

ALLISON VALLEY METROPOLITAN DISTRICTS NOS. 1 & 2

2022 ANNUAL REPORT TO CITY OF COLORADO SPRINGS

Pursuant to the Consolidated Service Plans for Allison Valley Metropolitan District Nos. 1 & 2 (collectively, the “Districts”), the Districts are required to submit an annual report to the Director of the City’s Budget Department.

For the year ending December 31, 2022, the Districts make the following report:

1. Boundary changes made or proposed to the Districts’ boundaries as of December 31 of the prior year.

There were no boundary changes to the Districts’ boundaries during the reporting year.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year.

An Intergovernmental Agreement exists between Allison Valley Metropolitan District Nos. 1 & 2 dated December 6, 2007.

An additional Intergovernmental Agreement exists between Allison Valley Metropolitan District Nos. 1 & 2 dated October 20, 2016.

3. Copies of the Districts’ Rules and Regulations, if any, as of December 31 of the prior year.

In November 2022, the Board of Directors of Allison Valley Metropolitan District No. 2 adopted a Board of Directors Policy Manual and Bylaws, copies are available from counsel upon request..

4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

There is no litigation, notices of claim, pending or threatened, against the Districts of which we are aware.

5. Status of the Districts’ construction of the Public Improvements as of December 31 of the prior year.

No public improvements have been constructed by the Districts during the reporting period.

6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.

No facilities or improvements were dedicated to the City during the reporting year.

7. The assessed valuation of the Districts for the current year.

Allison Valley Metropolitan District No. 1	\$11,581,980
Allison Valley Metropolitan District No. 2	\$20,634,040

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The Districts imposed mill levies in 2022 for collection in 2023 as follows: District No. 1: 11.000 mills for general operating expenses and 33.002 mills for general obligation bonds; District No. 2: 11.194 mills for general operating expenses and 33.584 mills for general obligation bonds. The 2022 Budgets for the Districts are collectively attached hereto as **Exhibit A**.

9. Audit of the Districts, and any entity formed by one or more of the Districts, and financial statements for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The District's 2022 Audit Reports are in process. Once finalized and filed, copies of the 2022 Audits will be available through the state auditor's online portal: <https://apps.leg.co.gov/osa/lg/submissions/search>.

10. Notice of any uncured events of default by any of the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

None.

11. Any inability of a District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

None.

12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.

None.

Dated: July 17, 2023

SPENCER FANE LLP

/s/ Lisa Mayers

Lisa Mayers, Attorney for the Districts

EXHIBIT A
(2023 BUDGETS)

LETTER OF BUDGET TRANSMITTAL

Date: January 28, 2023

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

Attached are the 2023 budget and budget message for ALLISON VALLEY 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 29, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Carrie Bartow and John Wojnarowski
8390 E. Crescent Parkway, Suite 500
Greenwood Village, Colorado 80111
Tel.: 303-779-5710

I, Bror D. Quimby as President of the Allison Valley Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Bror D. Quimby
President

RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
ALLISON VALLEY 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 ALLISON VALLEY 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 Allison Valley 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 November 29, 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 \$ 127,402 ; 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 \$ 382,228 ; 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 \$0; 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 \$11,581,980; and

WHEREAS, at an election held on November 6, 2007, 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 ALLISON VALLEY 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 Allison Valley 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 11.000 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 33.002 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 0.000 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.

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ADOPTED this 29th day of November, 2022.

ALLISON VALLEY METROPOLITAN
DISTRICT NO. 1

Bron B. Quimby

President

ATTEST:

