

LETTER OF BUDGET TRANSMITTAL

Date: January 27, 2023

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

Attached are the 2023 budget and budget message for FLYING HORSE 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 18, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP  
Attn: Carrie Bartow  
121 South Tejon Street, #1100  
Colorado Springs, CO 80903  
Tel.: 719-473-3630

I, George Lenz, as President of the Flying Horse Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: George A Lenz

**RESOLUTION  
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
FLYING HORSE 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 FLYING HORSE 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 Flying Horse 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 18, 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 \$0; and

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

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

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$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 \$60; and

WHEREAS, at an election held on November 4, 2004 the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FLYING HORSE 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 Flying Horse 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 0.000 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 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2023 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 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 18<sup>th</sup> day of November 2022.

FLYING HORSE METROPOLITAN  
DISTRICT NO. 1

*George A Lenz*

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President

ATTEST:

*Gerald Richardson*

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Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES

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

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

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 27,442	\$ 142,663	\$ 135,674
REVENUES			
Developer Advance	-	-	11,000,000
Intergovernmental revenues - District 2	796,000	903,926	921,618
Intergovernmental revenues - District 3	205,000	261,453	261,025
Other revenue	1,330	2,000	-
Total revenues	<u>1,002,330</u>	<u>1,167,379</u>	<u>12,182,643</u>
TRANSFERS IN	-	-	20,000
Total funds available	<u>1,029,772</u>	<u>1,310,042</u>	<u>12,338,317</u>
EXPENDITURES			
General Fund	887,109	1,174,368	1,225,000
Capital Projects Fund	-	-	11,020,000
Total expenditures	<u>887,109</u>	<u>1,174,368</u>	<u>12,245,000</u>
TRANSFERS OUT	-	-	20,000
Total expenditures and transfers out requiring appropriation	<u>887,109</u>	<u>1,174,368</u>	<u>12,265,000</u>
ENDING FUND BALANCES	<u>\$ 142,663</u>	<u>\$ 135,674</u>	<u>\$ 73,317</u>
EMERGENCY RESERVE	\$ 30,100	\$ 35,100	\$ 35,500
OPERATIONAL RESERVE	112,563	100,574	37,817
TOTAL RESERVE	<u>\$ 142,663</u>	<u>\$ 135,674</u>	<u>\$ 73,317</u>

No assurance provided. See summary of significant assumptions.



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

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Vacant land	\$ 60	\$ 60	\$ 60
	60	60	60
Adjustments	-	-	-
Certified Assessed Value	\$ 60	\$ 60	\$ 60
 <b>MILL LEVY</b>			
Total mill levy	0.000	0.000	0.000
 <b>PROPERTY TAXES</b>			
Budgeted property taxes	\$ -	\$ -	\$ -
 <b>BUDGETED PROPERTY TAXES</b>			
	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

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

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 27,442	\$ 142,663	\$ 135,674
<b>REVENUES</b>			
Other revenue	1,330	2,000	-
Intergovernmental revenues - District 2	796,000	903,926	921,618
Intergovernmental revenues - District 3	205,000	261,453	261,025
Total revenues	1,002,330	1,167,379	1,182,643
Total funds available	1,029,772	1,310,042	1,318,317
<b>EXPENDITURES</b>			
General and administrative			
Accounting	24,978	36,000	41,400
Auditing	13,258	13,650	15,000
Banking fees	12	250	250
District management	5,475	6,575	6,875
Dues and licenses	1,451	2,409	2,500
Insurance and bonds	16,475	18,650	20,000
Intergovernmental expenditures	10,500	-	-
Election expense	-	49,360	50,000
Legal services	8,463	25,000	32,000
CORA Expense	-	474	-
Website	-	2,000	5,000
Operations and maintenance			
Contingency	-	-	15,258
Landscape improvements	37,660	250,000	225,000
Stormwater fees	35,053	40,000	40,000
Utilities	357,930	375,000	400,000
Repairs and Maintenance	373,754	325,000	338,592
Snow removal/Winter watering	2,100	30,000	33,125
Total expenditures	887,109	1,174,368	1,225,000
<b>TRANSFERS OUT</b>			
Transfers to Other Funds	-	-	20,000
Total expenditures and transfers out requiring appropriation	887,109	1,174,368	1,245,000
ENDING FUND BALANCE	\$ 142,663	\$ 135,674	\$ 73,317
EMERGENCY RESERVE	\$ 30,100	\$ 35,100	\$ 35,500
OPERATIONAL RESERVE	112,563	100,574	37,817
TOTAL RESERVE	\$ 142,663	\$ 135,674	\$ 73,317

No assurance provided. See summary of significant assumptions.

