	-	7	7
Specific Ownership tax	-	1	1
Interest income	168,189	6,000	13,000
Bond Proceeds - Series 2020A-1	32,000,000	-	-
Bond Proceeds - Series 2020A-2	30,162,628	-	-
Bond Proceeds - Series 2020B	9,367,000	-	-
Bond Proceeds - Series 2022C	-	-	20,166,000
Developer advance	2,672,958	310,000	265,000
Transfers from District No. 4	-	340	840,559
Transfers from District No. 5	-	86	85
Total revenues	<u>74,370,775</u>	<u>316,434</u>	<u>21,284,652</u>
TRANSFERS IN	<u>10,668,000</u>	-	-
Total funds available	<u>85,038,775</u>	<u>35,978,763</u>	<u>40,139,330</u>
EXPENDITURES			
General Fund	181,280	99,262	120,000
Debt Service Fund	1,146,667	1,607,522	1,700,000
Capital Projects Fund	37,380,499	15,417,301	31,318,768
Total expenditures	<u>38,708,446</u>	<u>17,124,085</u>	<u>33,138,768</u>
TRANSFERS OUT	<u>10,668,000</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>49,376,446</u>	<u>17,124,085</u>	<u>33,138,768</u>
ENDING FUND BALANCES	<u>\$ 35,662,329</u>	<u>\$ 18,854,678</u>	<u>\$ 7,000,562</u>
EMERGENCY RESERVE	\$ -	\$ 100	\$ 3,300
SURPLUS FUND	5,905,867	5,902,141	6,541,037
CAPITALIZED INTEREST FUND	3,653,333	2,053,333	453,333
TOTAL RESERVE	<u>\$ 9,559,200</u>	<u>\$ 7,955,574</u>	<u>\$ 6,997,670</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ -	\$ 730	\$ 730
Certified Assessed Value	\$ -	\$ 730	\$ 730
MILL LEVY			
General	10.069	10.000	10.000
Total mill levy	10.069	10.000	10.000
PROPERTY TAXES			
Budgeted property taxes	\$ -	\$ 7	\$ 7
BUDGETED PROPERTY TAXES			
	\$ -	\$ 7	\$ 7

No assurance provided. See summary of significant assumptions.

**HESS RANCH METRO DISTRICT NO. 6
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ (8,940)	\$ 1,936
REVENUES			
Property taxes	-	7	7
Specific ownership tax	-	1	1
Transfers from District No. 4	-	44	109,163
Transfers from District No. 5	-	86	85
Developer advance	172,340	110,000	15,000
Total revenues	<u>172,340</u>	<u>110,138</u>	<u>124,256</u>
Total funds available	<u>172,340</u>	<u>101,198</u>	<u>126,192</u>
EXPENDITURES			
General and administrative			
Accounting	71,470	50,000	55,000
Auditing	-	5,000	5,000
Dues and licenses	1,225	1,248	2,500
Election expense	308	-	2,000
Legal services	99,399	30,000	35,000
Insurance and bonds	8,736	13,014	14,500
Contingency	-	-	6,000
Miscellaneous	142	-	-
Total expenditures	<u>181,280</u>	<u>99,262</u>	<u>120,000</u>
Total expenditures and transfers out requiring appropriation	<u>181,280</u>	<u>99,262</u>	<u>120,000</u>
ENDING FUND BALANCE	<u>\$ (8,940)</u>	<u>\$ 1,936</u>	<u>\$ 6,192</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 3,300</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 3,300</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METRO DISTRICT NO. 6
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 9,559,200	\$ 7,955,474
REVENUES			
Interest income	37,867	3,500	7,500
Transfers from District No. 4	-	296	731,396
Total revenues	<u>37,867</u>	<u>3,796</u>	<u>738,896</u>
TRANSFERS IN			
Transfers from other funds	<u>10,668,000</u>	-	-
Total funds available	<u>10,705,867</u>	<u>9,562,996</u>	<u>8,694,370</u>
EXPENDITURES			
Debt Service			
Bond interest	1,146,667	1,600,000	1,600,000
Paying agent fees	-	7,500	7,500
Contingency	-	-	37,918
Town infrastructure payment	-	22	54,582
Total expenditures	<u>1,146,667</u>	<u>1,607,522</u>	<u>1,700,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,146,667</u>	<u>1,607,522</u>	<u>1,700,000</u>
ENDING FUND BALANCE	<u>\$ 9,559,200</u>	<u>\$ 7,955,474</u>	<u>\$ 6,994,370</u>
SURPLUS FUND	\$ 5,905,867	\$ 5,902,141	\$ 6,541,037
CAPITALIZED INTEREST FUND	3,653,333	2,053,333	453,333
TOTAL RESERVE	<u>\$ 9,559,200</u>	<u>\$ 7,955,474</u>	<u>\$ 6,994,370</u>

No assurance provided. See summary of significant assumptions.

