

LETTER OF BUDGET TRANSMITTAL


Date: January 30, 2025

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

Attached are the 2025 budget and budget message for STERLING 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 November 19, 2024. If there are any questions on the budget, please contact:

Josh Miller, District Manager  
c/o CliftonLarsonAllen LLP  
121 S. Tejon Street, Suite 1100  
Colorado Springs, CO 80903  
Telephone number: 303-779-5710

I, Josh Miller, District Manager of the Sterling Ranch Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2025 budget.

By:  \_\_\_\_\_  
Josh Miller, District Manager

**RESOLUTION**  
**ADOPTING BUDGET, APPROPRIATING SUMS OF MONEY AND CERTIFYING**  
**MILL LEVIES FOR THE CALENDAR YEAR 2025**

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The Board of Directors of Sterling Ranch Metropolitan District No. 1 (the “**Board**”), El Paso County, Colorado (the “**District**”), held a regular meeting, via teleconference on November 19, 2024, at the hour of 11:00 a.m.

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2025 BUDGET



WHEREAS, the Board has appointed its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

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

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was available for inspection by the public at a designated place, a public hearing was held and interested electors of the District were provided a public comment period and given the opportunity to file any objections to the proposed budget prior to the final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2025. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy of Property Taxes. The Board does hereby certify the levy of property taxes for collection in 2025 as more specifically set out in the budget attached hereto.

Section 3. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut, or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant, or other designee to certify to the Board of County Commissioners of El Paso County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 5. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated from the revenue of each fund for the purposes stated.

Section 6. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager, or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 7. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

*[Remainder of Page Intentionally Left Blank]*

ADOPTED NOVEMBER 19, 2024.

**DISTRICT:**

**STERLING RANCH METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado

Signed by:  
*Loren J. Moreland*  
By: \_\_\_\_\_  
Officer of the District

**ATTEST:**

Signed by:  
*[Signature]*  
By: \_\_\_\_\_  
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**APPROVED AS TO FORM:**

**WHITE BEAR ANKELE TANAKA & WALDRON**  
Attorneys at Law  
Signed by:  
*[Signature]*  
\_\_\_\_\_  
4CDD94B69E70458...  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF EL PASO  
STERLING RANCH METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held at via teleconference on Tuesday, November 19, 2024, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 19<sup>th</sup> day of November, 2024.

Signed by:  
*[Signature]*  
\_\_\_\_\_  
E6884F71269E4D1...  
Signature

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**



**STERLING RANCH METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/25

|                                                                 | ACTUAL<br>2023      | ESTIMATED<br>2024   | BUDGET<br>2025   |
|-----------------------------------------------------------------|---------------------|---------------------|------------------|
| BEGINNING FUND BALANCES                                         | \$ 8,462,687        | \$ 5,865,108        | \$ 3,716,014     |
| REVENUES                                                        |                     |                     |                  |
| Property Taxes                                                  | 16,106              | 310                 | -                |
| Specific Ownership Taxes                                        | 1,675               | 24                  | -                |
| District Impact Fees                                            | -                   | -                   | 168,000          |
| Interest Income                                                 | 193,980             | 100,707             | 23,000           |
| Developer Advance - Classic SRJ                                 | -                   | 2,694,962           | 26,421           |
| Other Revenue                                                   | -                   | 1                   | 1,348            |
| Intergovernmental Revenues                                      | 4,000               | -                   | -                |
| Total revenues                                                  | <u>215,761</u>      | <u>2,796,004</u>    | <u>218,769</u>   |
| TRANSFERS IN                                                    | <u>-</u>            | <u>11</u>           | <u>-</u>         |
| Total funds available                                           | <u>8,678,448</u>    | <u>8,661,123</u>    | <u>3,934,783</u> |
| EXPENDITURES                                                    |                     |                     |                  |
| General Fund                                                    | 2,976               | 60                  | 500              |
| Debt Service Fund                                               | 1,150,770           | 1,150,573           | 1,151,000        |
| Capital Projects Fund                                           | 1,659,594           | 3,794,465           | 2,721,383        |
| Total expenditures                                              | <u>2,813,340</u>    | <u>4,945,098</u>    | <u>3,872,883</u> |
| TRANSFERS OUT                                                   | <u>-</u>            | <u>11</u>           | <u>-</u>         |
| Total expenditures and transfers out<br>requiring appropriation | <u>2,813,340</u>    | <u>4,945,109</u>    | <u>3,872,883</u> |
| ENDING FUND BALANCES                                            | <u>\$ 5,865,108</u> | <u>\$ 3,716,014</u> | <u>\$ 61,900</u> |
| SURPLUS FUND (\$4,512,000)                                      | 2,004,587           | 1,021,052           | 61,900           |
| CAPITILIZED INTEREST                                            | 78,643              | -                   | -                |
| TOTAL RESERVE                                                   | <u>\$ 2,083,230</u> | <u>\$ 1,021,052</u> | <u>\$ 61,900</u> |