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

1/18/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	11,000,000
Total revenues	<u>-</u>	<u>-</u>	<u>11,000,000</u>
TRANSFERS IN			
Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>20,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>11,020,000</u>
EXPENDITURES			
General and Administrative			
Accounting	-	-	5,000
Legal services	-	-	5,000
Capital Projects			
Engineering	-	-	10,000
Capital outlay	<u>-</u>	<u>-</u>	<u>11,000,000</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>11,020,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>11,020,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FLYING HORSE METROPOLITAN DISTRICT NO.1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Flying Horse Metropolitan District No.1 ("District No. 1"), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs, El Paso County, Colorado on November 8, 2004, 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 August 24, 2004, formed the Flying Horse Metropolitan Districts Nos 1 – 3 ("The Districts")

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 Flying Horse Metropolitan District No. 2 ("District No. 2") and Flying Horse Metropolitan District No. 3 ("District No. 3") to serve the needs of the Flying Horse development for the purpose of financing, construction and operation of improvements and infrastructure serving the three districts. District No. 1 is responsible for managing the construction, operation and maintenance of all improvements not transferred to the City of Colorado Springs. District No. 2 and District No. 3 are responsible for providing the funding and tax base needed to support the financing plan for capital improvements and to fund ongoing operations.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Intergovernmental Revenue**

The intergovernmental revenue represents transfers from Flying Horse Metropolitan District Nos. 2 and 3 to provide funding for the overall administrative and operating costs for the Districts.

**Expenditures**

**Administrative and Operations and Maintenance Expenditures**

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

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

**FLYING HORSE METROPOLITAN DISTRICT NO.1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and 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 8.00% beginning on the date the advance were made to the date of repayment. The Agreement does not constitute a multiple-fiscal year obligation.

**Schedule of Long Term Obligations**

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
Developer Advances - Operating	\$ 3,193,375	\$ -	\$ -	\$ 3,193,375
Accrued Interest - Operating	2,147,583	255,470	-	2,403,053
Developer Advances - Capital	173,401	-	-	173,401
Accrued Interest - Capital	16,258	13,872	-	30,130
	<u>\$ 5,530,617</u>	<u>\$ 269,342</u>	<u>\$ -</u>	<u>\$ 5,799,959</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
Developer Advances - Operating	\$ 3,193,375	\$ -	\$ -	\$ 3,193,375
Accrued Interest - Operating	2,403,053	255,470	-	2,658,523
Developer Advances - Capital	173,401	11,000,000	-	11,173,401
Accrued Interest - Capital	30,130	453,872	-	484,002
	<u>\$ 5,799,959</u>	<u>\$ 11,709,342</u>	<u>\$ -</u>	<u>\$ 17,509,301</u>

\*Estimate

The District has no operating or capital leases.

**Reserves**

**Emergency Reserves**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

**Operational Reserves**

The District has adopted an operational reserve policy equivalent to a minimum of ninety (90) days of annually budgeted District expenditures.

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

## CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO:** County Commissioners<sup>1</sup> of El Paso County, Colorado.

On behalf of the FLYING HORSE METROPOLITAN DISTRICT NO. 1,  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the FLYING HORSE METROPOLITAN DISTRICT NO. 1  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 60 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: \$ 60 (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:** 12/08/2022 for budget/fiscal year 2023.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>0</b> mills	<b>\$ 0</b>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
4. Contractual Obligations <sup>K</sup>	<u>0</u> mills	\$ <u>0</u>
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>0</b> mills	<b>0</b>

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

Signed:  Title: Accountant for the District

*Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.*

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

**CERTIFICATION OF TAX LEVIES, continued**

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

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

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_
  
2. Purpose of Issue: \_\_\_\_\_  
Series: \_\_\_\_\_  
Date of Issue: \_\_\_\_\_  
Coupon Rate: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_  
Levy: \_\_\_\_\_  
Revenue: \_\_\_\_\_

**CONTRACTS<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.