**HESS RANCH METRO DISTRICT NO. 6
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 26,112,069	\$ 10,897,268
REVENUES			
Bond Proceeds - Series 2020A-1	32,000,000	-	-
Bond Proceeds - Series 2020A-2	30,162,628	-	-
Bond Proceeds - Series 2020B	9,367,000	-	-
Bond Proceeds - Series 2022C	-	-	20,166,000
Developer advance	2,500,618	200,000	250,000
Interest income	130,322	2,500	5,500
Total revenues	74,160,568	202,500	20,421,500
Total funds available	74,160,568	26,314,569	31,318,768
EXPENDITURES			
Capital Projects			
Accounting	13,464	5,000	5,000
Bond Issue Costs	1,939,434	-	1,104,980
Capital outlay	32,870,327	15,000,000	29,903,788
Engineering	5,800	2,500	5,000
Legal services	50,856	100,000	50,000
Repay developer advance	2,500,618	309,801	250,000
Total expenditures	37,380,499	15,417,301	31,318,768
TRANSFERS OUT			
Transfers to other fund	10,668,000	-	-
	10,668,000	-	-
Total expenditures and transfers out requiring appropriation	48,048,499	15,417,301	31,318,768
ENDING FUND BALANCE	\$ 26,112,069	\$ 10,897,268	\$ -

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2022 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
2022 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 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.

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 8% of the property taxes collected.

Developer Advances

The District's general and administrative costs in 2022 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 0.10%.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Transfers from Hess Ranch Metropolitan District Nos. 4-5

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.

Bond Issuance

The District anticipates issuing Subordinate Limited Tax General Obligation Bonds, Series 2022C in 2022, for the purposes of financing public infrastructure and the cost of issuance. Budgeted bond proceeds are based on this anticipated issuance, significant terms of the bond issuance will be determined at the time of issuance.

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 2022 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 Subordinate Bonds as the Bonds are cash flow bonds and the timing of the payments are unknown. The District anticipates issuing Subordinate Limited Tax General Obligation Bonds, Series 2022C in 2022. Bonds issuance costs are based on this anticipated issuance, significant terms of the bond issuance will be determined at the time of issuance.

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.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 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.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

2020A-2 Senior Bonds Details (continued)

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. 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.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

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 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

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Senior Required Mill Levy (Continued)

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 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.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

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
2022 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
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

	Balance at December 31, 2020*	Additions*	Payments*	Balance at December 31, 2021*
Developer advance payable	\$ 172,340	\$ 110,000	\$ -	\$ 282,340
Accrued interest on advances	4,431	15,669	-	20,100
	<u>\$ 176,771</u>	<u>\$ 125,669</u>	<u>\$ -</u>	<u>\$ 302,440</u>
	Balance at December 31, 2021*	Additions*	Payments*	Balance at December 31, 2022*
Developer advance payable	\$ 282,340	\$ 15,000	\$ -	\$ 297,340
Accrued interest on advances	20,100	20,830	-	40,930
	<u>\$ 302,440</u>	<u>\$ 35,830</u>	<u>\$ -</u>	<u>\$ 338,270</u>

*Estimated amounts

The District anticipates issuing Subordinate Limited Tax General Obligation Bonds, Series 2022C in 2022, for the purposes of financing public infrastructure and the cost of issuance. Budgeted bond proceeds are based on this anticipated issuance, significant terms of the bond issuance will be determined at the time of issuance.

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 2020, 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.

**HESS RANCH METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$32,000,000
Limited Tax General Obligation
Series 2020A-1
Dated March 13, 2020
Interest Rate at 5.0%
Due June 1 and December 1
Principal Due December 1**

**\$30,162,628 (\$44,140,000 Value at Conversion)
Limited Tax General Obligation and Convertible
Capital Appreciation Bonds
Series 2020A-2
Dated March 13, 2020 (Conversion Date: December 1, 2026)
Interest Rate at 5.75%
Due June 1 and December 1
Principal Due December 1**

