

# HANCE RANCH METROPOLITAN DISTRICT

## 2024 ANNUAL REPORT TO CITY OF WHEAT RIDGE, COLORADO

Pursuant to §32-1-207(3)(c) Hance Ranch Metropolitan District (the “**District**”), the District is required to provide an annual report to the City Clerk’s Office with regard to the following matters:

For the year ending December 31, 2024, the District makes the following report:

### §32-1-207(3) Statutory Requirements

#### **1. Boundary changes made**

There were no boundary changes made or proposed to the District’s boundaries during 2024.

#### **2. Intergovernmental Agreements entered into or terminated with other governmental entities.**

The District did not enter into or terminate any intergovernmental agreements in 2024.

#### **3. Access information to obtain a copy of rules and regulations adopted by the board.**

The District’s rules and regulations can be found at: <https://hanceranchmetrodistrict.com/>

#### **4. A summary of litigation involving public improvements owned by the District.**

To our actual knowledge, based on review of the court records in Jefferson County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2024.

#### **5. The status of the construction of public improvements by the District.**

The District did not construct any public improvements in 2024. All public improvements to serve the property within the District’s boundaries are being constructed by Hance Ranch Station, LLC.

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

No facilities or improvements were constructed by the District that were conveyed or dedicated to the City of Wheat Ridge as of December 31, 2024. All facilities and

improvements to serve the property within the District's boundaries are being constructed by Hance Ranch Station, LLC.

**7. The final assessed valuation of the District as of December 31<sup>st</sup> of the reporting year.**

The final assessed valuation of the District as of December 31, 2024 is attached hereto as **Exhibit A**.

**8. A copy of the current year's budget.**

A copy of the 2025 Budget is attached hereto as **Exhibit C**.

**9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The 2024 Audit is attached hereto as **Exhibit D**.

**10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.**

To our actual knowledge, there are no uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

**11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

To our actual knowledge, the District has been able to pay its obligations as they come due.

**Service Plan Requirements**

Pursuant to the Service Plan for Hance Ranch Metropolitan District (the "**District**"), the District is required to provide an annual report to the City of Wheat Ridge, Colorado (the "**City**") with regard to the matters below.

To the best of our actual knowledge, for the year ending December 31, 2024, the District makes the following report:

**1. A narrative summary of the progress of the District in implementing their service plan for the Report Year:**

On August 26, 2019 the City approved the District's Service Plan. The District, in conjunction with the Developer, continues to implement the development schedule as contemplated in the Service Plan.

**2. Except when an exemption from audit has been granted for the Report Year under the Local Government Audit Law, the audited financial statements of the District 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:**

The 2024 Audit is attached hereto as **Exhibit D**.

- 3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the Report Year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the Report Year:**

During 2024, no capital expenditures were incurred by the District in development of public facilities. All public facilities to serve the property within the District's boundaries are being constructed by Hance Ranch Station, LLC.

There are no capital improvement projects anticipated from 2024 to 2027.

- 4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the Report Year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the Report Year, the amount of payment or retirement of existing indebtedness or long-term obligations issued in the Report Year, the total assessed valuation of all taxable properties within the District as of January 1 of the Report Year, and the current mill levy of the District pledged to debt retirement in the Report Year:**

The 2024 assessed valuation for the District is attached hereto as **Exhibit A**. The 2024 Mill Levy Certification is attached hereto as **Exhibit B**. The District's 2025 budget is attached hereto as **Exhibit C**.

- 5. The District's budget for the calendar year in which the annual report is submitted:**

The District's 2025 budget is attached hereto as **Exhibit C**.

- 6. A summary of the residential and commercial development that has occurred within the District for the Report Year:**

No commercial development has occurred within the District for the Report Year. During the Report Year, residential home construction and landscape installation as required in the final development plan occurred within the District during the Reporting Year.

- 7. A summary of all fees, charges, and assessments imposed by the District as of January 1 of the Report Year:**

On March 21, 2021, the District adopted a Second Amended and Restated Resolution of the Board of Directors of the Hance Ranch Metropolitan District Concerning the Imposition of an Operations Fee (the “**Resolution**”). A copy of the Resolution is attached hereto as **Exhibit E**. A copy of the 2024 Mill Levy Certification is attached hereto as **Exhibit B**.

**8. The names, business addresses and telephone numbers of all members of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the board:**

Emmanuel Corral	Director	720-296-3859	2154 E. Commons Ave, Suite 2000, Centennial, CO
John “Charlie” Hood	Assistant Secretary	720-938-6466	2154 E. Commons Ave, Suite 2000, Centennial, CO
Charles R. Hauptman	Treasurer/Assistant Secretary	303-420-2899	5740 Olde Wadsworth Blvd, Arvada, CO
Jill Gundlach	Secretary	720-768-4290	2154 E. Commons Ave, Suite 2000, Centennial, CO
Nick Bergman	Assistant Secretary	720-630-5292	2154 E. Commons Ave, Suite 2000, Centennial, CO

Regular meetings are scheduled for January 14, April 8, July 8, and October 14, 2025 at 1:30 p.m.. via teleconference.

General Legal Counsel – WBA PC; Attn: Megan J. Murphy, Esq., 2154 E. Commons Ave, Suite 2000, Centennial, CO 80122; 303-858-1800

Chief Administrative Officer – None.

**EXHIBIT A**  
**2024 Final Assessed Valuation**

## CERTIFICATION OF VALUATION BY JEFFERSON COUNTY ASSESSOR

New Tax Entity       YES    NO

Date: November 25, 2024

**NAME OF TAX ENTITY:**                      HANCE RANCH METRO

**USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY**

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	2,116,092
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	2,044,990
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	315,191
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	1,729,799
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Ⓢ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Ⓢ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

**USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY**

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	33,450,454
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

**DELETIONS FROM TAXABLE REAL PROPERTY**

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	2,100

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

\* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:			
1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	30,137,821

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	0
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\*\* The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

**EXHIBIT B**  
**2024 Mil Levy Certification for Collection in 2025**

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of JEFFERSON COUNTY, Colorado.

On behalf of the HANCE RANCH METROPOLITAN DISTRICT  
(taxing entity)<sup>A</sup>  
 the BOARD OF DIRECTORS  
(governing body)<sup>B</sup>  
 of the HANCE RANCH METROPOLITAN DISTRICT  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 2,044,990  
(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> 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: \$ 1,729,799  
(NET<sup>G</sup> 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:** 12/13/2024 for budget/fiscal year 2025  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	29.899 mills	\$ 51,719
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	29.899 mills	\$ 51,719
3. General Obligation Bonds and Interest <sup>J</sup>	71.759 mills	\$ 124,129
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> <small>[ Sum of General Operating Subtotal and Lines 3 to 7 ]</small>	101.658 mills	\$ 175,848

Contact person: Gigi Pangindian Daytime phone: (303) 779-5710  
 (print)  
 Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 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.*

<sup>1</sup> 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.  
<sup>2</sup> 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<sup>J</sup>:**

1.	Purpose of Issue:	Finance public improvements
	Series:	Limited Tax(Convertible to Unlimited Tax)General Obligation Bonds, Series 2020A(3)
	Date of Issue:	12/10/2020
	Coupon Rate:	5.000% - 5.125%
	Maturity Date:	12/1/2040 and 12/1/2050
	Levy:	71.759
	Revenue:	\$124,129
2.	Purpose of Issue:	Finance public improvements
	Series:	Subordinate Limited Tax General Obligation Bonds, Series 2020B(3)
	Date of Issue:	12/10/2020
	Coupon Rate:	8.000%
	Maturity Date:	12/15/2050
	Levy:	0.000
	Revenue:	\$0

**CONTRACTS<sup>K</sup>:**

3.	Purpose of Contract:	<hr/>
	Title:	<hr/>
	Date:	<hr/>
	Principal Amount:	<hr/>
	Maturity Date:	<hr/>
	Levy:	<hr/>
	Revenue:	<hr/>
4.	Purpose of Contract:	<hr/>
	Title:	<hr/>
	Date:	<hr/>
	Principal Amount:	<hr/>
	Maturity Date:	<hr/>
	Levy:	<hr/>
	Revenue:	<hr/>

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

**EXHIBIT C**  
**2025 Budget**

**HANCE RANCH METROPOLITAN DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2025**

**HANCE RANCH METROPOLITAN DISTRICT  
SUMMARY  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 344,793	\$ 274,456	\$ 331,075
REVENUES			
Property Taxes	93,392	187,603	175,848
Specific Ownership Taxes	7,316	14,842	12,309
Operations and maintenance fee	72,195	65,706	64,260
Interest Income	15,742	15,000	17,000
Developer advance	15,000	55,000	29,000
Other Revenue	-	24,610	-
TIF Revenue	9,259	24,058	31,560
Total revenues	<u>212,904</u>	<u>386,819</u>	<u>329,977</u>
Total funds available	<u>557,697</u>	<u>661,275</u>	<u>661,052</u>
EXPENDITURES			
General Fund	81,964	80,000	92,000
Debt Service Fund	126,002	137,000	135,000
Capital Projects Fund	6	-	-
Special Revenue Fund	75,269	113,200	65,460
Total expenditures	<u>283,241</u>	<u>330,200</u>	<u>292,460</u>
Total expenditures and transfers out requiring appropriation	<u>283,241</u>	<u>330,200</u>	<u>292,460</u>
ENDING FUND BALANCES	<u>\$ 274,456</u>	<u>\$ 331,075</u>	<u>\$ 368,592</u>
EMERGENCY RESERVE	\$ 1,000	\$ 2,000	\$ 2,000
AVAILABLE FOR OPERATIONS	-	-	143
DEBT SERVICE RESERVE	221,243	221,243	221,243
DEBT SERVICE SURPLUS RESERVE	71,425	109,310	146,406
TOTAL RESERVE	<u>\$ 293,668</u>	<u>\$ 332,553</u>	<u>\$ 369,792</u>

No assurance provided. See summary of significant assumptions.

