

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

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

Attached are the 2024 budget and budget message for THE RIDGE AT HARMONY ROAD METROPOLITAN DISTRICT NO. 4 in Weld County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 28, 2023. If there are any questions on the budget, please contact:

Seef LeRoux
CliftonLarsonAllen LLP
121 South Tejon Street, Ste. 1100
Colorado Springs, CO 80903
Tel.: 719-635-0330

I, Alan Vancil, as Secretary of The Ridge at Harmony Road Metropolitan District No. 4, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: Alan Vancil

RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
THE RIDGE AT HARMONY ROAD METROPOLITAN DISTRICT NO. 4

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE RIDGE AT HARMONY ROAD METROPOLITAN DISTRICT NO. 4, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of The Ridge at Harmony Road Metropolitan District No. 4 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 28, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$7.38; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$22.14; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of Weld County is \$710; and

WHEREAS, at an election held on November 5, 2019, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RIDGE AT HARMONY ROAD METROPOLITAN DISTRICT NO. 4 OF WELD COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of The Ridge at Harmony Road Metropolitan District No. 4 for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 10.395 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the

following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 31.185 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

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

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify to the Board of County Commissioners of Weld County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Weld County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor 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.

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ADOPTED this 28th day of November, 2023.

THE RIDGE AT HARMONY ROAD
METROPOLITAN DISTRICT NO. 4

Jeff Mark

President

ATTEST:

Alan Vancil

Secretary

The Ridge at Harmony Road Metropolitan District No. 4			
General Fund Budget			
Actual Year Ended 12/31/2023, Budget 2024			
Modified Accrual Basis	2022	2023	2024
	Actual YTD 12/31/22	12/31/23 Estimate	Proposed Budget
BEGINNING FUND BALANCE	\$ 10,242	\$ 96,437	\$ 115,853
REVENUES			
Property Tax	50	51	8
Specific Ownership Tax	3	3	-
District Operations Fees - \$150 per home	122,728	145,200	145,200
Late fee on District Operations Fee	2,115	3,150	-
Interest on late District Operations Fee	1,167	270	-
Homeowner Fines	3,676	850	-
Interest on bank account		16	-
Intergovernmental revenue from District 1	71,131	101,582	152,449
Intergovernmental revenue from District 2	155,029	152,223	206,157
Intergovernmental revenue from District 3	86,209	89,388	120,050
Homeowner setup fee	38,881	14,108	15,000
Homeowner design review fee	6,736	1,800	2,000
Greeley Land Easement	-	183,232	-
Contingency	19	-	1,000
Total Revenues	487,744	691,873	641,864
EXPENDITURES			
General Management			
Accounting	8,136	12,000	12,000
Legal	11,955	14,000	14,000
County Collection Fee - 1.5% of Property Tax	1	1	-
District Management	70,238	83,500	87,900
Insurance	12,993	13,880	14,500
Dues & Subscriptions	1,590	1,778	2,000
Homeowner setup fee	37,700	14,108	15,000
Homeowner design review fee	6,600	1,800	2,000
Total General Management	149,213	141,067	147,400
Maintenance			
Landscape maintenance Contract	118,000	126,260	131,612
Capital Improvements	16,697	270,000	100,000
Landscape sprinkler repair	13,196	26,000	26,000
Dog waste station maintenance	2,200	4,000	4,000
Landscape Repair	-	2,130	100,000
Landscape Water	80,908	60,000	80,000
Street Lights & irrigation electric	11,423	10,000	10,000
Snow Removal	14,477	33,000	33,000
Contingency	(4,565)	-	5,000
Total Maintenance	252,336	531,390	489,612
Total Expenses	401,549	672,457	637,012
Excess of Revenues over Expenditures	86,195	19,416	4,852
ENDING FUND BALANCE	\$ 96,437	\$ 115,853	\$ 120,705
Emergency Reserve - 3% of Revenues	\$ 14,600	\$ 20,800	\$ 19,300
Unrestricted Fund Balance (Deficit)	\$ 81,837	\$ 95,053	\$ 101,405