No assurance provided. See summary of significant assumptions.

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
PROPERTY TAX SUMMARY INFORMATION  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/25

| ACTUAL | ESTIMATED | BUDGET |
|--------|-----------|--------|
| 2023   | 2024      | 2025   |

**ASSESSED VALUATION**

|                          |            |          |            |
|--------------------------|------------|----------|------------|
| Agricultural             | \$ 1,680   | \$ 1,160 | \$ 2,410   |
| State assessed           | 200        | 220      | 200        |
| Vacant land              | 239,080    | 3,520    | 155,550    |
| Certified Assessed Value | \$ 240,960 | \$ 4,900 | \$ 158,160 |

**MILL LEVY**

|                 |        |        |        |
|-----------------|--------|--------|--------|
| General         | 11.139 | 10.534 | 10.403 |
| Debt Service    | 55.702 | 52.670 | 52.016 |
| Total mill levy | 66.841 | 63.204 | 62.419 |

**PROPERTY TAXES**

|                                |           |        |          |
|--------------------------------|-----------|--------|----------|
| General                        | \$ 2,683  | \$ 52  | \$ 1,645 |
| Debt Service                   | 13,423    | 258    | 8,227    |
| Levied property taxes          | 16,106    | 310    | 9,872    |
| Adjustments to actual/rounding | -         | -      | (4,433)  |
| Refunds and abatements         | -         | -      | (5,439)  |
| Budgeted property taxes        | \$ 16,106 | \$ 310 | \$ -     |

**BUDGETED PROPERTY TAXES**

|                     |                  |               |             |
|---------------------|------------------|---------------|-------------|
| <b>General</b>      | <b>\$ 2,683</b>  | <b>\$ 52</b>  | <b>\$ -</b> |
| <b>Debt Service</b> | <b>13,423</b>    | <b>258</b>    | <b>-</b>    |
|                     | <b>\$ 16,106</b> | <b>\$ 310</b> | <b>\$ -</b> |

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/25

|                                                                 | ACTUAL<br>2023 | ESTIMATED<br>2024 | BUDGET<br>2025 |
|-----------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES                                         | \$ -           | \$ -              | \$ -           |
| REVENUES                                                        |                |                   |                |
| Property Taxes                                                  | 2,683          | 52                | -              |
| Specific Ownership Taxes                                        | 279            | 4                 | -              |
| Interest Income                                                 | 14             | 3                 | -              |
| Other Revenue                                                   | -              | 1                 | 500            |
| Total revenues                                                  | <u>2,976</u>   | <u>60</u>         | <u>500</u>     |
| <br>                                                            |                |                   |                |
| Total funds available                                           | <u>2,976</u>   | <u>60</u>         | <u>500</u>     |
| EXPENDITURES                                                    |                |                   |                |
| General and administrative                                      |                |                   |                |
| County Treasurer's Fee                                          | 40             | 1                 | -              |
| Contingency                                                     | -              | -                 | 500            |
| Intergovernmental Expenditures                                  | 2,936          | 59                | -              |
| Total expenditures                                              | <u>2,976</u>   | <u>60</u>         | <u>500</u>     |
| <br>                                                            |                |                   |                |
| Total expenditures and transfers out<br>requiring appropriation | <u>2,976</u>   | <u>60</u>         | <u>500</u>     |
| ENDING FUND BALANCES                                            | <u>\$ -</u>    | <u>\$ -</u>       | <u>\$ -</u>    |

No assurance provided. See summary of significant assumptions.