**HANCE RANCH METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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**ASSESSED VALUATION**

Residential	\$ 975,795	\$ 2,078,967	\$ 2,008,811
State assessed	235	354	341
Vacant land	167,978	-	-
Personal property	23,621	36,771	35,838
	1,167,629	2,116,092	2,044,990
Adjustments	(107,361)	(243,766)	(315,191)
Certified Assessed Value	\$ 1,060,268	\$ 1,872,326	\$ 1,729,799

**MILL LEVY**

General	25.751	29.470	29.899
Debt Service	61.803	70.728	71.759
Total mill levy	87.554	100.198	101.658

**PROPERTY TAXES**

General	\$ 27,303	\$ 55,177	\$ 51,719
Debt Service	65,528	132,426	124,129
Levied property taxes	92,831	187,603	175,848
Adjustments to actual/rounding	561	-	-
Budgeted property taxes	\$ 93,392	\$ 187,603	\$ 175,848

**BUDGETED PROPERTY TAXES**

General	\$ 27,468	\$ 55,177	\$ 51,719
Debt Service	65,924	132,426	124,129
	\$ 93,392	\$ 187,603	\$ 175,848

**HANCE RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (6,492)	\$ (41,096)	\$ 522
<b>REVENUES</b>			
Property Taxes	27,468	55,177	51,719
Specific Ownership Taxes	2,152	4,365	3,620
TIF Revenue	2,723	7,076	9,282
Interest Income	17	-	-
Developer advance	15,000	55,000	29,000
Total revenues	47,360	121,618	93,621
Total funds available	40,868	80,522	94,143
<b>EXPENDITURES</b>			
General and administrative			
Accounting	30,605	30,000	32,000
Auditing	5,800	6,000	6,500
County Treasurer's Fee	412	828	776
Dues and Membership	328	328	500
Insurance	4,290	5,228	5,500
Legal	35,085	35,000	37,000
Miscellaneous	-	2,616	4,724
Election	4,289	-	5,000
Operations and maintenance			
Engineering	1,155	-	-
Total expenditures	81,964	80,000	92,000
Total expenditures and transfers out requiring appropriation	81,964	80,000	92,000
ENDING FUND BALANCES	\$ (41,096)	\$ 522	\$ 2,143
EMERGENCY RESERVE	\$ 1,000	\$ 2,000	\$ 2,000
AVAILABLE FOR OPERATIONS	-	-	143
TOTAL RESERVE	\$ 1,000	\$ 2,000	\$ 2,143

No assurance provided. See summary of significant assumptions.

**HANCE RANCH METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 25,958	\$ 22,884	\$ -
<b>REVENUES</b>			
Operations and maintenance fee	72,195	65,706	64,260
Transfer Fees	-	-	1,200
Other Revenue	-	24,610	-
Total revenues	<u>72,195</u>	<u>90,316</u>	<u>65,460</u>
Total funds available	<u>98,153</u>	<u>113,200</u>	<u>65,460</u>
<b>EXPENDITURES</b>			
General and administrative			
District management	16,017	13,000	13,495
Miscellaneous	600	1,500	3,145
Operations and maintenance			
Landscaping	12,363	18,000	17,350
Snow Removal	19,663	45,000	12,200
Water and Sewer	-	3,200	3,500
Electricity	-	-	380
Repairs and Maintenance	11,719	12,000	-
Irrigation Repairs	-	-	1,750
Backflow	-	-	150
Detention and Underdrain	-	-	800
Trash Collection	14,907	20,500	12,690
Total expenditures	<u>75,269</u>	<u>113,200</u>	<u>65,460</u>
Total expenditures and transfers out requiring appropriation	<u>75,269</u>	<u>113,200</u>	<u>65,460</u>
ENDING FUND BALANCES	<u>\$ 22,884</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**HANCE RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 325,321	\$ 292,668	\$ 330,553
<b>REVENUES</b>			
Property Taxes	65,924	132,426	124,129
Specific Ownership Taxes	5,164	10,477	8,689
TIF Revenue	6,536	16,982	22,278
Interest Income	15,725	15,000	17,000
Total revenues	93,349	174,885	172,096
Total funds available	418,670	467,553	502,649
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's Fee	989	1,986	1,862
Paying agent fees	4,000	7,000	7,000
Contingency	-	7,001	5,125
Debt Service			
Bond interest	121,013	121,013	121,013
Total expenditures	126,002	137,000	135,000
Total expenditures and transfers out requiring appropriation	126,002	137,000	135,000
ENDING FUND BALANCES	\$ 292,668	\$ 330,553	\$ 367,649
DEBT SERVICE RESERVE	\$ 221,243	\$ 221,243	\$ 221,243
DEBT SERVICE SURPLUS RESERVE	71,425	109,310	146,406
TOTAL RESERVE	\$ 292,668	\$ 330,553	\$ 367,649

No assurance provided. See summary of significant assumptions.

**HANCE RANCH METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 6	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	6	-	-
EXPENDITURES			
General and Administrative			
Capital Projects			
Repay developer advance	6	-	-
Total expenditures	6	-	-
Total expenditures and transfers out requiring appropriation	6	-	-
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**HANCE RANCH METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Hance Ranch Metropolitan District (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order of the District Court in Jefferson County on November 19, 2019, and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District’s service area is location in Jefferson County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$6,000,000. In the future, the District may issue a portion or all of the authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the Districts’ service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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

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**

**Developer Advances**

The District is in the development stage. As such, a portion of the operating and administrative expenditures are to 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 bond proceeds and other legally available revenue.

**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, sale 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 information page of the budget.

**HANCE RANCH METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Property Taxes (continued)**

For property tax collection year 2025, SB 22-238, SB 23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

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

**Property Taxes Received Through TIF**

The District has entered into a Tax Increment Sharing Agreement with the Wheat Ridge Urban Renewal Authority (Renewal Wheat Ridge), dated as of October 1, 2019 regarding the sharing of Tax Increment Revenues generated within the District. The Tax Increment Sharing Agreement provides that in consideration for the District providing public improvements and services, the Authority agrees that the portion of revenues which it receives as a result of ad valorem property tax increments, which are attributable to the District’s current and future levy of ad valorem taxes on property within the Development and encompassed by the Urban Renewal Plan, shall be segregated upon receipt and shall be remitted by the Authority to the District within 45 days of the end of each quarter.

**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 7% of the property taxes collected.

**Interest Income**

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 4.5%.

**Operations and Transfer Fees**

The District imposes an Operations Fee on all residential units within the boundaries of the District to fund operating costs. The District imposes a Transfer Fee upon each transfer of a residential unit to an end user.

**HANCE RANCH METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**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 2024 are provided based on the debt amortization schedule from the Series 2020A(3) Bonds (discussed under Debts and Leases). There is no debt amortization schedule provided for the Series 2020B(3) Subordinate Bonds as the Bond is a cash flow bond and the timing of the payments are unknown.

**Debt and Leases**

**Series 2020 Bonds**

The District issued Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A(3) on December 10, 2020, in the par amount of \$2,375,000 (the Senior Bonds). The District also issued Subordinate Limited Tax General Obligation Bonds, Series 2020B(3) on December 10, 2020, in the par amount of \$227,000 (the Subordinate Bonds). Proceeds from the sale of the Senior and Subordinate Bonds were used to fund: (i) the costs of public improvements for the benefit of the District; (ii) capitalized interest on the Senior Bonds; (iii) certain funds created in the Senior Indenture; and (iv) costs of issuing the Bonds.