Michael L. Ruebenson

Secretary

**ALLISON VALLEY METROPOLITAN
DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023**

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,296,034	\$ 1,125,752	\$ 1,085,395
REVENUES			
Property taxes	369,840	512,834	509,630
Specific ownership tax	43,432	51,451	50,963
Interest income	448	1,200	1,500
Developer advance	43,090	35,000	35,000
Total revenues	<u>456,810</u>	<u>600,485</u>	<u>597,093</u>
TRANSFERS IN	<u>1,890</u>	<u>14</u>	<u>-</u>
Total funds available	<u>1,754,734</u>	<u>1,726,251</u>	<u>1,682,488</u>
EXPENDITURES			
General Fund	151,589	132,573	164,499
Debt Service Fund	473,610	508,269	509,733
Capital Projects Fund	1,893	-	-
Total expenditures	<u>627,092</u>	<u>640,842</u>	<u>674,232</u>
TRANSFERS OUT	<u>1,890</u>	<u>14</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>628,982</u>	<u>640,856</u>	<u>674,232</u>
ENDING FUND BALANCES	<u>\$ 1,125,752</u>	<u>\$ 1,085,395</u>	<u>\$ 1,008,256</u>
EMERGENCY RESERVE	\$ 3,110	\$ 4,300	\$ 4,300
DEBT SERVICE RESERVE - Series 2020	758,000	758,000	758,000
TOTAL RESERVE	<u>\$ 761,110</u>	<u>\$ 762,300</u>	<u>\$ 762,300</u>

No assurance provided. See summary of significant assumptions.

ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	\$ 6,661,290	\$ 7,516,670	\$ -
Residential - Single-Family	-	-	2,150,000
Residential - Multi-Family	-	-	4,964,050
Commercial	221,730	1,599,200	1,615,000
Vacant land	1,608,310	2,853,640	2,852,930
Certified Assessed Value	<u>\$ 8,491,330</u>	<u>\$ 11,969,510</u>	<u>\$ 11,581,980</u>
MILL LEVY			
General	10.889	10.711	11.000
Debt Service	32.666	32.134	33.002
Total mill levy	<u>43.555</u>	<u>42.845</u>	<u>44.002</u>
PROPERTY TAXES			
General	\$ 92,462	\$ 128,206	\$ 127,402
Debt Service	277,378	384,628	382,228
Levied property taxes	<u>369,840</u>	<u>512,834</u>	<u>509,630</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 369,840</u>	<u>\$ 512,834</u>	<u>\$ 509,630</u>
BUDGETED PROPERTY TAXES			
General	\$ 92,462	\$ 128,206	\$ 127,402
Debt Service	277,378	384,628	382,228
	<u>\$ 369,840</u>	<u>\$ 512,834</u>	<u>\$ 509,630</u>

No assurance provided. See summary of significant assumptions.

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,212	\$ (3,920)	\$ 39,548
REVENUES			
Property taxes	92,462	128,206	127,402
Specific ownership tax	10,858	12,821	12,740
Interest income	47	-	-
Developer advance	43,090	35,000	35,000
Total revenues	<u>146,457</u>	<u>176,027</u>	<u>175,142</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>14</u>	<u>-</u>
Total funds available	<u>147,669</u>	<u>172,121</u>	<u>214,690</u>
EXPENDITURES			
General and administrative			
Accounting	20,761	28,000	34,500
Audit	8,300	8,500	8,750
County Treasurer's fee	1,388	1,923	1,911
Directors' fees	-	-	-
Dues and licenses	377	1,646	2,000
Insurance and bonds	2,047	2,053	2,500
District management	39,000	39,000	45,000
Legal services	3,582	5,000	10,000
Miscellaneous	72	500	1,500
Election expense	-	951	5,000
Contingency	-	-	3,338
Operations and maintenance			
Repairs and maintenance	-	-	-
Landscaping	76,062	45,000	50,000
Total expenditures	<u>151,589</u>	<u>132,573</u>	<u>164,499</u>
Total expenditures and transfers out requiring appropriation	<u>151,589</u>	<u>132,573</u>	<u>164,499</u>
ENDING FUND BALANCE	<u>\$ (3,920)</u>	<u>\$ 39,548</u>	<u>\$ 50,191</u>
EMERGENCY RESERVE	<u>\$ 3,110</u>	<u>\$ 4,300</u>	<u>\$ 4,300</u>
TOTAL RESERVE	<u>\$ 3,110</u>	<u>\$ 4,300</u>	<u>\$ 4,300</u>

No assurance provided. See summary of significant assumptions.

ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,294,808	\$ 1,129,658	\$ 1,045,847
REVENUES			
Property taxes	277,378	384,628	382,228
Specific ownership tax	32,574	38,630	38,223
Interest income	398	1,200	1,500
Total revenues	<u>310,350</u>	<u>424,458</u>	<u>421,951</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,605,158</u>	<u>1,554,116</u>	<u>1,467,798</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	4,163	5,769	5,733
Miscellaneous	3	-	1,500
Paying agent / trustee fees	-	2,500	2,500
Debt Service			
Bond interest - Series 2020	469,444	500,000	500,000
Total expenditures	<u>473,610</u>	<u>508,269</u>	<u>509,733</u>
TRANSFERS OUT			
Transfers to other funds	<u>1,890</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>475,500</u>	<u>508,269</u>	<u>509,733</u>
ENDING FUND BALANCE	<u>\$ 1,129,658</u>	<u>\$ 1,045,847</u>	<u>\$ 958,065</u>
DEBT SERVICE RESERVE - Series 2020	\$ 758,000	\$ 758,000	\$ 758,000
TOTAL RESERVE	<u>\$ 758,000</u>	<u>\$ 758,000</u>	<u>\$ 758,000</u>

No assurance provided. See summary of significant assumptions.

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 14	\$ 14	\$ -
REVENUES			
Interest income	3	-	-
Developer advance	-	-	-
Loan proceeds	-	-	-
Total revenues	<u>3</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>1,890</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,907</u>	<u>14</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	1,893	-	-
Parks and recreation	-	-	-
Streets	-	-	-
Sewer infrastructure	-	-	-
Water system	-	-	-
Drainage	-	-	-
Total expenditures	<u>1,893</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other funds	<u>-</u>	<u>14</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,893</u>	<u>14</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court of El Paso County on December 5, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Consolidated Service Plan, dated July 12, 2006, formed the Allison Valley Metropolitan District Nos. 1 and 2 (the Districts). The District operates under the Amended and Restated Service Plan approved by the City of Colorado Springs (the City) on September 8, 2015. The District's service area is located entirely within the City in El Paso County, Colorado.

The District was established to provide financing for planning, design, acquisition, installation, construction, relocation and redevelopment of public improvements and services, including streets and storm drainage, water, sanitary sewer, parks and recreation, traffic and safety, public transportation, television relay and translation, and mosquito control.

On November 17, 2006, the District's voters authorized total indebtedness of \$30,000,000 for the above listed facilities. The District's voters also authorized total indebtedness of \$30,000,000 for debt refunding. The election also approved an annual increase in property taxes of \$750,000 without limitation of rate, to pay the District's operation and maintenance costs.

Pursuant to the Amended and Revised Service Plan, the District is permitted to issue bond indebtedness of up to \$30,000,000. 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 budget, the amount and timing of any debt issuances is not determinable.

The District has no employees and all 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.

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

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

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

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.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures and cost of infrastructure. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer.

Net Investment Income

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

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

Debt Service

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2020 Bond (discussed under Debt and Leases).

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On December 23, 2020, the District issued General Obligation Limited Tax Refunding Bonds, Series 2020, in the amount of \$10,000,000 which bears an interest at rate of 5.00%, payable semi-annually on June 1 and December 1, beginning on June 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025. The Series 2020 Bonds mature on December 1, 2047. The 2020 Bonds were issued for the purpose of refunding the Series 2017 Loan.

The 2020 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter as set forth in the table below.

December 1, 2025 through November 30, 2026 – 103%
December 1, 2026 through November 30, 2027 – 102%
December 1, 2027 through November 30, 2028 – 101%
December 1, 2028 and thereafter – 100%

The District has no operating or capital leases.

Activity for 2023 is estimated as follows:

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022
Bonds Payable				
Series 2020 G.O. Limited Tax				
Refunding Bonds	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
Developer Advances:				
Operating	311,058	35,000	-	346,058
Capital	5,446,646	-	-	5,446,646
Interest on Developer Advances:				
Operating	39,915	15,430	-	55,345
Capital	2,013,797	218,138	-	2,231,935
Total Long-Term Obligations	<u>\$ 17,811,416</u>	<u>\$ 268,568</u>	<u>\$ -</u>	<u>\$ 18,079,984</u>
	Balance - December 31, 2022	Additions	Retirements	Balance - December 31, 2023
Bonds Payable				
Series 2020 G.O. Limited Tax				
Refunding Bonds	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
Developer Advances:				
Operating	346,058	35,000	-	381,058
Capital	5,446,646	-	-	5,446,646
Interest on Developer Advances:				
Operating	55,345	16,721	-	72,066
Capital	2,231,935	218,138	-	2,450,073
Total Long-Term Obligations	<u>\$ 18,079,984</u>	<u>\$ 269,859</u>	<u>\$ -</u>	<u>\$ 18,349,843</u>

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
2023 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 District has provided a Debt Service Reserve as required with the issuance of the Series 2020 Bonds.

