

BUDGET RESOLUTION

(2023)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

At the special meeting of the Board of Directors of the 4-Way Ranch Metropolitan District No. 1, County of El Paso, Colorado, held at 5:30 PM on November 10, 2022, via teleconference/zoom <https://us06web.zoom.us/j/87620305411?pwd=RU1qNXR4SjBpRVh3bThXVFVpenE0Zz09>
Meeting ID: 876 2030 5411 Passcode: 489736 or by Dial in: +1 720 707 2699 US

there were present:

- Mark Belles, President
- Barry Bortner, Director
- David Learn, Director
- Gaye Belles, Director

Absent was Director Campbell, whose absence was excused.

Also present were;

- Sue Blair, Community Resource Services of Colorado, LLC.
- Dawn Schilling, CPA, Schilling and Company, Inc.
- Brian Matise, Esq, Burg Simpson Eldredge Hersh & Jardine, P.C.
- Paul Rufien, Esq, Rufien Law

The District Manager reported that, prior to the meeting, each of the directors were notified of the date, time and place of this meeting and the purpose for which it was called. The District Manager further reported that this is a special meeting of the Board of Directors of the District and that a notice of the meeting was posted in accordance with statute.

Thereupon, Director M. Belles introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE 4-WAY RANCH METROPOLITAN DISTRICT NO. 1, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors (the "Board") of the 4-Way Ranch Metropolitan District No. 1 (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on Thursday, November 1, 2022, in the Gazette, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 5:30 PM on Thursday, November 10, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE 4-WAY RANCH METROPOLITAN DISTRICT NO. 1, EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$_____, and that the 2023 valuation for assessment, as certified by the Elbert County Assessor, is \$ _____. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. 2023 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$_____ and that the 2023 valuation for assessment, as certified by the Arapahoe County Assessor, is \$_____. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2022.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Jefferson County Board of County Commissioners, no later than December 15, 2022, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6. 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.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Bortner.

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 10, 2022.

4-WAY RANCH METROPOLITAN DISTRICT NO. 1

By: DocuSigned by:
Mark Belles
80883A65E8054B9

Mark Belles, President

ATTEST:
DocuSigned by:
Barry Bortner
73EFC8704C114D3

Barry Bortner, Secretary

STATE OF COLORADO
COUNTY OF EL PASO
4-WAY RANCH METROPOLITAN DISTRICT NO. 1

I, Barry Bortner, hereby certify that I am a director and the duly elected and qualified Secretary of 4-WAY RANCH METROPOLITAN DISTRICT NO. 1 (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 5:30 PM on Thursday, November 10, 2022, via teleconference/zoom

<https://us06web.zoom.us/j/87620305411?pwd=RU1qNXR4SjBpRVh3bThXVFVpenE0Zz09>
Meeting ID: 876 2030 5411 Passcode: 489736 Telephone: 1 720 707 2699

as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

Subscribed and sworn to this 10th day of November 2022.

DocuSigned by:

Barry Bortner
72EECE704C11402

Barry Bortner, Secretary

EXHIBIT A
2023 BUDGET DOCUMENT & BUDGET MESSAGE FOR
4-WAY RANCH METROPOLITAN DISTRICT NO. 1

**4-WAY RANCH METROPOLITIAN DISTRICT NO. 1
2023 BUDGET**

SUMMARY OF SIGNIFICANT ASSUMPTIONS



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

Accountant's Compilation Report

Board of Directors
4-Way Ranch Metropolitan District No. 1
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of 4-Way Ranch Metropolitan District No. 1 (District), for the year ending December 31, 2023, including the estimate of comparative information for the year ending December 31, 2022, and the actual comparative information for the year ending December 31, 2021, in the format required by Colorado Revised Statutes 29-1-105. 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 budget 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 accompanying budget.