Senior Bonds Details

The Senior Bonds were issued as two term bonds that bear interest at the respective rates of 5.000% and 5.125%, payable semiannually on June 1 and December 1, beginning on June 1, 2022. The Senior Bonds have annual mandatory sinking fund principal payments due annually on December 1, beginning on December 1, 2028 and mature on December 1, 2050.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 31, 2060, and shall continue to bear interest at the rate borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date, at the rate then borne by the Senior Bond. In the event that any amount of principal or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 31, 2060, the Senior Bonds shall be deemed discharged.

Senior Bonds Pledged Revenue

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue from the following sources, net of any costs of collection and any property tax refunds or abatement authorized by or on behalf of the County: (a) the Senior Required Mill Levy; (b) the portion of the Senior Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (c) the Cooperation Agreement Revenues; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Trustee for application as Senior Pledged Revenue.

**HANCE RANCH METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

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, 2022 from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050. 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.

All of the Subordinate Bonds and interest thereon are to be deemed to be discharged after the application of all available Subordinate Pledged Revenue on December 31, 2060 (the "Subordinate Bonds Termination Date"), regardless of the amount of principal and interest paid prior to the Subordinate Bonds Termination Date.

Subordinate Bonds Pledged Revenue

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue which means: (a) the Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax Revenues resulting from the Subordinate Required Mill Levy; (c) the portion of the Cooperation Agreement Revenues, if any, available after application to the payment of the Senior Bonds; (d) the amounts, if any, in the Surplus Fund released to the District pursuant to the Senior Indenture; (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

Optional Redemption

The Senior and Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, upon payment of par, accrued interest, and a redemption premium of 3% and on any date thereafter, with a redemption premium declining 1% per year for the next two years and no redemption premium thereafter.

Senior Required Mill Levy

Pursuant to the Senior Indenture, prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount sufficient to pay the Senior Bonds when due and, if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (i) not in excess of 60.000 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement with respect to the classes of property on which the District may impose its mill levy after January 1, 2018), and (ii) for so long as the Surplus Fund is required to be maintained and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 60.000 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds when due, will replenish the Reserve Fund to the amount of the Required Reserve and, for so long as the Surplus Fund is required to be maintained, will fund the Surplus Fund to the Maximum Surplus Amount.

**HANCE RANCH METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

Senior Required Mill Levy (Continued)

The Conversion Date means the date that: (i) the Debt to Assessed Ratio is 50% or less; (ii) no payments of principal or interest on the Senior Bonds are past due; and, (iii) the amount on deposit in the Reserve Fund is not less than the Required Reserve. Debt to Assessed Ratio means the ratio derived by dividing the then-outstanding principal amount of all debt of the District by the assessed valuation of taxable property in the District. For purposes of the forecast, the current year Debt to Assessed Ratio is calculated based on the outstanding Bonds as of December 2 of the current year and the assessed valuation for the subsequent year.

On and after the Conversion Date, a Senior Required Mill Levy is to be imposed upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds when due and, if necessary, to replenish the Reserve Fund to the amount of the Required Reserve, without limitation of rate. On and after the Conversion Date, the definition of "Senior Required Mill Levy" shall be determined exclusively by this paragraph regardless of any subsequent increase in the Debt to Assessed Ratio.

Subordinate Required Mill Levy

Pursuant to the Subordinate Indenture, the District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in an amount of 60 mills (subject to adjustment) less the amount of the Senior Bond Required Mill Levy. Senior Bond Required Mill Levy means the ad valorem mill levy applied in connection with any Senior Bonds.

The Subordinate Required Mill Levy will equal zero at any time that the (a) the payment of the Senior Bonds (and any other Senior Obligations) and replenishment of the Reserve Fund (and any similar reserve fund securing Senior Obligations) requires the imposition of at least 60 mills, as adjusted; and (b) prior to the Conversion Date, the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount.

The District has no debt, nor any capital and operating leases.

**HANCE RANCH METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

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

**Debt Service Reserve**

The Senior Bonds are secured by the Reserve Fund which was funded from proceeds of the Senior Bonds in the amount of the Required Reserve of \$221,243. The Reserve Fund is to be maintained in the amount of the Required Reserve for so long as any Senior Bond is outstanding. Moneys in the Surplus Fund are to be used for payment of the Senior Bonds prior to the use of any moneys in the Reserve Fund.

**Debt Service Surplus Reserve**

Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$237,500. Subject to the receipt of sufficient Senior Pledged Revenue, the Surplus Fund is to be maintained until the earlier of: (i) the Conversion Date or (ii) the date on which no Senior Bonds remain outstanding.

On and after the Conversion Date, amounts on deposit in the Surplus Fund are to be released to the District for application to any lawful purpose. However, the forecast assumes that the Surplus Fund will not be released until the final maturity of the Senior Bonds, as explained below. Pursuant to the Subordinate Indenture, amounts released from the Surplus Fund are pledged to the repayment of the Subordinate Bonds.

**This information is an integral part of the accompanying budget.**

**HANCE RANCH METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
MANDATORY REDEMPTION SCHEDULE  
\$2,375,000 Limited Tax (Convertible to Unlimited Tax)  
General Obligation Bonds**

**Series 2020A(3), Dated December 10, 2020  
Principal Due December 1  
Interest at 5.000% and 5.125%  
Payable June 1 and December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 121,013	\$ 121,013
2026	-	121,013	121,013
2027	-	121,013	121,013
2028	10,000	121,013	131,013
2029	10,000	120,513	130,513
2030	20,000	120,013	140,013
2031	20,000	119,013	139,013
2032	30,000	118,013	148,013
2033	30,000	116,513	146,513
2034	45,000	115,013	160,013
2035	45,000	112,763	157,763
2036	55,000	110,513	165,513
2037	60,000	107,763	167,763
2038	75,000	104,763	179,763
2039	75,000	101,013	176,013
2040	90,000	97,263	187,263
2041	95,000	92,763	187,763
2042	115,000	87,894	202,894
2043	120,000	82,000	202,000
2044	140,000	75,850	215,850
2045	145,000	68,675	213,675
2046	165,000	61,244	226,244
2047	175,000	52,788	227,788
2048	195,000	43,819	238,819
2049	205,000	33,825	238,825
2050	455,000	23,319	478,319
<b>Total</b>	<b>\$ 2,375,000</b>	<b>\$ 2,449,375</b>	<b>\$ 4,824,375</b>

**EXHIBIT D**  
**2024 Audit**

**HANCE RANCH METROPOLITAN DISTRICT**  
**Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

**HANCE RANCH METROPOLITAN DISTRICT  
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*INDEPENDENT AUDITOR'S REPORT*

Board of Directors  
Hance Ranch Metropolitan District  
Jefferson County, Colorado

*Opinion*

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hance Ranch Metropolitan District, Jefferson County, Colorado, as of and for the year ended December 31, 2024, which collectively comprise the Hance Ranch Metropolitan District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Hance Ranch Metropolitan District, as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hance Ranch Metropolitan District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hance Ranch Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hance Ranch Metropolitan District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hance Ranch Metropolitan District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Required Supplementary Information*

Management has not presented Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basis financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basis financial statements is not affected by the missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Hance Ranch Metropolitan District's basic financial statements. The supplemental information listed in the table of contents are presented for the purpose of additional analysis and was not a required part of the financial statements.

The supplemental schedule of Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual are fairly stated in all material respects in relation to the financial statements as a whole.

The Schedule of Debt Service Requirements to Maturity and Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express any opinion or provide any assurance on them.

*Watson Coon Ryan, LLC*

Watson Coon Ryan, LLC  
June 27, 2025  
Centennial, Colorado

## **BASIC FINANCIAL STATEMENTS**

**HANCE RANCH METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 7,883
Cash and Investments - Restricted	310,412
Accounts Receivable	340
Prepaid Insurance	450
Receivable from County Treasurer	3,434
Property Tax Receivable	175,848
TIF Receivable	33,317
Capital Assets:	
Capital Assets, Not Being Depreciated	1,910,997
Total Assets	2,442,681
<b>LIABILITIES</b>	
Accounts Payable	47,929
Unearned Revenue	1,785
Accrued Bond Interest	93,264
Noncurrent Liabilities:	
Due in More Than One Year	2,851,258
Total Liabilities	2,994,236
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	175,848
Total Deferred Inflows of Resources	175,848
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserve	4,300
Debt Service	12,947
Unrestricted	(744,650)
Total Net Position	\$ (727,403)

See accompanying Notes to Basic Financial Statements.

**HANCE RANCH METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 172,215	\$ 80,630	\$ 7,076	\$ -	\$ (84,509)
Interest on Long-Term Debt and Related Costs	171,618	-	-	16,982	(154,636)
Total Governmental Activities	\$ 343,833	\$ 80,630	\$ 7,076	\$ 16,982	(239,145)
<b>GENERAL REVENUES</b>					
Property Taxes					178,032
Specific Ownership Taxes					13,580
Interest Income					15,480
Total General Revenues and Transfers					207,092
<b>CHANGES IN NET POSITION</b>					(32,053)
Net Position - Beginning of Year					(695,350)
<b>NET POSITION - END OF YEAR</b>					\$ (727,403)

See accompanying Notes to Basic Financial Statements.