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/25

|                                                                 | ACTUAL<br>2023 | ESTIMATED<br>2024 | BUDGET<br>2025 |
|-----------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES                                         | \$ 3,080,981   | \$ 2,083,336      | \$ 1,021,052   |
| <b>REVENUES</b>                                                 |                |                   |                |
| Property Taxes                                                  | 13,423         | 258               | -              |
| Specific Ownership Taxes                                        | 1,396          | 20                | -              |
| District Impact Fees                                            | -              | -                 | 168,000        |
| Interest Income                                                 | 134,306        | 88,000            | 23,000         |
| Other Revenue                                                   | -              | -                 | 848            |
| Intergovernmental Revenues                                      | 4,000          | -                 | -              |
| Total revenues                                                  | 153,125        | 88,278            | 191,848        |
| <b>TRANSFERS IN</b>                                             |                |                   |                |
| Transfers from other funds                                      | -              | 11                | -              |
| Total funds available                                           | 3,234,106      | 2,171,625         | 1,212,900      |
| <b>EXPENDITURES</b>                                             |                |                   |                |
| General and administrative                                      |                |                   |                |
| County Treasurer's Fee                                          | 201            | 4                 | -              |
| Paying Agent Fees                                               | 4,000          | 4,000             | 4,000          |
| Contingency                                                     | -              | -                 | 431            |
| Debt Service                                                    |                |                   |                |
| Bond Interest                                                   | 1,146,569      | 1,146,569         | 1,146,569      |
| Total expenditures                                              | 1,150,770      | 1,150,573         | 1,151,000      |
| Total expenditures and transfers out<br>requiring appropriation | 1,150,770      | 1,150,573         | 1,151,000      |
| ENDING FUND BALANCES                                            | \$ 2,083,336   | \$ 1,021,052      | \$ 61,900      |
| SURPLUS FUND (\$4,512,000)                                      | \$ 2,004,587   | \$ 1,021,052      | \$ 61,900      |
| CAPITIALIZED INTEREST                                           | 78,643         | -                 | -              |
| TOTAL RESERVE                                                   | \$ 2,083,230   | \$ 1,021,052      | \$ 61,900      |

No assurance provided. See summary of significant assumptions.

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/25

|                                                                 | ACTUAL<br>2023      | ESTIMATED<br>2024   | BUDGET<br>2025   |
|-----------------------------------------------------------------|---------------------|---------------------|------------------|
| BEGINNING FUND BALANCES                                         | \$ 5,381,706        | \$ 3,781,772        | \$ 2,694,962     |
| REVENUES                                                        |                     |                     |                  |
| Interest Income                                                 | 59,660              | 12,704              | -                |
| Developer Advance - Classic SRJ                                 | -                   | 2,694,962           | 26,421           |
| Total revenues                                                  | <u>59,660</u>       | <u>2,707,666</u>    | <u>26,421</u>    |
| <br>                                                            |                     |                     |                  |
| Total funds available                                           | <u>5,441,366</u>    | <u>6,489,438</u>    | <u>2,721,383</u> |
| EXPENDITURES                                                    |                     |                     |                  |
| Capital Projects                                                |                     |                     |                  |
| Repay Developer Advance                                         | -                   | -                   | 2,721,383        |
| Intergovernmental Expenditures                                  | -                   | 2,221               | -                |
| Capital Outlay                                                  | 1,659,594           | 3,792,244           | -                |
| Total expenditures                                              | <u>1,659,594</u>    | <u>3,794,465</u>    | <u>2,721,383</u> |
| TRANSFERS OUT                                                   |                     |                     |                  |
| Transfers to other funds                                        | <u>-</u>            | <u>11</u>           | <u>-</u>         |
| <br>                                                            |                     |                     |                  |
| Total expenditures and transfers out<br>requiring appropriation | <u>1,659,594</u>    | <u>3,794,476</u>    | <u>2,721,383</u> |
| ENDING FUND BALANCES                                            | <u>\$ 3,781,772</u> | <u>\$ 2,694,962</u> | <u>\$ -</u>      |