	\$32,000,000			\$30,162,628 (\$44,140,000 Value at Conversion)			Grand Totals		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ -	\$ 1,600,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000	\$ 1,600,000
2023	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2024	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2025	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2026	-	1,600,000	1,600,000	-	-	-	-	1,600,000	1,600,000
2027	-	1,600,000	1,600,000	-	2,538,050	2,538,050	-	4,138,050	4,138,050
2028	-	1,600,000	1,600,000	-	2,538,050	2,538,050	-	4,138,050	4,138,050
2029	240,000	1,600,000	1,840,000	180,000	2,538,050	2,718,050	420,000	4,138,050	4,558,050
2030	500,000	1,588,000	2,088,000	555,000	2,527,700	3,082,700	1,055,000	4,115,700	5,170,700
2031	700,000	1,563,000	2,263,000	845,000	2,495,788	3,340,788	1,545,000	4,058,788	5,603,788
2032	880,000	1,528,000	2,408,000	1,105,000	2,447,200	3,552,200	1,985,000	3,975,200	5,960,200
2033	960,000	1,484,000	2,444,000	1,235,000	2,383,663	3,618,663	2,195,000	3,867,663	6,062,663
2034	1,060,000	1,436,000	2,496,000	1,375,000	2,312,650	3,687,650	2,435,000	3,748,650	6,183,650
2035	1,110,000	1,383,000	2,493,000	1,455,000	2,233,588	3,688,588	2,565,000	3,616,588	6,181,588
2036	1,215,000	1,327,500	2,542,500	1,615,000	2,149,925	3,764,925	2,830,000	3,477,425	6,307,425
2037	1,280,000	1,266,750	2,546,750	1,705,000	2,057,063	3,762,063	2,985,000	3,323,813	6,308,813
2038	1,395,000	1,202,750	2,597,750	1,875,000	1,959,025	3,834,025	3,270,000	3,161,775	6,431,775
2039	1,465,000	1,133,000	2,598,000	1,985,000	1,851,213	3,836,213	3,450,000	2,984,213	6,434,213
2040	1,590,000	1,059,750	2,649,750	2,175,000	1,737,075	3,912,075	3,765,000	2,796,825	6,561,825
2041	1,665,000	980,250	2,645,250	2,305,000	1,612,013	3,917,013	3,970,000	2,592,263	6,562,263
2042	1,805,000	897,000	2,702,000	2,510,000	1,479,475	3,989,475	4,315,000	2,376,475	6,691,475
2043	1,895,000	806,750	2,701,750	2,655,000	1,335,150	3,990,150	4,550,000	2,141,900	6,691,900
2044	2,040,000	712,000	2,752,000	2,895,000	1,182,488	4,077,488	4,935,000	1,894,488	6,829,488
2045	2,145,000	610,000	2,755,000	3,055,000	1,016,024	4,071,024	5,200,000	1,626,024	6,826,024
2046	2,305,000	502,750	2,807,750	3,315,000	840,362	4,155,362	5,620,000	1,343,112	6,963,112
2047	2,420,000	387,500	2,807,500	3,505,000	649,749	4,154,749	5,925,000	1,037,249	6,962,249
2048	2,600,000	266,500	2,866,500	3,790,000	448,212	4,238,212	6,390,000	714,712	7,104,712
2049	2,730,000	136,500	2,866,500	4,005,000	230,287	4,235,287	6,735,000	366,787	7,101,787
	<u>\$ 32,000,000</u>	<u>\$ 33,071,000</u>	<u>\$ 65,071,000</u>	<u>\$ 44,140,000</u>	<u>\$ 40,562,800</u>	<u>\$ 84,702,800</u>	<u>\$ 76,140,000</u>	<u>\$ 73,633,800</u>	<u>\$ 149,773,800</u>

No assurance provided. See summary of significant assumptions.

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: **\$730** 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: **\$730**

Submitted: *Lindsay Ross* for budget/fiscal year 2021

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	10.000 mills	\$7
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$7
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	\$7

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 Wed, 08 Dec 2021

RESOLUTION
TO ADOPT 2022 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 2022 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, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

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 October 25, 2021 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 \$0.00 and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0.00 and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0.00 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 \$0.00 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 \$0.00 and

W□EREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0.00□and

W□EREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0.00□and

W□EREAS, at an election held on November 3, 2015 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article □, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, T□HEREFORE, BE IT RESOLVED B□ T□E BOARD OF DIRECTORS OF T□E □ESS RANC□ METROPOLITAN DISTRICT NO. 7 OF DOUGLAS COUNT□, 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 □ess Ranch Metropolitan District No. 7 for calendar year 2022.

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 2022 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 2022 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 2021.

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 □ 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 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 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 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 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 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 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 2021.

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 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, 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 on or about December 10, 2021 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 17th day of November 2021.