**HANCE RANCH METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 7,883	\$ -	\$ 7,883
Cash and Investments - Restricted	1,900	-	308,512	310,412
Receivable from County Treasurer	1,010	-	2,424	3,434
TIF Receivable	9,799	-	23,518	33,317
Accounts Receivable	-	340	-	340
Due from Other Funds	-	17,920	-	17,920
Prepaid Insurance	450	-	-	450
Property Tax Receivable	51,719	-	124,129	175,848
Total Assets	\$ 64,878	\$ 26,143	\$ 458,583	\$ 549,604
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 27,208	\$ 13,721	\$ 7,000	\$ 47,929
Due to Other Funds	17,920	-	-	17,920
Unearned Revenue	-	1,785	-	1,785
Total Liabilities	45,128	15,506	7,000	67,634
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax	51,719	-	124,129	175,848
Total Deferred Inflows of Resources	51,719	-	124,129	175,848
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expense	450	-	-	450
Restricted for:				
Emergency Reserves	1,900	2,400	-	4,300
Debt Service	-	-	327,454	327,454
Committed:				
Operations	-	8,237	-	8,237
Unassigned	(34,319)	-	-	(34,319)
Total Fund Balances	(31,969)	10,637	327,454	306,122
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 64,878	\$ 26,143	\$ 458,583	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,910,997
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds Payable	(2,605,854)
Accrued Bond Interest	(93,264)
Developer Advance Payable	(203,390)
Accrued Developer Advance Interest	(42,014)
Net Position of Governmental Activities	\$ (727,403)

See accompanying Notes to Basic Financial Statements.

**HANCE RANCH METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 52,362	\$ -	\$ 125,670	\$ 178,032
Specific Ownership Taxes	3,994	-	9,586	13,580
Operations And Maintenance Fee	-	80,630	-	80,630
Interest Income	33	-	15,447	15,480
TIF Revenue	7,076	-	16,982	24,058
<b>Total Revenues</b>	<b>63,465</b>	<b>80,630</b>	<b>167,685</b>	<b>311,780</b>
<b>EXPENDITURES</b>				
Current:				
Accounting	34,087	-	-	34,087
Auditing	6,700	-	-	6,700
County Treasurer's Fee	786	-	1,886	2,672
District Management	-	12,204	-	12,204
Dues And Membership	328	-	-	328
Insurance	5,228	-	-	5,228
Landscaping	-	19,930	-	19,930
Legal	32,209	-	-	32,209
Repairs And Maintenance	-	9,530	-	9,530
Snow Removal	-	30,301	-	30,301
Trash Collection	-	11,773	-	11,773
Utilities	-	6,499	-	6,499
Website	-	2,640	-	2,640
Debt Service:				
Bond Interest	-	-	121,013	121,013
Paying Agent Fees	-	-	10,000	10,000
<b>Total Expenditures</b>	<b>79,338</b>	<b>92,877</b>	<b>132,899</b>	<b>305,114</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(15,873)</b>	<b>(12,247)</b>	<b>34,786</b>	<b>6,666</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	25,000	-	-	25,000
<b>Total Other Financing Sources</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>9,127</b>	<b>(12,247)</b>	<b>34,786</b>	<b>31,666</b>
Fund Balances (Deficits) - Beginning of Year	(41,096)	22,884	292,668	274,456
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<b>\$ (31,969)</b>	<b>\$ 10,637</b>	<b>\$ 327,454</b>	<b>\$ 306,122</b>

See accompanying Notes to Basic Financial Statements.

**HANCE RANCH METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES (DEFICITS) OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$	31,666
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Developer Advance		(25,000)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability		(22,890)
Accrued Interest on Developer Advance - Change in Liability		(16,019)
Amortization of Bond Premium		190
		190

Changes in Net Position of Governmental Activities	\$	(32,053)
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**HANCE RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 55,177	\$ 52,362	\$ (2,815)
Specific Ownership Taxes	4,365	3,994	(371)
Interest Income	-	33	33
TIF Revenue	7,076	7,076	-
Total Revenues	<u>66,618</u>	<u>63,465</u>	<u>(3,153)</u>
<b>EXPENDITURES</b>			
Accounting	30,000	34,087	(4,087)
Auditing	6,000	6,700	(700)
County Treasurer's Fee	828	786	42
Dues And Membership	500	328	172
Insurance	4,500	5,228	(728)
Legal	35,000	32,209	2,791
Miscellaneous	3,172	-	3,172
Total Expenditures	<u>80,000</u>	<u>79,338</u>	<u>662</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	(13,382)	(15,873)	(2,491)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	16,000	25,000	9,000
Total Other Financing Sources	<u>16,000</u>	<u>25,000</u>	<u>9,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,618	9,127	6,509
Fund Balance (Deficit) - Beginning of Year	<u>1,000</u>	<u>(41,096)</u>	<u>(42,096)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 3,618</u>	<u>\$ (31,969)</u>	<u>\$ (35,587)</u>

See accompanying Notes to Basic Financial Statements.

**HANCE RANCH METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Operations And Maintenance Fee	\$ 64,260	\$ 85,000	\$ 80,630	\$ (4,370)
Other Revenue	940	15,000	-	(15,000)
Transfer Fees	1,800	1,800	-	(1,800)
Total Revenues	<u>67,000</u>	<u>101,800</u>	<u>80,630</u>	<u>(21,170)</u>
<b>EXPENDITURES</b>				
District Management	22,500	13,000	12,204	796
Landscaping	15,000	20,000	19,930	70
Miscellaneous	500	4,300	-	4,300
Repairs And Maintenance	4,000	12,000	9,530	2,470
Snow Removal	15,000	40,000	30,301	9,699
Trash Collection	20,500	20,500	11,773	8,727
Utilities	2,500	4,000	6,499	(2,499)
Website	-	1,200	2,640	(1,440)
Total Expenditures	<u>80,000</u>	<u>115,000</u>	<u>92,877</u>	<u>22,123</u>
<b>NET CHANGE IN FUND BALANCE</b>	(13,000)	(13,200)	(12,247)	953
Fund Balance - Beginning of Year	<u>15,268</u>	<u>15,268</u>	<u>22,884</u>	<u>7,616</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 2,268</u></u>	<u><u>\$ 2,068</u></u>	<u><u>\$ 10,637</u></u>	<u><u>\$ 8,569</u></u>

See accompanying Notes to Basic Financial Statements.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Hance Ranch Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court in and for Jefferson County, Colorado on November 19, 2019, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

At a special election of the eligible electors of the District held on November 5, 2019, a majority of those qualified to vote voted in favor of certain ballot questions authorizing the issuance of indebtedness and imposition of taxes for the payment thereof, for the purpose of providing financing for the acquisition, construction, installation, and completion of certain public improvements.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for Operations Fees received and expenditures incurred in connection with operations and maintenance services of the District.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2024.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as inflows of resources in the period that the amounts become available.

**Equity**

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

Fund Balance (Continued)

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

**Deficit**

The General Fund reported a deficit in the fund financial statements as of December 31, 2024. The deficit will be eliminated with the receipt of funds advanced by the Developer in 2025.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 7,883
Cash and Investments - Restricted	310,412
Total Cash and Investments	\$ 318,295

Cash and investments as of December 31, 2024 consist of the following:

Deposits with Financial Institutions	\$ 10,576
Investments	307,719
Total Cash and Investments	\$ 318,295

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the District's cash deposits had a bank balance and carrying balance of \$10,576.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities of the World Bank
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- \* Local government investment pools

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 307,719
		<u>\$ 307,719</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor’s. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in the District’s capital assets for the period ended December 31, 2024, follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 1,910,997	\$ -	\$ -	\$ 1,910,997
Total Capital Assets, Not Being Depreciated	<u>\$ 1,910,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,910,997</u>

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Bonds Payable:					
General Obligation Bonds					
Series 2020A <sup>(3)</sup>	\$ 2,375,000	\$ -	\$ -	\$ 2,375,000	\$ -
Series 2020A <sup>(3)</sup> - Premium	4,044	-	190	3,854	-
Series 2020B <sup>(3)</sup>	227,000	-	-	227,000	-
Subtotal Bonds Payable	<u>2,606,044</u>	<u>-</u>	<u>190</u>	<u>2,605,854</u>	<u>-</u>
Other Debts:					
Developer Advance - Operating	109,055	25,000	-	134,055	-
Developer Advance - Capital	69,335	-	-	69,335	-
Accrued Interest on:					
Developer Advance - Operating	19,372	10,472	-	29,844	-
Developer Advance - Capital	6,623	5,547	-	12,170	-
Subtotal Other Debts	<u>204,385</u>	<u>41,019</u>	<u>-</u>	<u>245,404</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 2,810,429</u>	<u>\$ 41,019</u>	<u>\$ 190</u>	<u>\$ 2,851,258</u>	<u>\$ -</u>

The details of the District’s general obligation bonds outstanding are as follows:

**Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2020A<sup>(3)</sup>** (the Senior Bonds) and **Subordinate Limited Tax General Obligation Bonds, Series 2020B<sup>(3)</sup>** (the Subordinate Bonds, and together with the Senior Bonds, the Bonds).