No assurance provided. See summary of significant assumptions.

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Sterling Ranch Metropolitan District No. 1 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District of El Paso County, Colorado on February 1, 2011 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Consolidated Service Plan, approved by the City of Colorado Springs on March 7, 2011, formed the Sterling Ranch Metropolitan Districts Nos 1 – 3 (“The Districts”) The District's service area is located entirely in El Paso County, Colorado.

The District was organized to provide planning, acquisition, construction, installation and financing of public improvements, including streets, water, wastewater, traffic and safety, park and recreation, mosquito control, television relay and transportation facilities, primarily for residential and commercial development. The District was organized in conjunction with Sterling Ranch Metropolitan District #2 ("District No. 2") and Sterling Ranch Metropolitan District No. 3 ("District No. 3") to serve the needs of the Sterling Ranch development for the purpose of financing, construction and operation of improvements and infrastructure serving the three districts.

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 requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget.

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes – (continued)**

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget.

For property tax collection year 2025, SB22-238, SB23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

| <b>Category</b>           | <b>Rate</b> |  | <b>Category</b>       | <b>Rate</b> | <b>Actual Value Reduction</b> | <b>Amount</b> |
|---------------------------|-------------|--|-----------------------|-------------|-------------------------------|---------------|
| 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%      |                               |               |

**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 forecast assumes that the District's share will be equal to approximately 10% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on historical interest earnings.

**Expenditures**

**Intergovernmental Expenditures**

Pursuant to an Intergovernmental Agreement with Sterling Ranch Metro District No. 3 the District is obligated to impose a mill levy, not to exceed 10.000 mills, subject to certain adjustments, and remit property taxes derived from such mill levy, together with a portion of specific ownership taxes applicable to property within the District.

**County Treasurer's Fees**

County Treasurer's Fees have been computed at 1.5% of property tax collections.



**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (continued)**

**Bond Interest**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020 Bonds. (Discussed under Debt and Leases).

**Debt and Leases**

On December 1, 2020, the District issued Series 2020 General Obligation Limited Tax Bonds ("Series 2020 Bonds") for the purpose of: (i) financing the cost of acquisition, construction, and installation of certain public improvements; (ii) funding the initial deposit to the surplus fund; (iii) funding the capitalized interest on the bonds; and (iv) paying other costs incurred in connection with the issuance of the Series 2020 Bonds. The Series 2020 Bonds were issued in the amounts as follows: (a) \$7,705,000, plus an original issue premium of \$63,104; bearing interest at 5.000%; and maturing on December 1, 2040; and (b) \$14,855,000; bearing interest at 5.125%; and maturing on December 1, 2050. The interest on the Series 2020 Bonds is calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of pledged revenues available on each June 1 and December 1. The Series 2020 Bonds have an anticipated maturity date of December 1, 2050.

The District has no operating or capital leases.

**Developer Advances**

The District entered into a Reimbursement Agreement (Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 8.25% beginning on the date the advance were made to the date of repayment. The Agreement does not constitute a multiple-fiscal year obligation.