This information is an integral part of the accompanying budget.

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$10,000,000 General Obligation Limited
Tax Refunding Bonds - Series 2020
Dated December 23, 2020
Interest Rate - 5.00%**

Year Ending December 31,	Principal Due December 1 Interest Payable June 1 and December 1		
	Principal	Interest	Total
2023	\$ -	\$ 500,000	\$ 500,000
2024	-	500,000	500,000
2025	135,000	500,000	635,000
2026	185,000	493,250	678,250
2027	270,000	484,000	754,000
2028	285,000	470,500	755,500
2029	300,000	456,250	756,250
2030	315,000	441,250	756,250
2031	330,000	425,500	755,500
2032	345,000	409,000	754,000
2033	365,000	391,750	756,750
2034	380,000	373,500	753,500
2035	400,000	354,500	754,500
2036	420,000	334,500	754,500
2037	440,000	313,500	753,500
2038	465,000	291,500	756,500
2039	485,000	268,250	753,250
2040	510,000	244,000	754,000
2041	535,000	218,500	753,500
2042	565,000	191,750	756,750
2043	590,000	163,500	753,500
2044	620,000	134,000	754,000
2045	655,000	103,000	758,000
2046	685,000	70,250	755,250
2047	720,000	36,000	756,000
Total	\$ 10,000,000	\$ 8,168,250	\$ 18,168,250

No assurance provided. See summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the ALLISON VALLEY METROPOLITAN DISTRICT NO. 1,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the ALLISON VALLEY METROPOLITAN DISTRICT NO. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 11,581,980 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: \$ 11,581,980 (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: 12/07/2022 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	11.000 mills	\$ 127,402
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.000 mills	127,402
3. General Obligation Bonds and Interest ^J	33.002 mills	382,228
4. Contractual Obligations ^K	_____ mills	\$ _____
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]	44.002 mills	\$ 509,630

Contact person: Carrie Bartow Daytime phone: (719) 635-0330
(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.

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

CERTIFICATION OF TAX LEVIES, continued

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

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Refund Series 2017A & B Loans</u> |
| | Series: | <u>2020</u> |
| | Date of Issue: | <u>December 23, 2020</u> |
| | Coupon Rate: | <u>5.00%</u> |
| | Maturity Date: | <u>December 1, 2047</u> |
| | Levy: | <u>33.002</u> |
| | Revenue: | <u>\$ 382,228</u> |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

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

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

LETTER OF BUDGET TRANSMITTAL

Date: January 28, 2023

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

Attached are the 2023 budget and budget message for ALLISON VALLEY METROPOLITAN DISTRICT NO. 2 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 29, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Carrie Bartow and John Wojnarowski
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111
Tel.: 303-779-5710

I, Bror D. Quimby as President of the Allison Valley Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Bror D. Quimby
President

**RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
ALLISON VALLEY METROPOLITAN DISTRICT NO. 2**

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 ALLISON VALLEY METROPOLITAN DISTRICT NO. 2, 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 Allison Valley Metropolitan District No. 2 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

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

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on November 29, 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 \$ 230,977 ; 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 \$ 692,974 ; 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 \$0; 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 \$20,634,040; and

WHEREAS, at an election held on November 6, 2007, 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 ALLISON VALLEY METROPOLITAN DISTRICT NO. 2 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 Allison Valley Metropolitan District No. 2 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 11.194 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 33.584 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 0.000 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.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 29th day of November, 2022.