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Bond Proceeds**

The District issued the Bonds on December 10, 2020, in the par amounts of \$2,375,000 for the Senior Bonds and \$227,000 for the Subordinate Bonds. Proceeds from the sale of the Senior Bonds were used to fund: (i) the costs of public improvements for the benefit of the District; (ii) capitalized interest on the Senior Bonds; (iii) certain funds created in the Senior Indenture; and (iv) costs of issuing the Bonds. Proceeds of the Subordinate Bonds were used to fund additional costs of public improvements.

**Senior Bonds Details**

The Senior Bonds were issued as two term bonds that bear interest at the rates of 5.000% and 5.125% (5.087% yield), mature on December 1, 2040 and December 1, 2050, respectively, and are payable semiannually on June 1 and December 1, beginning on June 1, 2021. The Senior Bonds have annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2028. To the extent the principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 31, 2060. To the extent interest on any Senior Bond is not paid when due, such unpaid interest shall compound semiannually on each interest payment date, at the rate then borne by the Senior Bond. The Senior Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 31, 2060. The Senior Bonds are not subject to acceleration. The Senior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Senior Bonds.

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue from the following sources, net of any costs of collection and any tax refunds or abatements authorized by or on behalf of the County: (a) the Senior Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (c) the Cooperation Agreement Revenues; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

Cooperation Agreement Revenues means the net incremental property tax revenues derived from any debt service mill levy imposed by the District and paid by the Authority to the District pursuant to the Cooperation Agreement.

Prior to the Conversion Date, the District has covenanted to impose a Senior Required Mill Levy on all taxable property of the District each year in an amount sufficient to pay the Senior Bonds when due and, if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (i) not in excess of 60.000 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2018), and (ii) for so long as the Surplus Fund is required to be maintained and the amount on deposit therein is less than the Maximum Surplus Amount, not less than 60.000 mills (subject to adjustment), or such lesser mill levy which will pay the Senior Bonds when due, will replenish the Reserve Fund to the amount of the Required Reserve and, for so long as the Surplus Fund is required to be maintained, will fund the Surplus Fund to the Maximum Surplus Amount.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Senior Bonds Details (Continued)**

The Conversion Date means the date that: (i) the Debt to Assessed Ratio is 50% or less; (ii) no payments of principal or interest on the Senior Bonds are past due; and (iii) the amount on deposit in the Reserve Fund is not less than the Required Reserve. On and after the Conversion Date, a Senior Required Mill Levy is to be imposed upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds when due and, if necessary, to replenish the Reserve Fund to the amount of the Required Reserve, without limitation of rate.

**Additional Security for Senior Bonds**

The Senior Bonds are additionally secured by capitalized interest which was funded from proceeds of the Senior Bonds in the amount of \$221,243, by the Reserve Fund which was funded from proceeds of the Senior Bonds in the amount of the Required Reserve of \$221,243, and by amounts, if any, in the Surplus Fund. The balance in the capitalized interest account as of December 31, 2024, is \$-0.-

Subject to the receipt of sufficient Senior Pledged Revenue, the Reserve Fund is to be maintained in the amount of the Reserve Requirement for as long as any Senior Bonds are outstanding. The balance in the Reserve Fund as of December 31, 2024, is \$222,225

Prior to the Conversion Date, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$237,500. Subject to the receipt of sufficient Senior Pledged Revenue, the Surplus Fund is to be maintained until the earlier of: (i) the Conversion Date or (ii) the date on which no Senior Bonds remain outstanding. On and after the Conversion Date, amounts on deposit in the Surplus Fund are to be released to the District for application to any lawful purpose. Pursuant to the Subordinate Indenture, amounts released from the Surplus Fund are pledged to the repayment of the Subordinate Bonds. The balance in the Surplus Fund as of December 31, 2024, is \$85,372.

**Events of Default of the Senior Bonds**

Events of default occur if the District fails to impose the Senior Required Mill Levy, or to apply the Pledged Revenues as required by the Senior Indenture or does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**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, 2021, from, and to the extent of, available Subordinate Pledged Revenue, if any, and mature on December 15, 2050. 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. To the extent principal on the Subordinate Bonds is not paid when due, such principal shall remain outstanding until paid, subject to discharge on December 31, 2060. To the extent interest on the Subordinate Bonds is not paid when due, such unpaid interest shall compound annually on each December 15, at the rate then borne by the Subordinate Bonds. The Subordinate Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on December 31, 2060. The Subordinate Bonds are not subject to acceleration. The Subordinate Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Subordinate Bonds.

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue which means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (a) the Subordinate Required Mill Levy; (b) the portion of the Specific Ownership Tax resulting from imposition of the Subordinate Required Mill Levy; (c) the portion of the Cooperation Agreement Revenues, if any, available after application to the payment of the Senior Bonds; (d) the amounts, if any, in the Surplus Fund released to the District; and (e) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Subordinate Pledged Revenue.

The District has covenanted to impose a Subordinate Required Mill Levy upon all taxable property in the District each year in an amount of 60 mills (subject to adjustment) less the amount of the Senior Bond Required Mill Levy. Senior Bond Required Mill Levy means the ad valorem mill levy applied in connection with any Senior Bonds.

**Events of Default of the Subordinate Bonds**

Events of default occur if the District fails to impose the Subordinate Required Mill Levy, or to apply the Pledged Revenues as required by the Subordinate Indenture or does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Subordinate Indenture.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Optional Redemption**

The Senior Bonds and the Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter, upon payment of 100% of the principal amount redeemed, plus accrued interest to the redemption date, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2025 to November 30, 2026	3.00 %
December 1, 2026 to November 30, 2027	2.00
December 1, 2027 to November 30, 2028	1.00
December 1, 2028, and Thereafter	-

The outstanding principal and interest of the Senior Bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 121,013	\$ 121,013
2026	-	121,013	121,013
2027	-	121,013	121,013
2028	10,000	121,013	131,013
2029	10,000	120,513	130,513
2030 - 2034	145,000	588,563	733,563
2035 - 2039	310,000	536,813	846,813
2040 - 2044	560,000	435,769	995,769
2045 - 2049	885,000	260,350	1,145,350
2050	455,000	23,315	478,315
Total	<u>\$ 2,375,000</u>	<u>\$ 2,449,375</u>	<u>\$ 4,824,375</u>

The annual debt service requirements on the Subordinate Bonds are not included in the schedule above since they are payable only from available Subordinate Pledged Revenue.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt**

At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 5, 2019 Election	Authorization Used Series 2020	Authorized but Unused at December 31, 2024
Public Improvements	\$ 60,000,000	\$ 2,602,000	\$ 57,398,000
Operations and Maintenance	6,000,000	-	6,000,000
Private Agreements	6,000,000	-	6,000,000
In-District Special Assessment	6,000,000	-	6,000,000
Intergovernmental Agreements	6,000,000	-	6,000,000
Refunding	60,000,000	-	60,000,000
Total	<u>\$ 144,000,000</u>	<u>\$ 2,602,000</u>	<u>\$ 141,398,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$6,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

**NOTE 6 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

The restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2024, as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Emergencies	\$ 4,300
Debt Service	12,947
Total Restricted Net Position	<u>\$ 17,247</u>

The District has a deficit in unrestricted net position. This deficit is primarily due to costs of debt issuance, and operating expenses paid by advances from Developer.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 7 AGREEMENTS**

**Cooperation Agreement**

The District is located within the I-70/Kipling Corridors Urban Renewal Area (the Urban Renewal Area) created by the Wheat Ridge Urban Renewal Authority (the Authority) pursuant to the I-70/Kipling Corridors Urban Renewal Plan (the Urban Renewal Plan) adopted on August 10, 2009. The Urban Renewal Plan has an effective date of December 15, 2015. The Urban Renewal Plan states that taxes, if any, levied after the effective date of December 15, 2015, upon the Urban Renewal Area shall be divided for a period not to exceed 25 years from the effective date of the Urban Renewal Plan and that a portion of property tax revenues shall be allocated to and paid into a special fund of the Authority, to pay the principal of, interest on, and any premiums due in connection with any bonds, loans, or indebtedness incurred by the Authority.