The Ridge at Harmony Road Metropolitan District No. 4			
Debt Fund			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	Actual YTD 12/31/22	12/31/23 Estimate	Proposed Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Tax	144	153	22
Specific Ownership Tax	8	4	1
Contingency Income	-	-	100
Total Revenues	152	157	123
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	2	2	-
Intergovernmental Expense - District 3 Debt Fund	150	155	23
Contingency Expense	-	-	100
Total Expenses	152	157	123
Excess of Revenues over Expenditures	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

The Ridge at Harmony Road Metro Districts 1-4					
Property Taxes					
2023 Valuations for 2024 Taxes					
	Combined	1504 District No. 1	1505 District No. 2	1506 District No. 3	1673 District No. 4
Vacant Residential Land - Market Value	1,288,624	1,059,257	15,915	198,113	15,339
Percentage	29%	29%	29%	29%	29%
Assessed Value	373,720	307,200	4,620	57,450	4,450
Residential Land & Improvements - Market Value	404,031,809	117,153,234	181,802,234	105,076,341	-
Percentage	6.95%	6.95%	6.95%	6.95%	7.20%
Assessed Value	28,077,080	8,141,210	12,633,900	7,301,970	-
Commercial	50,356	37,111	12,018	1,227	-
Percentage	29%	29%	29%	29%	-
Assessed Value	14,600	10,760	3,480	360	-
Agricultural Land & Buildings Market Value	1	-	-	1	-
Percentage	29%	29%	29%	29%	29%
Assessed Value	10	-	-	10	-
Severed Mineral Interests	-	-	-	-	-
Percentage	29%	-	-	29%	29%
Assessed Value	-	-	-	-	-
Public Utility state value	2,207,108	564,721	1,021,075	621,312	-
Percentage	29%	29%	29%	29%	-
Assessed Value	640,060	163,770	296,110	180,180	-
Total Assessed Value	29,105,470	11,320,650	15,277,370	8,858,950	710
Mill Levy - General Operating & Debt Service	45.812	52.044	52.154	52.372	41.580
Property Tax to be paid	\$ 1,849,939	\$ 589,172	\$ 796,776	\$ 463,961	\$ 30
Property Tax based on Mill Levy					
Capital - Debt	\$ 1,387,462	\$ 441,879	\$ 597,590	\$ 347,971	\$ 22
Operations & Maintenance	\$ 462,477	\$ 147,293	\$ 199,186	\$ 115,990	\$ 8
Total	\$ 1,849,939	\$ 589,172	\$ 796,776	\$ 463,961	\$ 30
Mill Levy Charged					
Capital - Debt		39.033	39.116	39.279	31.185
Operations & Maintenance		13.011	13.038	13.093	10.395
Total		52.044	52.154	52.372	41.580

THE RIDGE AT HARMONY ROAD METROPOLITAN DISTRICT NO. 4
WELD COUNTY, CO
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

The Ridge at Harmony Road Metropolitan District No. 4 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act and was formed in February 2015. The District was established as part of a “Multiple District Structure” for The Ridge at Harmony Road community located in the Town of Windsor, Weld County, Colorado and is generally described as a Tract of land located in Section 31, Township 7 North, Range 67 West of the 6th P.M., and consists of approximately 5.1 acres. In 2020, an Amended and Restated Master Intergovernmental Agreement was approved by the Board designating District 1, 2 and 3 as “Financing Districts” and District No. 4 as the “Operating District”. Along with its companion Districts No. 1 (“Service District”) and No. 2 and No. 3 (“Financing Districts”) this District was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for a non-potable water system, streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

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

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

GENERAL FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by Weld County. Mill levies are budgeted for Operations and Maintenance at 10.395 mills.
2. Specific ownership taxes are budgeted at 5% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.
3. Intergovernmental revenue is budgeted for General Fund tax revenue from the Ridge at Harmony Road Metropolitan Districts #1, #2 and #3 are transferred to District #4. The related property tax revenue and an allocation of specific ownership tax are included in this budgeted revenue.
4. A District Operations and Maintenance fee of \$150 per home is budgeted for 2024 to supplement the mill levy revenue.
5. Fees are charged by District #4 to setup homeowners for billing and communications, to provide status letters for home closings and for design review.