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

| <b>Schedule of Long Term Obligations</b> |                                                    |                     |                     |                                                    |
|------------------------------------------|----------------------------------------------------|---------------------|---------------------|----------------------------------------------------|
|                                          | Balance -<br>December 31,<br>2023                  | Additions           | Retirements         | Anticipated<br>Balance -<br>December 31,<br>2024 * |
| <b>General Obligation Bonds</b>          |                                                    |                     |                     |                                                    |
| Series 2020                              |                                                    |                     |                     |                                                    |
| Bonds                                    | \$ 22,560,000                                      | \$ -                | \$ -                | \$ 22,560,000                                      |
| Series 2020                              |                                                    |                     |                     |                                                    |
| Premuim                                  | 54,764                                             | -                   | 2,780               | 51,984                                             |
| Subtotal                                 | <u>22,614,764</u>                                  | <u>-</u>            | <u>2,780</u>        | <u>22,611,984</u>                                  |
| <b>Other Debt</b>                        |                                                    |                     |                     |                                                    |
| Developer Advances - Capital             | -                                                  | 2,622,477           | -                   | 2,622,477                                          |
| Accrued Interest - Developer Advances:   |                                                    |                     |                     |                                                    |
| Capital                                  | -                                                  | 72,485              | -                   | 72,485                                             |
| Subtotal                                 | <u>-</u>                                           | <u>2,694,962</u>    | <u>-</u>            | <u>2,694,962</u>                                   |
| <b>Total Long-Term Obligations</b>       | <u>\$ 22,614,764</u>                               | <u>\$ 2,694,962</u> | <u>\$ 2,780</u>     | <u>\$ 25,306,946</u>                               |
| * - Estimated                            |                                                    |                     |                     |                                                    |
|                                          | Anticipated<br>Balance -<br>December 31,<br>2024 * | Additions           | Retirements         | Anticipated<br>Balance -<br>December 31,<br>2025 * |
| <b>General Obligation Bonds</b>          |                                                    |                     |                     |                                                    |
| Series 2020                              |                                                    |                     |                     |                                                    |
| Bonds                                    | \$ 22,560,000                                      | \$ -                | \$ -                | \$ 22,560,000                                      |
| Series 2020                              |                                                    |                     |                     |                                                    |
| Premuim                                  | 51,984                                             | -                   | 2,780               | 49,204                                             |
| Subtotal                                 | <u>22,611,984</u>                                  | <u>-</u>            | <u>2,780</u>        | <u>22,609,204</u>                                  |
| <b>Other Debt</b>                        |                                                    |                     |                     |                                                    |
| Developer Advances - Capital             | 2,622,477                                          | -                   | 2,622,477           | -                                                  |
| Accrued Interest - Developer Advances:   |                                                    |                     |                     |                                                    |
| Capital                                  | 72,485                                             | 26,421              | 98,906              | -                                                  |
| Subtotal                                 | <u>2,694,962</u>                                   | <u>26,421</u>       | <u>2,721,383</u>    | <u>-</u>                                           |
| <b>Total Long-Term Obligations</b>       | <u>\$ 25,306,946</u>                               | <u>\$ 26,421</u>    | <u>\$ 2,724,163</u> | <u>\$ 22,609,204</u>                               |
| * - Estimated                            |                                                    |                     |                     |                                                    |

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 3, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2025 Budget.

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

**STERLING RANCH METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$22,560,000 Limited Tax General Obligation Bonds**