ESS RANC METROPOLITAN
DISTRICT NO. 7

M. J. [unclear]
President

ATTEST:

Robert L. Eck II

Secretary

LETTER OF BUDGET TRANSMITTAL

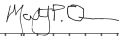
Date: January 10, 2022

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

Attached are the 2022 budget and budget message for ESS RANC METROPOLITAN DISTRICT NO. 7 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 17, 2021. If there are any questions on the budget, please contact:

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

I, Matthew Osborn, as President of the ess Ranch Metropolitan District No. 7, hereby certify that the attached is a true and correct copy of the 2022 budget.

By: 

ATTACHMENT COP OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

HESS RANCH METROPOLITAN DISTRICT NO. 7

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**HESS RANCH METROPOLITAN DISTRICT NO. 7
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
General and administrative			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 7
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
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ASSESSED VALUATION

Certified Assessed Value

\$	-	\$	-	\$	-
----	---	----	---	----	---

MILL LEVY

General

10.069	10.000	10.000
--------	--------	--------

Total mill levy

10.069	10.000	10.000
--------	--------	--------

PROPERTY TAXES

Budgeted property taxes

\$	-	\$	-	\$	-
----	---	----	---	----	---

BUDGETED PROPERTY TAXES

\$	-	\$	-	\$	-
----	---	----	---	----	---

**HESS RANCH METROPOLITAN DISTRICT NO. 7
2022 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
2022 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 2022, 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: *Lindsay Ross* for budget/fiscal year 2022

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 Wed, 08 Dec 2021

RESOLUTION
TO ADOPT 2022 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 2022 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, 2022, AND ENDING ON THE LAST DAY OF DECEMBER, 2022,

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 October 25, 2021 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 \$0.00 and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0.00 and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0.00 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 \$0.00 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 \$0.00 and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0.00 and

WHEREAS, the 2021 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0.00 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 , 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 2022.

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 2022 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 2022 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 2021.

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 of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.00 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2022 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 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2022 budget year, as detailed in the following [Certification of Tax Levies,] there is hereby levied a tax of 40.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2022 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 2021.

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 0.00 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2021.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.


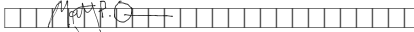
Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2021, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed 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 on or about December 10, 2021 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 17th day of November 2021.

HESS RANCH METROPOLITAN
DISTRICT NO. 8

President

ATTEST:

Robert L. Eck II



Secretary

LETTER OF BUDGET TRANSMITTAL

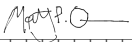
Date: January , 2022

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

Attached are the 2022 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 17, 2021. If there are any questions on the budget, please contact:

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

I, Matthew Osborn, as President of the Hess Ranch Metropolitan District No. 8, hereby certify that the attached is a true and correct copy of the 2022 budget.

By: 

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, 2022

**HESS RANCH METROPOLITAN DISTRICT NO. 8
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
General and administrative			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HESS RANCH METROPOLITAN DISTRICT NO. 8
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/21

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Certified Assessed Value

\$	-	\$	-	\$	-
----	---	----	---	----	---

MILL LEVY

General

10.000

10.000

10.000

Debt Service

0.000

40.000

40.000

Total mill levy

10.000

50.000

50.000

PROPERTY TAXES

Budgeted property taxes

\$	-	\$	-	\$	-
----	---	----	---	----	---

BUDGETED PROPERTY TAXES

General

\$

-

\$

-

\$

-

Debt Service

-

-

-

\$

-

\$

-

\$

-

**HESS RANCH METROPOLITAN DISTRICT NO. 8
2022 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
2022 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

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 2022, 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: *Lindsay Ross* for budget/fiscal year 2022

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 Wed, 08 Dec 2021

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

Address

1700 Lincoln Street, Suite 2000, Denver, Colorado 80203

Phone

303-839-3800

District's Physical Location

Counties

Douglas

Regular Board Meeting Information

Location

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: 10.000 mills; District 6: 10.000 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: \$312.00; District 5: \$79.00; District 6: \$7.00; District 7: \$0.00; District 8: \$0.00 (2021 unaudited)

Date of Next Regular Election

Date

05/03/2022

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

Names of District Board Members

Board President**Name**

Matthew Osborn

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

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

Board Member 4

Name

Donald Guerra

Contact Info

tgeorge@spencerfane.com

Election

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

Board Member 5

Name

Vacant

Contact Info

tgeorge@spencerfane.com

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) 839-3800

Notice Completed By**Name**

Becky Johnson

Company/District

Spencer Fane LLP

Title

Paralegal

Email

bjohnson@spencerfane.com

Dated

01/11/2022