

LETTER OF BUDGET TRANSMITTAL

Date: January 11, 2023

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

Attached are the 2023 budget and budget message for ROLLING HILLS RANCH METROPOLITAN DISTRICT NO. 1 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 28, 2022. If there are any questions on the budget, please contact:

Carrie Bartow
CliftonLarsonAllen LLP
8390 East Crescent Parkway
Greenwood Village, CO 80111
Tel.: 303-779-571

I, S. Alan Vancil, as Secretary of the Rolling Hills Ranch Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: S. Alan Vancil

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
ROLLING HILLS RANCH METROPOLITAN DISTRICT NO. 1**

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

WHEREAS, the Board of Directors of the Rolling Hills Ranch Metropolitan District No. 1 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

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

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 28, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$202; and

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

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

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$1,012; and

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

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

WHEREAS, the 2022 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$20,230; and

WHEREAS, at an election held on November 2, 2004, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROLLING HILLS RANCH METROPOLITAN DISTRICT NO. 1 OF EL PASO COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Rolling Hills Ranch Metropolitan District No. 1 for calendar year 2023.

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

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

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2023 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2023 budget year, there is hereby levied a tax of 10.002 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

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

year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 50.010 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2023 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2022.

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

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2022, to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of El Paso County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2022 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

ADOPTED this 28th day of October, 2022.

ROLLING HILLS RANCH METROPOLITAN
DISTRICT NO. 1

Jeff Mark

President

ATTEST:

S. Alan Vancil

Secretary

Rolling Hills Ranch Metropolitan District No. 1			
El Paso County, CO			
General Fund Budget			
Year Ended 12/31/2023			
Modified Accrual Basis			
	2021	2022	2023
	Actual	Estimated Total	Proposed Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 7,023
REVENUES			
Intergovernmental Revenue - General & Contractual Obligations:			
District 2	-	1,341	1,275
District 3	-	1,170	1,142
District 4	-	1,201	1,142
District 5	-	1,213	1,154
District 6	-	1,209	1,095
District 7	-	881	792
District 8	-	908	864
District 9	-	1,123	1,067
District 10	-	1,122	1,067
District 11	-	950	903
District 12	-	950	905
District 13	-	1,194	1,134
District 14	-	1,195	1,134
District 15	-	1,193	1,133
Total Intergovernmental Revenue	-	15,647	14,807
Property Tax - Operating and Contractual	-	1,283	1,214
Specific Ownership Tax	-	132	121
Developer advances	-	-	-
Contingency Income	-	-	2,000
Total Revenues	-	17,062	18,142
EXPENDITURES			
Accounting	-	5,000	4,000
Legal	-	5,000	4,000
Election Expense	-	-	-
District Management	-	-	5,000
Dues & subscriptions	-	-	500
Insurance	-	-	1,500
County Collection Fee	-	39	36
Contingency Expenses	-	-	1,000
Landscape Maintenance	-	-	5,000
Total Expenses	-	10,039	21,036
Excess of Revenues over Expenditures	-	7,023	(2,894)
ENDING FUND BALANCE	\$ -	\$ 7,023	\$ 4,128
Emergency Reserve - 3% of Revenues	\$ -	\$ 512	\$ 544
Unrestricted Fund Balance	-	6,511	3,584

Rolling Hills Ranch Metropolitan District No. 1			
El Paso County, CO			
Capital Fund Budget			
Year Ended 12/31/2023			
Modified Accrual Basis			
	2021	2022	2023
	Actual	Estimated Total	Proposed Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Intergovernmental Revenue:	-	-	-
Total Revenues	-	-	-
EXPENDITURES	-	-	-
Total Capital Expenditures	-	-	-
Excess of Revenues over Expenditures	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

Rolling Hills Ranch Metropolitan District No. 1			
El Paso County, CO			
Debt Service Fund Budget			
Year Ended 12/31/2023			
Modified Accrual Basis			
	2021	2022	2023
	Actual	Estimated Total	Proposed Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Total Revenues	-	-	-
EXPENDITURES			
Total Expenditures	-	-	-
Excess of Revenues over Expenditures	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