ALLISON VALLEY METROPOLITAN
DISTRICT NO. 2

By: Bror B. Quimby
President

ATTEST:

By: Michael G. Rubenson
Secretary

ALLISON VALLEY METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2023

ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,443,353	\$ 1,313,883	\$ 1,337,592
REVENUES			
Property taxes	567,765	770,500	923,951
Specific ownership tax	66,689	77,302	92,395
Interest income	901	1,725	2,250
Developer advance	214,849	125,000	130,000
Other revenue	83	-	-
Total revenues	<u>850,287</u>	<u>974,527</u>	<u>1,148,596</u>
TRANSFERS IN	<u>4,026</u>	<u>-</u>	<u>-</u>
Total funds available	<u>2,297,666</u>	<u>2,288,410</u>	<u>2,486,188</u>
EXPENDITURES			
General Fund	374,663	304,650	368,000
Debt Service Fund	602,133	646,168	649,895
Capital Projects Fund	2,961	-	-
Total expenditures	<u>979,757</u>	<u>950,818</u>	<u>1,017,895</u>
TRANSFERS OUT	<u>4,026</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>983,783</u>	<u>950,818</u>	<u>1,017,895</u>
ENDING FUND BALANCES	<u>\$ 1,313,883</u>	<u>\$ 1,337,592</u>	<u>\$ 1,468,293</u>
EMERGENCY RESERVE	\$ 4,750	\$ 6,400	\$ 7,700
TOTAL RESERVE	<u>\$ 1,057,875</u>	<u>\$ 1,059,525</u>	<u>\$ 1,060,825</u>

No assurance provided. See summary of significant assumptions.

ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/21/22

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Residential	\$ 9,590,260	\$ 13,570,470	\$ 16,966,660
Commercial	8,970	750	6,170
Vacant land	3,530,270	4,153,360	3,661,210
Certified Assessed Value	\$ 13,129,500	\$ 17,724,580	\$ 20,634,040

MILL LEVY

General	10.771	10.867	11.194
Debt Service	32.482	32.602	33.584
Total mill levy	43.253	43.469	44.778

PROPERTY TAXES

General	\$ 141,418	\$ 192,613	\$ 230,977
Debt Service	426,472	577,857	692,974
Levied property taxes	567,890	770,470	923,951
Adjustments to actual/rounding	(125)	30	-
Budgeted property taxes	\$ 567,765	\$ 770,500	\$ 923,951

BUDGETED PROPERTY TAXES

General	\$ 141,387	\$ 192,643	\$ 230,977
Debt Service	426,378	577,857	692,974
	\$ 567,765	\$ 770,500	\$ 923,951

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (6,541)	\$ (7,061)	\$ 25,421
REVENUES			
Property taxes	141,387	192,643	230,977
Specific ownership tax	16,607	19,264	23,098
Interest income	147	225	250
Developer advance	214,849	125,000	130,000
Other revenue	83	-	-
Total revenues	<u>373,073</u>	<u>337,132</u>	<u>384,325</u>
TRANSFERS IN			
Transfers from other funds	<u>1,070</u>	<u>-</u>	<u>-</u>
Total funds available	<u>367,602</u>	<u>330,071</u>	<u>409,746</u>
EXPENDITURES			
General and administrative			
Accounting	21,349	27,000	35,000
Audit	8,300	8,500	8,750
County Treasurer's fee	2,123	2,892	3,465
Dues and licenses	521	1,238	1,200
Insurance and bonds	11,123	11,369	12,000
District management	39,000	39,000	50,000
Legal services	2,712	5,000	10,000
Miscellaneous	83	1,200	1,500
Election expense	-	2,451	5,000
Contingency	871	-	2,835
Operations and maintenance			
Repairs and maintenance	19,899	6,000	8,250
Landscaping	125,854	80,000	90,000
Snow removal	23,820	20,000	25,000
Utilities	119,008	100,000	115,000
Total expenditures	<u>374,663</u>	<u>304,650</u>	<u>368,000</u>
Total expenditures and transfers out requiring appropriation	<u>374,663</u>	<u>304,650</u>	<u>368,000</u>
ENDING FUND BALANCE	<u>\$ (7,061)</u>	<u>\$ 25,421</u>	<u>\$ 41,746</u>
EMERGENCY RESERVE	<u>\$ 4,750</u>	<u>\$ 6,400</u>	<u>\$ 7,700</u>
TOTAL RESERVE	<u>\$ 4,750</u>	<u>\$ 6,400</u>	<u>\$ 7,700</u>

No assurance provided. See summary of significant assumptions.

ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,449,894	\$ 1,320,944	\$ 1,312,171
REVENUES			
Property taxes	426,378	577,857	692,974
Specific ownership tax	50,082	58,038	69,297
Interest income	749	1,500	2,000
Total revenues	<u>477,209</u>	<u>637,395</u>	<u>764,271</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1,927,103</u>	<u>1,958,339</u>	<u>2,076,442</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	6,402	8,668	10,395
Miscellaneous	6	-	-
Paying agent fees	-	3,000	5,000
Debt Service			
Bond interest	595,725	634,500	634,500
Total expenditures	<u>602,133</u>	<u>646,168</u>	<u>649,895</u>
TRANSFERS OUT			
Transfers to other funds	<u>4,026</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>606,159</u>	<u>646,168</u>	<u>649,895</u>
ENDING FUND BALANCE	<u>\$ 1,320,944</u>	<u>\$ 1,312,171</u>	<u>\$ 1,426,547</u>
DEBT SERVICE RESERVE - Series 2020	<u>\$ 1,053,125</u>	<u>\$ 1,053,125</u>	<u>\$ 1,053,125</u>
TOTAL RESERVE	<u>\$ 1,053,125</u>	<u>\$ 1,053,125</u>	<u>\$ 1,053,125</u>

No assurance provided. See summary of significant assumptions.

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Interest income	5	-	-
Developer advance	-	-	-
Loan proceeds	-	-	-
Total revenues	<u>5</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>2,956</u>	<u>-</u>	<u>-</u>
Total funds available	<u>2,961</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	2,961	-	-
Parks and recreation	-	-	-
Water infrastructure	-	-	-
Sewer infrastructure	-	-	-
Streets	-	-	-
Drainage	-	-	-
Total expenditures	<u>2,961</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,961</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court of El Paso County on December 5, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Consolidated Service Plan, dated July 12, 2006, formed the Allison Valley Metropolitan District Nos. 1 and 2 (the Districts). The District operates under the Amended and Restated Service Plan approved by the City of Colorado Springs (the City) on September 8, 2015. The District's service area is located entirely within the City in El Paso County, Colorado.

The District was established to provide the following services: streets and drainage, water, sanitary sewer, parks and recreation, traffic safety protection, mosquito control, public transportation, and television relay and translation. The District is a residential district.

On November 17, 2006, the District's voters authorized total indebtedness of \$30,000,000 for the above listed facilities. The District's voters also authorized total indebtedness of \$30,000,000 for debt refunding. The election also approved an annual increase in property taxes of \$750,000 without limitation of rate, to pay the District's operation and maintenance costs.

Pursuant to the Amended and Revised Service Plan, the District is permitted to issue bond indebtedness of up to \$30,000,000. 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 budget, the amount and timing of any debt issuances is not determinable.

The District has no employees and all 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.

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

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

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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.

Developer Advance

Developer advances are expected to fund a portion of general fund expenditures and infrastructure costs. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer.

Net Investment Income

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

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, utilities and meeting expense.

Capital Outlay

District No. 2 anticipates infrastructure improvements as noted in the Capital Projects Fund.

Debt Service

Principal and interest payments are provided based on the summary debt amortization schedule prepared for the Series 2020 Bonds (discussed under Debt and Leases).

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On December 23, 2020, the District issued General Obligation Limited Tax Refunding Bonds, Series 2020, in the amount of \$13,500,000 which bears an interest at rate of 4.70%, payable semi-annually on June 1 and December 1, beginning on June 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2025. The Series 2020 Bonds mature on December 1, 2047. The 2020 Bonds were issued for the purpose of refunding the Series 2015 Loan.

The 2020 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, and on any date thereafter as set forth in the table below.

December 1, 2025 through November 30, 2026 – 103%
December 1, 2026 through November 30, 2027 – 102%
December 1, 2027 through November 30, 2028 – 101%
December 1, 2028 and thereafter – 100%

The District has no operating or capital leases.