Accordingly, until 2040, property tax revenues collected as a result of the District's mill levies upon the incremental value of property within the District are payable to the Authority. However, the District and the Authority entered into a Cooperation Agreement effective October 1, 2019, pursuant to which the Authority agrees to remit any revenues collected from the District's mill levy upon the tax increment portion of the District's assessed valuation back to the District.

**Intergovernmental Agreement with the City of Wheat Ridge**

Pursuant to the Intergovernmental Agreement with the city of Wheat Ridge (the City) dated August 26, 2019, the District shall dedicate the Public Improvements, as defined in the Service Plan, to the City or other appropriate jurisdiction or owners' association in a manner consistent with the approved development plans and other rules and regulations of the City and applicable provisions of the City Code. The District shall be authorized to operate and maintain any part or all of the Public Improvements, which are not dedicated to the City or other public entity. The Agreement also restates and affirms certain of the obligations and limitations set forth in the District's Service Plan.

**NOTE 8 RELATED PARTIES**

The property within the District is being developed by Hance Ranch Station, LLC (the Developer). During 2024, some members of the Board of Directors were officers or employees of, or otherwise associated with the Developer, and may have conflicts of interest in matters involving the District.

**Public Improvements Acquisition and Reimbursement Agreement**

The District and the Developer entered into a Public Improvements Acquisition and Reimbursement Agreement on December 11, 2019. Pursuant to the agreement, the District and the Developer acknowledge that the District is authorized to construct, acquire, and install public improvements and other facilities and services that benefit the property within the boundaries of the District, subject to the limitations set forth in the Service Plan and the Special District Act.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 8 RELATED PARTIES (CONTINUED)**

**Public Improvements Acquisition and Reimbursement Agreement (Continued)**

Pursuant to the Agreement, the obligations of the District in this Agreement are subject to annual appropriation and shall not be deemed to be multiple fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution, and may not exceed amounts permitted by the District's electoral authorization and Service Plan. The District's obligations under this Agreement shall terminate at the earlier of the repayment in full of the Certified District Eligible Costs or 20 years from the execution date. The District agrees to reimburse the Developer for certified construction costs related to public improvements together within simple interest that shall accrue on amounts reimbursable to the Developer under the Agreement, until paid, at the rate of 8% per annum. Prior to reimbursement, the Developer is required to provide certain materials to the District for review. Following receipt of such materials the District's accountant and engineer shall review the materials to substantiate the costs and issue a cost certification to the District. No payment is due until the District has adopted an Acceptance Resolution.

As of December 31, 2024, outstanding advances under this Agreement totaled \$69,335 and accrued interest totaled \$12,170.

**Funding and Reimbursement Agreement (Operations and Maintenance)**

The District and the Developer entered into a Funding and Reimbursement Agreement on December 11, 2019, and amended three times since then as follows: on October 20, 2021 (first amendment), on October 19, 2022 (second amendment), and on November 14, 2023 (third amendment). The third amendment extended the Loan Obligation Termination Date (as defined in the original Agreement) to December 31, 2024. The Developer agreed to loan to the District one or more sums of money, not to exceed an aggregate of \$200,000,

Thereafter, the Developer may agree to renew its obligations by providing written notice thereof to the District, in which case the termination date shall be amended to the date provided in such notice, which date shall not be earlier than December 31 of the succeeding year.

Pursuant to the Agreement the obligations of the District in this Agreement are subject to annual appropriation and shall not be deemed to be multiple fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution, and may not exceed amounts permitted by the District's electoral authorization and Service Plan. The District's obligations under this Agreement shall terminate at the earlier of the repayment in full of the Certified District Eligible Costs or 20 years from the execution date. With respect to each loan advance made under this agreement prior to the issuance of any Reimbursement Obligation reflecting such advance, the interest rate shall be 8% per annum, from the date any such advance is made, simple interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such advance, or the date of repayment of such amount.

As of December 31, 2024, outstanding advances under this Agreement totaled \$134,055, and accrued interest totaled \$29,844.

**HANCE RANCH METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATION**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 5, 2019, the District's voters approved annual taxes of up to \$5,000,000 for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**HANCE RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 132,426	\$ 125,670	\$ (6,756)
Specific Ownership Taxes	10,477	9,586	(891)
Interest Income	15,000	15,447	447
TIF Revenue	<u>16,982</u>	<u>16,982</u>	<u>-</u>
Total Revenues	174,885	167,685	(7,200)
<b>EXPENDITURES</b>			
County Treasurer's Fee	1,986	1,886	100
Paying Agent Fees	7,000	10,000	(3,000)
Bond Interest	121,013	121,013	-
Contingency	<u>7,001</u>	<u>-</u>	<u>7,001</u>
Total Expenditures	<u>137,000</u>	<u>132,899</u>	<u>4,101</u>
<b>NET CHANGE IN FUND BALANCE</b>	37,885	34,786	(3,099)
Fund Balance - Beginning of Year	<u>289,027</u>	<u>292,668</u>	<u>3,641</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 326,912</u>	<u>\$ 327,454</u>	<u>\$ 542</u>

## OTHER INFORMATION

**HANCE RANCH METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2024**

\$2,375,000 General Obligation Limited Tax Bonds  
Series 2020A(3) Senior Bond Issue,  
Dated December 10, 2020  
Interest Rate 5.000% - 5.125%  
Interest Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 121,013	\$ 121,013
2026	-	121,013	121,013
2027	-	121,013	121,013
2028	10,000	121,013	131,013
2029	10,000	120,513	130,513
2030	20,000	120,013	140,013
2031	20,000	119,013	139,013
2032	30,000	118,013	148,013
2033	30,000	116,513	146,513
2034	45,000	115,013	160,013
2035	45,000	112,763	157,763
2036	55,000	110,513	165,513
2037	60,000	107,763	167,763
2038	75,000	104,763	179,763
2039	75,000	101,013	176,013
2040	90,000	97,263	187,263
2041	95,000	92,763	187,763
2042	115,000	87,894	202,894
2043	120,000	82,000	202,000
2044	140,000	75,850	215,850
2045	145,000	68,675	213,675
2046	165,000	61,244	226,244
2047	175,000	52,788	227,788
2048	195,000	43,819	238,819
2049	205,000	33,825	238,825
2050	455,000	23,319	478,319
Total	<u>\$ 2,375,000</u>	<u>\$ 2,449,375</u>	<u>\$ 4,824,375</u>

**HANCE RANCH METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2024**

Year Ended December 31,	Prior Year Gross Assessed Valuation for Current Year Property Tax Levy	Prior Year Net Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
			General	Debt	Levied	Collected	
			Operations	Service			
2020	\$ 457,562	\$ 457,562	75.524	0.000	\$ 34,557	\$ 33,809	97.84 %
2021	576,002	550,975	25.174	60.419	47,159	47,159	100.00 %
2022	799,033	747,519	25.174	60.419	63,982	64,356	100.58 %
2023	1,167,629	1,060,268	25.751	61.803	92,831	93,392	100.60 %
2024	2,116,092	1,872,326	29.470	70.728	187,603	178,032	94.90 %
Estimated for Year Ending December 31, 2025	\$ 2,044,990	\$ 1,729,799	29.899	71.759	\$ 175,848		

Note: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Jefferson County Assessor and Treasurer

**EXHIBIT E**  
**Second Amended and Restated Resolution Concerning the Imposition of An Operations  
Fee**

After Recording, Return to:  
WHITE BEAR ANKELE TANAKA & WALDRON  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122

**SECOND  
AMENDED AND RESTATED  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
HANCE RANCH METROPOLITAN DISTRICT**

**CONCERNING THE IMPOSITION OF AN OPERATIONS FEE**

---

WHEREAS, the Hance Ranch Metropolitan District (the “**District**”) was formed pursuant to §§ 32-1-101, *et seq.*, C.R.S., as amended (the “**Special District Act**”), by order of the District Court for Jefferson County, Colorado, and after approval of the District’s eligible electors at an election; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the “**Board**”) shall have the management, control and supervision of all the business and affairs of the District; and

WHEREAS, the District and Hance Ranch Station, LLC (the “**Developer**”) have entered into that certain Access Easement and Maintenance Agreement dated August 26, 2020 and recorded on October 20, 2020 at Reception Number 2020137209 in Jefferson County, Colorado (the “**Access Easement and Maintenance Agreement**”); and

WHEREAS, pursuant to the Access Easement and Maintenance Agreement, the District is responsible for providing certain services to be performed, subject to taxes, fees and charges that may be imposed upon lots by the District in connection with the provision of such services; and

WHEREAS, the Board has determined it to be in the best interests of the District, and the property owners, taxpayers, and residents of the District, to acquire, construct, operate and maintain certain amenities and facilities benefitting property and inhabitants within the District, which amenities and facilities generally include the following: (1) landscape improvements, which may include, but are not limited to, plantings, trees, shrubs, grass, ground cover, irrigation lines and sprinkler systems and other landscape features, and including any such improvements that may be installed or constructed by a subsequent owner of the lot; (2) storm water drainage improvements, including mainline and drains; and (3) other public improvements, facilities, appurtenances and rights-of-way (collectively, the “**Facilities**”); and