The actual comparative information for the year ending December 31, 2021 is presented for comparative purposes as required by Colorado Revised Statutes 29-1-105. Such information is taken from the audited financial statements of the District for the year ended December 31, 2021. Logan and Associates, L.L.C. audited the financial statements for the year ended December 31, 2021, whose report was dated September 30, 2022.

The budget is presented in accordance with the requirements of Colorado Revised Statutes 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to 4-Way Ranch Metropolitan District No. 1.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
November 30, 2022

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET AS ADOPTED
WITH 2021 ACTUAL AND 2022 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2021</u>	<u>ADOPTED 2022</u>	<u>ADOPTED 2023</u>
Assessed Valuation			
El Paso County	<u>\$ 2,056,280</u>	<u>\$ 2,192,400</u>	<u>\$ 1,995,290</u>
Total Assessed Valuation	<u><u>\$ 2,056,280</u></u>	<u><u>\$ 2,192,400</u></u>	<u><u>\$ 1,995,290</u></u>
 Mill Levy			
General Fund	10.809	10.812	11.181
Abatements and refunds	<u>0.000</u>	<u>1.830</u>	<u>0.000</u>
	<u>10.809</u>	<u>12.642</u>	<u>11.181</u>
 Debt Service Fund	<u>38.026</u>	<u>37.843</u>	<u>39.134</u>
Total	<u><u>48.835</u></u>	<u><u>50.485</u></u>	<u><u>50.315</u></u>
 Tax Revenue Levied			
General Fund	\$ 22,226	\$ 23,704	\$ 22,309
Debt Service Fund	<u>78,192</u>	<u>82,978</u>	<u>78,084</u>
Total Tax Revenue Levied	<u><u>\$ 100,418</u></u>	<u><u>\$ 106,682</u></u>	<u><u>\$ 100,393</u></u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET AS ADOPTED
WITH 2021 ACTUAL AND 2022 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2021</u>	<u>ESTIMATED 2022</u>	<u>ADOPTED BUDGET 2023</u>
Beginning Funds Available	<u>\$ (19,312)</u>	<u>\$ (14,496)</u>	<u>\$ (39,453)</u>
Revenue			
Property Taxes	21,848	24,328	22,309
Specific Ownership Taxes	2,610	2,560	2,231
Interest Income	(59)	239	-
Other revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>24,399</u>	<u>27,127</u>	<u>24,540</u>
Total Funds Available	<u>5,087</u>	<u>12,631</u>	<u>(14,913)</u>
Expenditures			
Management fees	1,080	4,404	8,000
Legal - general counsel	6,656	2,000	2,000
Legal - litigation	-	31,449	-
Accounting	4,302	3,665	4,500
Audit	4,400	4,400	4,700
Election	-	1,933	2,000
Insurance	2,731	2,772	3,000
Treasurer fees	336	368	335
Other expenses	78	93	-
Contingency	<u>-</u>	<u>1,000</u>	<u>-</u>
Total Expenditures requiring appropriation	<u>19,583</u>	<u>52,084</u>	<u>24,535</u>
Ending Funds Available	<u>\$ (14,496)</u>	<u>\$ (39,453)</u>	<u>\$ (39,448)</u>
Emergency Reserve Requirement	<u>\$ 740</u>	<u>\$ 820</u>	<u>\$ 740</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET AS ADOPTED
WITH 2021 ACTUAL AND 2022 ESTIMATED
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>ACTUAL 2021</u>	<u>ESTIMATED 2022</u>	<u>ADOPTED BUDGET 2023</u>
Beginning Funds Available	\$ 55,862	\$ 93,700	\$ 137,973
Revenues			
Property Tax	76,461	85,138	78,084
Specific Ownership taxes	9,135	8,956	7,808
Facility fees	3,016	-	-
System development fees	-	-	-
Reimbursement	10,805	-	-
Net investment income	(198)	1,065	500
Total Revenue	<u>99,219</u>	<u>95,159</u>	<u>86,392</u>
Total Funds Available	<u>155,081</u>	<u>188,859</u>	<u>224,365</u>
Expenditures			
Bond interest expense - 2011A	38,400	37,600	36,800
Bond interest expense - 2011B	10,805	-	-
Bond principal	10,000	10,000	10,000
Paying agent fees	1,000	2,000	2,000
Treasurer fees	1,176	1,286	1,171
Total Expenditures requiring appropriation	<u>61,381</u>	<u>50,886</u>	<u>49,971</u>
Ending Funds Available	<u>\$ 93,700</u>	<u>\$ 137,973</u>	<u>\$ 174,394</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS
AND SERVICES PROVIDED**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2023 annual budget. Actual results may differ from the prospective results contained in the budget.