Rolling Hills Ranch Metropolitan District No. 1-10																
El Paso County, CO																
Property Taxes																
2022 Valuations for 2023 Taxes		233	234	235	236	237	238	239	240	241	242	243	244	245	246	247
	Combined Taxes	District 1	District 2	District 3	District 4	District 5	District 6	District 7	District 8	District 9	District 10	District 11	District 12	District 13	District 14	District 15
Vacant Residential Land - Market Value	-															
Percentage	29%															
Assessed Value	-															
Residential Land & Improvements - Market Value	-															
Percentage	0%															
Assessed Value	-															
Agricultural Land - Market Value	1,446	113	114	102	102	103	103	77	77	95	95	81	81	101	101	101
Percentage	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Assessed Value	410	30	30	30	30	30	30	20	20	30	30	20	20	30	30	30
Severed Mineral Interests (Oil & Gas)	-															
Percentage	0%															
Assessed Value	-															
Public Utility state value	833,379	69,655	68,380	31,207	61,207	61,827	58,759	42,448	46,276	57,173	57,173	48,448	48,482	60,793	60,793	60,758
Percentage	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Assessed Value	250,380	20,200	19,830	17,750	17,750	17,930	17,040	12,310	13,420	16,580	16,580	14,050	14,060	17,630	17,630	17,620
Final Assessed Value as of 11/25/22	250,790	20,230	19,860	17,780	17,780	17,960	17,070	12,330	13,440	16,610	16,610	14,070	14,080	17,660	17,660	17,650
Total Mill Levy	60.013	60.012	60.012	60.014	60.014	60.014	60.015	60.013	60.013	60.014	60.014	60.012	60.012	60.014	60.014	60.014
2022 Property Tax to be paid in 2023	15,051	1,214	1,192	1,067	1,067	1,078	1,024	740	807	997	997	844	845	1,060	1,060	1,059
Property Tax																
Operations & Maintenance	\$ 2,508	\$ 202	\$ 199	\$ 178	\$ 178	\$ 180	\$ 171	\$ 123	\$ 135	\$ 166	\$ 166	\$ 141	\$ 141	\$ 177	\$ 177	\$ 177
Contractual Obligations	\$ 12,542	\$ 1,012	\$ 993	\$ 889	\$ 889	\$ 898	\$ 853	\$ 617	\$ 672	\$ 831	\$ 831	\$ 703	\$ 704	\$ 883	\$ 883	\$ 882
Total	\$ 15,050	\$ 1,214	\$ 1,192	\$ 1,067	\$ 1,067	\$ 1,078	\$ 1,024	\$ 740	\$ 807	\$ 997	\$ 997	\$ 844	\$ 845	\$ 1,060	\$ 1,060	\$ 1,059
Mill Levy Charged																
Operations & Maintenance	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002	10.002
Contractual Obligations	50.011	50.010	50.010	50.012	50.012	50.012	50.013	50.011	50.011	50.012	50.012	50.010	50.010	50.012	50.012	50.012
Total	60.013	60.012	60.012	60.014	60.014	60.014	60.015	60.013	60.013	60.014	60.014	60.012	60.012	60.014	60.014	60.014

ROLLING HILLS RANCH METROPOLITAN DISTRICTS NO. 1
EL PASO COUNTY, CO
2023 BUDGET MESSAGE

The Rolling Hills Ranch Metropolitan Districts No. 1 (District) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in September 2006. The District was established for the Rolling Hills Ranch community and encompass the land generally located East of Marksheffel Road, and between Bradley Road, and Drennan Road. They are located entirely within the boundaries of El Paso County, State of Colorado and contains approximately 1,200 acres, more or less. Along with its companion Districts Nos. 2 through 15 (“Financing Districts”) this “Service District” was organized to provide to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The proposed public improvements to be provided by the Districts include a water system, wastewater, streets, bridges, traffic controls and signage, drainage improvements, fire protection service, covenant control, mosquito control, and park and recreation facilities and other related improvements and their operation and maintenance.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District’s financial statements.

2023 BUDGET

**GENERAL FUND
REVENUES**

1. Intergovernmental revenue is budgeted for General Fund tax revenue from Rolling Hills Ranch Metropolitan Districts #2 through #15 transferred to District #1. District #2 through #15 has assessed 10.002 mills for Operations and Maintenance and 50.010 mills – 50.013 mills for Contractual Obligations for 2023. The related property tax revenue and an allocation of specific ownership tax are included in this budgeted revenue.
2. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill levies are budgeted for Operations and Maintenance at 10.002 mills and contractual obligations at 50.010 mills.
3. Specific ownership taxes are budgeted at 10% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.
4. Contingency income is budgeted for unanticipated income.

ROLLING HILLS RANCH METROPOLITAN DISTRICTS NO. 1
EL PASO COUNTY, CO
2023 BUDGET MESSAGE

GENERAL FUND (Continued)

EXPENDITURES

1. Expenditures include the operating and maintenance costs for Districts #1 - #15 since all of the net operating tax revenues of District #2 - #15 are transferred to District #1 as intergovernmental revenue.
2. Accounting fees include the monthly accounting for the District and the costs of the accounting firm to prepare periodic and annual financial statements, and to record mill levy certifications and budgets with regulatory authorities.
3. Legal fees are estimated based on the annual requirements of the District.
4. District Management costs are based on the contracted costs to manage the District.
5. Dues & subscriptions are the estimated SDA dues and office expenses.
6. Insurance is the estimated charges from the Colorado Special Districts Property and Liability Insurance Pool.
7. The County property tax collection fee is based on 3.0% of the property tax received.
8. A contingency expense is budgeted for unexpected expenses.

CAPITAL FUND

REVENUES

The District has budgeted no revenues for 2023.

EXPENDITURES

The District has budgeted no expenditures for 2023.

DEBT SERVICE

REVENUES

The District has budgeted no revenues for 2023.

EXPENDITURES

The District has budgeted no expenditures for 2023.

DEBT AND LEASES

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

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of revenues, excluding Developer Loan Proceeds.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the Rolling Hills Ranch Metropolitan District No. 1,
(taxing entity)^A

the Board of Directors,
(governing body)^B

of the Rolling Hills Ranch Metropolitan District No. 1,
(local government)^C


Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 20,230 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 20,230 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/03/2022 for budget/fiscal year 2023.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	10.002 mills	\$ 202
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.002 mills	\$ 202
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	50.010 mills	\$ 1,012
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	60.012 mills	\$ 1,214

Contact person: (print) Seef Le Roux Daytime phone: (719) 635-0330

Signed:  Title: Accountant for the District

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

CERTIFICATION OF TAX LEVIES, continued

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

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

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

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

CONTRACTS^K:

- 3. Purpose of Contract: Public infrastructure
Title: Developer Reimbursement Agreement
Date: Anticipated 2023
Principal Amount: Unknown
Maturity Date: Unknown
Levy: 50.010
Revenue: \$1,012

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

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