WHEREAS, the Board has determined it to be in the best interests of the District, and the property owners, taxpayers, and residents of the District, to provide certain services to property and inhabitants within the boundaries of the District, including without limitation, landscape maintenance, snow removal, and covenant enforcement (collectively, the “**Services**”); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., the District is authorized to fix and impose fees, rates, tolls, penalties and charges for services or facilities furnished by the District which, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the District incurs certain direct and indirect costs associated with the repair, replacement, improvement, reconstruction operation and maintenance of the Facilities, as necessary, inclusive of the costs of utilities and capital replacement costs (collectively, the “**Facility Costs**”) in order that the Facilities may be properly provided and maintained; and

WHEREAS, the District incurs certain direct and indirect costs associated with the provision of the Services in order that the Services may be properly provided, the property within the District maintained, and that the health, safety and welfare of the District and its inhabitants may be safeguarded (collectively, the “**Service Costs**”); and

WHEREAS, the establishment and continuation of a fair and equitable fee (the “**Operations Fee**”) to provide a source of funding to pay for the Facility Costs and the Service Costs, (collectively, the “**Operations Costs**”), which Operations Costs are generally attributable to the persons and/or properties subject to such Operations Fees, is necessary to provide for the common good and for the prosperity and general welfare of the District and its inhabitants and for the orderly and uniform administration of the District’s affairs; and

WHEREAS, the District finds that the Operations Fee, as set forth in this Resolution, is reasonably related to the overall cost of providing the Facilities and Services and paying the Operations Costs, and that imposition thereof is necessary and appropriate;

WHEREAS, on November 18, 2020, the Board adopted an Amended and Restated Resolution of the Board of Directors of Hance Ranch Metropolitan District Concerning the Imposition of an Operations Fee, which was recorded in the real property records of the Jefferson County Clerk and Recorder’s Office on November 24, 2020, at Reception No. 20201562277 (the “**Prior Fee Resolution**”), and the Board desires to adopt this Resolution to amend and restate the Prior Fee Resolution in its entirety. Any fees, rates, tolls, penalties or charges due under the Prior Fee Resolution, to the extent outstanding and unpaid, shall remain in effect until fully paid and shall not be eliminated hereby.

NOW, THEREFORE, be it resolved by the Board as follows:

1. DEFINITIONS. Except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

“**District Boundaries**” means the legal boundaries of the District, as the same are established and amended from time to time pursuant to §§32-1-101, *et seq.*, C.R.S., as more particularly set forth in the map and legal description attached hereto as **Exhibit B** and incorporated herein by this reference.

“**Due Date**” means the date by which the Operations Fee is due, which Due Date is reflected on the Schedule of Fees.

“**End User**” means any third-party homeowner or tenant of any homeowner occupying or intending to occupy a Residential Unit

“**Fee Schedule**” or “**Schedule of Fees**” means the schedule of fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, until and unless otherwise amended and/or repealed.

“**Lot**” means each parcel of land established by a recorded final subdivision plat and which is located within the District Boundaries.

“**Residential Unit**” means each residential dwelling unit (including, without limitation, condominiums, townhomes, and any other attached dwelling unit and detached single family dwelling units) located within the District Boundaries which has been Transferred to an End User.

“**Transfer**” or “**Transferred**” shall include a sale, conveyance or transfer by deed, instrument, writing, lease or any other documents or otherwise by which real property is sold, granted, let, assigned, transferred, exchanged or otherwise vested in a tenant, tenants, purchaser or purchasers.

## 2. OPERATIONS FEE.

a. The Board has determined, and does hereby determine, that it is in the best interests of the District and its respective residents and property owners to impose, and does hereby impose an Operations Fee to fund the Operations Costs. The Operations Fee is hereby established and imposed in an amount as set forth by the District from time to time pursuant to an annual “Fee Schedule” and shall constitute the rate in effect until such schedule is amended or repealed. The initial Fee Schedule is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference. The Operations Fee shall consist of a recurring payment (the “**Recurring Payment**”) and a separate payment imposed on transfers of a Residential Unit (the “**Transfer Payment**”), which together shall comprise the Operations Fee.

b. The Transfer Payment shall be imposed on all Transfers of a Residential Unit to an End User. The Transfer Payment shall not apply to any of the following, except to the extent the District determines that such exception is being undertaken for the purpose of improperly avoiding the Operations Fee:

i. Any Transfer wherein the United States, or any agency or instrumentality thereof, the State of Colorado, any county, city and county, municipality, district or other political subdivisions of this State, is either the grantor or the grantee.

ii. Any Transfer by document, decree or agreement partitioning, terminating or evidencing termination of a joint tenancy, tenancy in common or

other co-ownership; however, if additional consideration or value is paid in connection with such partition or termination the Transfer Payment shall apply and be based upon such additional consideration.

iii. Any Transfer of title or change of interest in real property by reason of death, pursuant to a will, the law of descent and distribution, or otherwise.

iv. Any Transfer made and delivered without consideration for the purpose of: confirming, correcting, modifying or supplementing a Transfer previously made; making minor boundary adjustments; removing clouds of title; or granting easements, rights-of-way or licenses.

v. Any decree or order of a court of record quieting, determining or resting title, except for a decree of foreclosure.

vi. Transfers to secure a debt or other obligation, or releases other than by foreclosure, which is security for a debt or other obligation.

vii. Transfers pursuant to a decree or separation of divorce.

c. The Board has determined, and does hereby determine, that the Operations Fee is reasonably related to the overall cost of providing the Facilities and Services, and is imposed on those who are reasonably likely to benefit from or use the Facilities and Services.

d. The revenues generated by the Operations Fee will be accounted for separately from other revenues of the District. The Operations Fee revenue will be used solely for the purpose of paying Operations Costs, and may not be used by the District to pay for general administrative costs of the District.

3. LATE FEES AND INTEREST. Pursuant to § 29-1-1102(3), C.R.S., any Operations Fee not paid in full within fifteen (15) days after the scheduled due date will be assessed a late fee in the amount of Fifteen Dollars (\$15.00) or up to five percent (5%) per month, or fraction thereof, not to exceed a total of twenty-five percent (25%) of the amount due. Interest will also accrue on any outstanding Operations Fees, exclusive of assessed late fees, penalties, interest and any other costs of collection, specially including, but not limited to, attorney fees, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S. The District may institute such remedies and collection procedures as authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting property owner shall pay all fees and costs, specifically including, but not limited to, attorneys' fees and costs and costs associated with the collection of delinquent fees, incurred by the District and/or its consultants in connection with the foregoing.

4. PAYMENT. Payment for all fees, rates, tolls, penalties, charges, interest and attorney fees shall be made by check or equivalent form acceptable to the District, made payable to "Hance Ranch Metropolitan District" and sent to the address indicated on the Fee Schedule.

The District may change the payment address from time and time and such change shall not require an amendment to this Resolution.

5. LIEN. The fees imposed hereunder, together with any and all late fees, interest, penalties and costs of collection, shall, until paid, constitute a statutory, perpetual lien on and against the property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j)(I), C.R.S. Said lien may be foreclosed at such time as the District, in its sole discretion, may determine. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land. This Resolution shall be recorded in the offices of the Clerk and Recorder of Jefferson County, Colorado.

6. SEVERABILITY. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

7. THE PROPERTY. This Resolution shall apply to all property within the District's boundaries, including, but not limited to, the property set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, and any additional property included into the District after the date of this Resolution.

8. EFFECTIVE DATE. This Resolution shall become effective March 26, 2021.

*[Remainder of Page Intentionally Left Blank. Signature Page to Follow.]*

ADOPTED this 26<sup>th</sup> day of March, 2021.

HANCE RANCH METROPOLITAN DISTRICT, a  
quasi-municipal corporation and political  
subdivision of the State of Colorado



Matt Cavanaugh (Mar 26, 2021 11:25 MDT)

\_\_\_\_\_  
Officer of the District

ATTEST:



\_\_\_\_\_  
Guillaume Pouchot (Mar 26, 2021 10:25 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys At Law



\_\_\_\_\_  
General Counsel to the District

*Signature page to Second Amended and Restated Resolution Concerning the Imposition of an  
Operations Fee*

**EXHIBIT A**

**HANCE RANCH METROPOLITAN DISTRICT**  
**Schedule of Fees**  
**Effective March 26, 2021**

<b>Schedule of Fees</b>		
<b>Fee Type</b>	<b>Classifications</b>	<b>Rate</b>
<b>Operations Fee – Recurring Payment</b>		
	Residential Unit	\$85.00/month
The Due Date for each Operations fee is the 10 <sup>th</sup> day of each month.		
<b>Operations Fee – Payment Due Upon a Transfer</b>		
	Residential Unit	\$600 per Transfer
The Due Date for each Operations Fee—Payment Due Upon Transfer is the date upon which the Transfer occurs.		