Activity for 2022 is estimated as follows:

	Balance - December 31, 2021	Additions	Retirements	Balance - December 31, 2022
Series 2020 Limited Tax				
G.O Bonds	\$ 13,500,000	\$ -	\$ -	\$ 13,500,000
Developer Advances:				
Operating	1,274,717	125,000	-	1,399,717
Capital	4,886,965	-	-	4,886,965
Elite	39,609	-	-	39,609
Interest on Developer				
Advances:				
Operating	188,673	60,565	-	249,238
Capital	1,768,071	195,723	-	1,963,794
Elite	24,581	1,586	-	26,167
Total	<u>\$ 21,682,616</u>	<u>\$ 382,874</u>	<u>\$ -</u>	<u>\$ 22,065,490</u>

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – continued

	Balance - December 31, 2022	Additions	Retirements	Balance - December 31, 2023
Series 2020 Limited Tax				
G.O Bonds	\$ 13,500,000	\$ -	\$ -	\$ 13,500,000
Developer Advances:				
Operating	1,399,717	130,000	-	1,529,717
Capital	4,886,965	-	-	4,886,965
Elite	39,609	-	-	39,609
Interest on Developer				
Advances:				
Operating	249,238	66,829	-	316,067
Capital	1,963,794	195,733	-	2,159,527
Elite	26,167	1,586	-	27,753
Total	<u>\$ 22,065,490</u>	<u>\$ 394,148</u>	<u>\$ -</u>	<u>\$ 22,459,638</u>

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 District has provided a Debt Service Reserve as required with the issuance of the Series 2020 Bonds.

This information is an integral part of the accompanying budget.

**ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$13,500,000 General Obligation Limited
Tax Refunding Bonds - Series 2020
Dated December 23, 2020
Interest Rate - 4.70%**

Year Ending December 31,	Principal Due December 1 Interest Payable June 1 and December 1		
	Principal	Interest	Total
2023	\$ -	\$ 634,500.00	\$ 634,500.00
2024	85,000	634,500	719,500
2025	155,000	630,505	785,505
2026	210,000	623,220	833,220
2027	220,000	613,350	833,350
2028	280,000	603,010	883,010
2029	290,000	589,850	879,850
2030	360,000	576,220	936,220
2031	375,000	559,300	934,300
2032	450,000	541,675	991,675
2033	470,000	520,525	990,525
2034	550,000	498,435	1,048,435
2035	580,000	472,585	1,052,585
2036	605,000	445,325	1,050,325
2037	635,000	416,890	1,051,890
2038	665,000	387,045	1,052,045
2039	695,000	355,790	1,050,790
2040	730,000	323,125	1,053,125
2041	760,000	288,815	1,048,815
2042	795,000	253,095	1,048,095
2043	835,000	215,730	1,050,730
2044	875,000	176,485	1,051,485
2045	915,000	135,360	1,050,360
2046	960,000	92,355	1,052,355
2047	1,005,000	47,235	1,052,235
Total	\$ 13,500,000	\$ 10,634,925	\$ 24,134,925

No assurance provided. See summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the ALLISON VALLEY METROPOLITAN DISTRICT NO. 2,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B


of the ALLISON VALLEY METROPOLITAN DISTRICT NO. 2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 20,634,040 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: \$ 20,634,040 (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: 12/07/2022 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	11.194 mills	\$ 230,977
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	11.194 mills	230,977
3. General Obligation Bonds and Interest ^J	33.584 mills	\$ 692,974
4. Contractual Obligations ^K	_____ mills	\$ _____
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]	44.778 mills	\$ 923,951

Contact person: Carrie Bartow Daytime phone: (719) 635-0330
(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.

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

CERTIFICATION OF TAX LEVIES, continued

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

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|--|
| 1. | Purpose of Issue: | <u>Refund Series 2015A & 2015B Loans</u> |
| | Series: | <u>Series 2020</u> |
| | Date of Issue: | <u>December 23, 2020</u> |
| | Coupon Rate: | <u>4.70%</u> |
| | Maturity Date: | <u>December 1, 2047</u> |
| | Levy: | <u>33.584</u> |
| | Revenue: | <u>\$692,974</u> |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

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

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