**THE RIDGE AT HARMONY ROAD METROPOLITAN DISTRICT NO. 4
WELD COUNTY, CO
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

GENERAL FUND – (continued)

EXPENDITURES

1. County property tax collection fee based on 1.5% of the property tax received.
2. Expenditures include the operating and maintenance costs for Districts #1 - #4 since all of the net operating tax revenues of District #1 - #3 are transferred to District #4 as intergovernmental revenue.
3. Accounting fees include the monthly accounting for the District and the costs of the accounting firm to prepare periodic and annual financial statements, and to record mill levy certifications and budgets with regulatory authorities.
4. Audit is the cost to perform the annual audit of the District.
5. Legal fees are estimated based on the annual requirements of the District.
6. District Management costs are based on the fees required to manage the District.
7. Insurance is the estimated charges for the District through the Special District Insurance Pool.
8. The District Manager is paid the fees for Homeowner Setup, status letters and design review.
9. Landscape and Drainage maintenance is budgeted to maintain the common areas and drainage basins of the District as well as to water the grass.
10. Electric is for streetlights and the water pump

CAPITAL FUND

REVENUES & EXPENDITURES

1. No revenue or expenses are budgeted for the Capital Project Fund in 2024.

DEBT SERVICE FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by Weld County. Mill levies are budgeted for Debt Service at 31.185 mills.
2. Specific ownership taxes are budgeted at 5% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.
3. Contingency income is budgeted for \$100 to cover any additional revenue of the District.

EXPENDITURES

1. The County property tax collection fee is based on 1.5% of the property tax received.
2. Net Debt Service tax revenues are paid as Intergovernmental Expenses to District #3.

**THE RIDGE AT HARMONY ROAD METROPOLITAN DISTRICT NO. 4
WELD COUNTY, CO
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

DEBT SERVICE FUND – (continued)

EXPENDITURES – (continued)

3. Contingency expense is budgeted for \$100 to cover any additional expense of the District.

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year revenues.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.
2. There are no operating or capital lease obligations of the District.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of WELD COUNTY, Colorado.

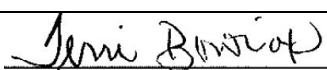
On behalf of the RIDGE AT HARMONY ROAD METRO 4,
(taxing entity)^A
 the Board of Directors,
(governing body)^B
 of the RIDGE AT HARMONY ROAD METRO 4,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 710.00 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be 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: \$ 710.00 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/07/2024 for budget/fiscal year 2024.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.395</u> mills	\$ <u>7.38</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < 0 >
SUBTOTAL FOR GENERAL OPERATING:	<u>10.395</u> mills	\$ <u>7.38</u>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ 0
4. Contractual Obligations ^K	<u>31.185</u> mills	\$ 22.14
5. Capital Expenditures ^L	_____ mills	\$ 0
6. Refunds/Abatements ^M	_____ mills	\$ 0
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	<u>41.580</u> mills	\$ <u>29.52</u>

Contact person: (print) Terri Boroviak Daytime phone: 303-439-6030
 Signed:  Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

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

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: Contractual Obligation to The Ridge at Harmony Road Metropolitan District No. 3
 Title: Capital Pledge Agreement
 Date: 04/20/2020
 Principal Amount: \$ 19,500,000
 Maturity Date: 12/15/2020
 Levy: 31.185
 Revenue: \$ 22

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

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