**PAYMENTS:** Payment for each fee shall be made payable to the Hance Ranch Metropolitan District and sent to the following address for receipt by the Due Date:

Hance Ranch Metropolitan District  
c/o CliftonLarsonAllen LLP  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111

**EXHIBIT B**

**HANCE RANCH METROPOLITAN DISTRICT**

**District Boundaries**

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE DISTRICT**

LOCATED IN A PORTION OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 3 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF WHEAT RIDGE, COUNTY OF JEFFERSON, STATE OF COLORADO;

LOTS 1 THROUGH 17, INCLUSIVE BLOCK 1;

LOTS 1 THROUGH 12, INCLUSIVE BLOCK 2;

LOTS 1 THROUGH 12, INCLUSIVE BLOCK 3;

LOTS 1 THROUGH 11, INCLUSIVE BLOCK 4;

LOTS 1 THROUGH 11, INCLUSIVE BLOCK 5;


AND TRACTS A THROUGH H INCLUSIVE; HANCE'S SUBDIVISION REPLAT NO. 2, AS RECORDED AT RECEPTION NUMBER 2018087433 IN THE OFFICIAL RECORDS OF THE COUNTY OF JEFFERSON, STATE OF COLORADO.

ALSO DESCRIBED AS FOLLOWS:

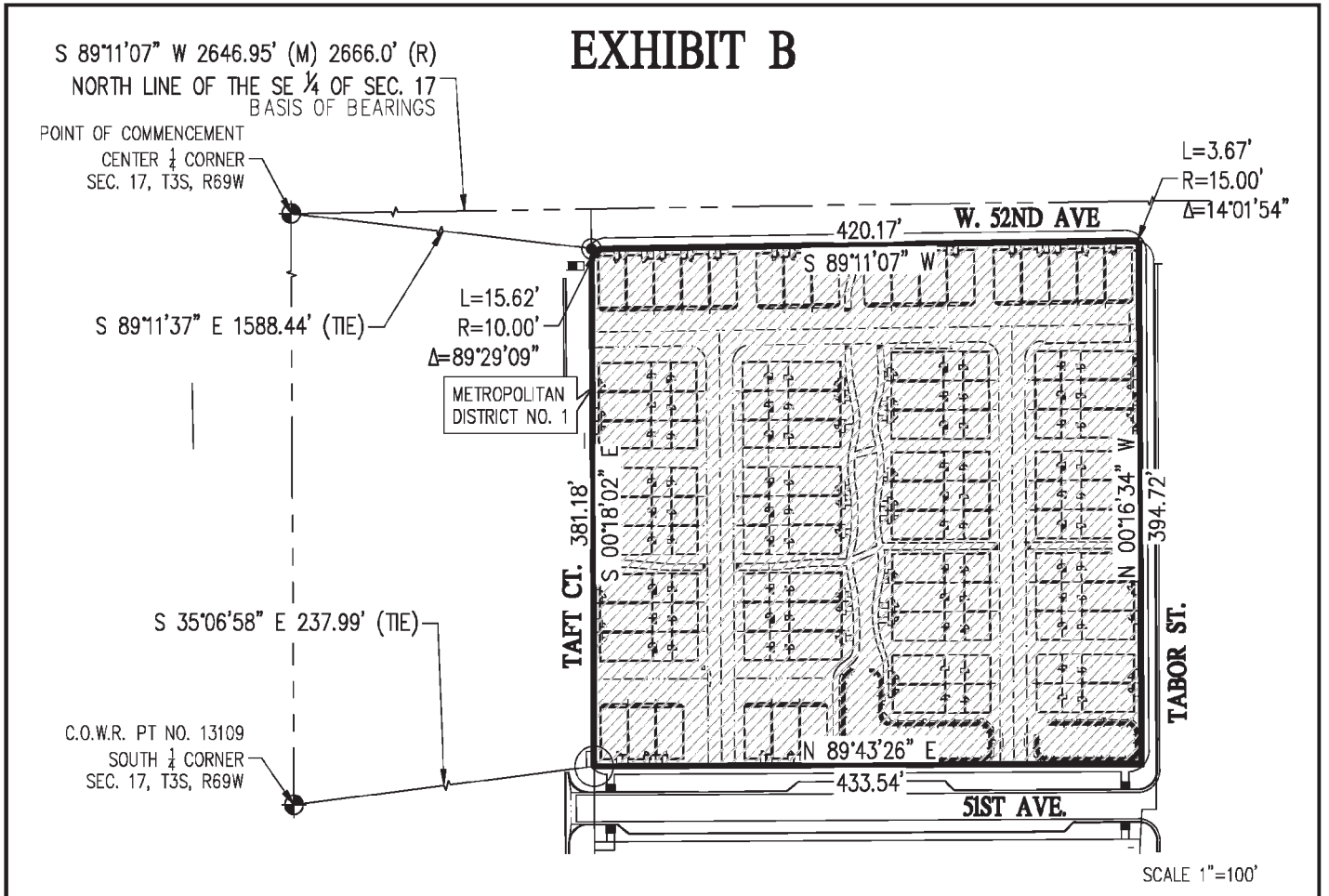
COMMENCING AT SAID EAST QUARTER CORNER OF SECTION 17; THENCE S 89°11'07" W ALONG SAID NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 17 A DISTANCE OF 1058.53 FEET; THENCE S 00°18'02" E A DISTANCE OF 30.00 FEET TO THE NORTHWEST CORNER OF TRACT E, HANCE'S SUBDIVISION REPLAT NO. 2, AND THE POINT OF BEGINNING;

THENCE THE FOLLOWING FIVE (5) COURSES:

1. S 00°18'02" E A DISTANCE OF 391.10 FEET, ALSO BEING THE EAST RIGHT-OF-WAY LINE OF TAFT COURT TO THE NORTH RIGHT-OF-WAY LINE OF WEST FIFTY-FIRST (51 ST) STREET;
2. N 89°43'26" E ALONG SAID NORTH RIGHT-OF-WAY LINE OF WEST FIFTY-FIRST (51 ST) STREET A DISTANCE OF 433.54 FEET, TO THE WEST RIGHT-OF-WAY LINE OF TABOR STREET;
3. N 00°16'34" W ALONG SAID WEST RIGHT-OF-WAY LINE OF TABOR STREET A DISTANCE OF 394.72 FEET, TO A POINT OF A NON-TANGENT CURVE;
4. ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 14°01'54", A RADIUS OF 15.00 FEET, AN ARC LENGTH OF 3.67 FEET, AND WHOSE CHORD BEARS N 83°47'55" W A DISTANCE OF 3.66 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF WEST 52ND AVENUE;
5. THENCE S 89°11'07" W ALONG SAID SOUTH RIGHT-OF-WAY LINE OF WEST 52ND AVENUE A DISTANCE OF 430.08 FEET TO THE POINT OF BEGINNING.

 <p>102 N FURBER DRIVE SUITE 210 • GOLDEN, COLORADO 80401 P. 303.441.0000 • F. 303.441.0000 • www.baselinereco.com</p>	REVISION DESCRIPTION	PREPARED BY	DATE	DRAWN BY	<b>HANCE RANCH DEVELOPMENT, LLC</b>		INITIAL SUBMITTAL 05.01.2019 DRAWING SIZE 8 1/2" X 11" SURVEY PERM 07.11.2015 CLASS. NO. 033302 JOB NO. 033302 DRAWING NAME 3206 DESCRIPTIONS.dwg SHEET 1 OF 1
				XXX	WHEAT RIDGE	JEFFERSON COUNTY	
					XXX	HANCE RANCH	
					XXX	11818 W. 52ND AVE.	
						LEGAL DESCRIPTION	
							A

# EXHIBIT B



102 N FLORISS DRIVE, SUITE 200 • GOLDEN, COLORADO 80401  
P: 303.440.8800 • F: 303.440.8809 • www.baselinesurvey.com

REVISION DESCRIPTION	PREPARED BY	DATE	DESIGNED BY
			XXX
			XXX
			XXX
			XXX

## HANCE RANCH DEVELOPMENT, LLC

WHEAT RIDGE  
HANCE RANCH  
11818 W. 52ND AVE.  
DISTRICT BOUNDARIES MAP

JEFFERSON COUNTY

INITIAL SUBMITTAL	05.07.2019
DRAWING SIZE	8.5" X 11"
REVISIONS	02.11.2019
BASIS	02.11.2019
JOB NO.	COL2018
DRAWING NAME	3206 DESCRIPTIONS.dwg
SHEET	1 OF 1
	B