Issue date December 1, 2020

Principal Due Annually December 1

Interest at 5.00% - 5.125%

Due June 1 and December 1

| <u>Year<br/>Ending<br/>December 31,</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|-----------------------------------------|----------------------|----------------------|----------------------|
| 2025                                    | \$ -                 | \$ 1,146,569         | \$ 1,146,569         |
| 2026                                    | -                    | 1,146,569            | 1,146,569            |
| 2027                                    | -                    | 1,146,569            | 1,146,569            |
| 2028                                    | 250,000              | 1,146,569            | 1,396,569            |
| 2029                                    | 385,000              | 1,134,069            | 1,519,069            |
| 2030                                    | 435,000              | 1,114,819            | 1,549,819            |
| 2031                                    | 455,000              | 1,093,069            | 1,548,069            |
| 2032                                    | 510,000              | 1,070,319            | 1,580,319            |
| 2033                                    | 535,000              | 1,044,819            | 1,579,819            |
| 2034                                    | 590,000              | 1,018,069            | 1,608,069            |
| 2035                                    | 620,000              | 988,569              | 1,608,569            |
| 2036                                    | 685,000              | 957,569              | 1,642,569            |
| 2037                                    | 720,000              | 923,319              | 1,643,319            |
| 2038                                    | 790,000              | 887,319              | 1,677,319            |
| 2039                                    | 830,000              | 847,819              | 1,677,819            |
| 2040                                    | 900,000              | 806,319              | 1,706,319            |
| 2041                                    | 945,000              | 761,319              | 1,706,319            |
| 2042                                    | 1,030,000            | 712,888              | 1,742,888            |
| 2043                                    | 1,085,000            | 660,100              | 1,745,100            |
| 2044                                    | 1,175,000            | 604,494              | 1,779,494            |
| 2045                                    | 1,235,000            | 544,275              | 1,779,275            |
| 2046                                    | 1,335,000            | 480,981              | 1,815,981            |
| 2047                                    | 1,400,000            | 412,563              | 1,812,563            |
| 2048                                    | 1,510,000            | 340,813              | 1,850,813            |
| 2049                                    | 1,585,000            | 263,425              | 1,848,425            |
| 2050                                    | 3,555,000            | 182,194              | 3,737,194            |
|                                         | <u>\$ 22,560,000</u> | <u>\$ 21,435,400</u> | <u>\$ 43,995,400</u> |

No assurance provided. See summary of significant assumptions.

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

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

On behalf of the STERLING RANCH METROPOLITAN DISTRICT NO. 1,

(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS

(governing body)<sup>B</sup>

of the STERLING RANCH METROPOLITAN DISTRICT NO. 1

(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 158,160 assessed valuation of: (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: \$ 158,160 (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:** 12/15/2024 for budget/fiscal year 2025.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

| <b>PURPOSE</b> (see end notes for definitions and examples)                                          | <b>LEVY</b> <sup>2</sup>   | <b>REVENUE</b> <sup>2</sup> |
|------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 1. General Operating Expenses <sup>H</sup>                                                           | <u>10.403</u> mills        | \$ <u>1,645</u>             |
| 2. <Minus> Temporary General Property Tax Credit/<br>Temporary Mill Levy Rate Reduction <sup>I</sup> | < <u>0.000</u> > mills     | \$ < <u>0</u> >             |
| <b>SUBTOTAL FOR GENERAL OPERATING:</b>                                                               | <b><u>10.403</u> mills</b> | <b><u>\$ 1,645</u></b>      |
| 3. General Obligation Bonds and Interest <sup>J</sup>                                                | <u>52.016</u> mills        | \$ <u>8,227</u>             |
| 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> [ Sum of General Operating Subtotal and Lines 3 to 7 ]                                 | <b><u>62.419</u> mills</b> | <b><u>\$ 9,872</u></b>      |

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

Signed: Seef Le Roux 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: | Public Infrastructure                                         |
|    | Series:           | \$22,560,000 General Obligation Limited Tax Bonds Series 2020 |
|    | Date of Issue:    | 12/1/2020                                                     |
|    | Coupon Rate:      | 5% - 5.125%                                                   |
|    | Maturity Date:    | 12/1/2050                                                     |
|    | Levy:             | 52.016                                                        |
|    | Revenue:          | \$8,227                                                       |
|    |                   |                                                               |
| 2. | Purpose of Issue: | _____                                                         |
|    | Series:           | _____                                                         |
|    | Date of Issue:    | _____                                                         |
|    | Coupon Rate:      | _____                                                         |
|    | Maturity Date:    | _____                                                         |
|    | Levy:             | _____                                                         |
|    | Revenue:          | _____                                                         |

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

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

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