4-Way Ranch Metropolitan District No. 1 (District), a quasi-municipal corporation was organized in 2005 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado. The District was established to develop and provide financing, construction, acquisition and installation of street improvements, water and sanitation infrastructure and other improvements within the boundaries of the District. The District's primary revenue is property taxes. The District is governed by an elected Board of Directors.

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

The District prepares its budget on the modified accrual basis of accounting.

REVENUE

Property Tax

A significant source of revenue is property taxes. Property taxes are budgeted based on the mill levy adopted applied to the annual assessed valuation. The calculation of the taxes levied is displayed on page 2.

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 consistent with amounts collected during 2022 by the General Fund and Debt Service Fund.

EXPENDITURES

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, and other administrative expenses.

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS
AND SERVICES PROVIDED**

Debt Service

The debt service payments for the District are provided based upon the debt amortization schedule for \$470,000 Limited Tax General Obligation Bonds, Series 2011A (2011A Bonds). The District's debt amortization schedules are on page 7. The Debt Service Fund levies taxes for the debt service payments on the 2011A Bonds.

The District has no outstanding operating or capital leases.

RESTRICTIONS

The District has provided for an emergency reserve equal to 3% of fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.

**4-WAY RANCH METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE TO MATURITY**

<u>For the Year Ending December 31,</u>	<u>LIMITED TAX GENERAL OBLIGATION BONDS SERIES 2011A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	\$ 10,000	\$ 36,800	\$ 46,800
2024	15,000	36,000	51,000
2025	15,000	34,800	49,800
2026	15,000	33,600	48,600
2027	15,000	32,400	47,400
2028	20,000	31,200	51,200
2029	20,000	29,600	49,600
2030	20,000	28,000	48,000
2031	25,000	26,400	51,400
2032	25,000	24,400	49,400
2033	25,000	22,400	47,400
2034	30,000	20,400	50,400
2035	30,000	18,000	48,000
2036	35,000	15,600	50,600
2037	35,000	12,800	47,800
2038	40,000	10,000	50,000
2039	40,000	6,800	46,800
2040	45,000	3,600	48,600
	<u>\$ 460,000</u>	<u>\$ 422,800</u>	<u>\$ 882,800</u>

This information is an integral part of the accompanying budget.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the 4-Way Ranch Metropolitan District No. 1
(taxing entity)^A
 the Board of Directors
(governing body)^B
 of the 4-Way Ranch Metropolitan District No. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,995,290
 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: \$ 1,995,290
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/13/2022 for budget/fiscal year 2023
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY²	REVENUE²
1. General Operating Expenses ^H	<u>11.181</u> mills	\$ <u>22,309</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.181 mills	\$ 22,309
3. General Obligation Bonds and Interest ^J	<u>39.134</u> mills	\$ <u>78,084</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	50.315 mills	\$ 100,393

Contact person: Dawn A. Schilling Daytime phone: (720) 348-1086
 (print)
 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:	<u>\$530,000 General Obligation Bonds</u>
	Series:	<u>Series 2011A</u>
	Date of Issue:	<u>October 5, 2011</u>
	Coupon Rate:	<u>8.000%</u>
	Maturity Date:	<u>December 1, 2040</u>
	Levy:	<u>39.134 mills</u>
	Revenue:	<u>\$78,084</u>
2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^K:

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

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