

LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2023

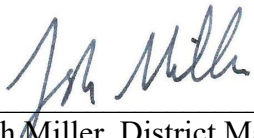
To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2023 budget and budget message for FALCON HIGHLANDS METROPOLITAN DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 14, 2022. 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 Falcon Highlands Metropolitan District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By:

  
\_\_\_\_\_  
Josh Miller, District Manager

**CERTIFIED COPY OF RESOLUTION TO ADOPT BUDGET AND APPROPRIATE FUNDS FOR THE FALCON HIGHLANDS METROPOLITAN DISTRICT FOR YEAR 2023**

STATE OF COLORADO                    )  
  ) ss.  
EL PASO COUNTY                            )

The Board of Directors of Falcon Highlands Metropolitan District, El Paso County, Colorado held a special meeting at 7464 Antelope Meadows Circle, Peyton, Colorado, on November 14, 2022 at 5:30 p.m.

The following members of the Board of Directors were present:

President/Chair: Tonia Joyner  
Secretary: Timothy Dickey  
Treasurer: Kevin Haas

Also present were:

Krista Baptist, Korben Heim and Carrie Bartow; CliftonLarsonAllen, LLP  
Barbara Vander Wall, Esq.; Seter & Vander Wall, P.C.  
Ryan Mangino; JDS-Hydro Consultants, LLC

Counsel reported that, prior to the meeting, and notified each of the Directors of the date, time and place of this meeting and the purpose for which it was called. Counsel further reported that this meeting is a regular meeting of the Board of Directors of the District and that Notice of Regular Meeting has heretofore been posted on the District website <http://www.falconhighlandsmetro.com/> at least 24 hours prior to the meeting and to the best of Counsel's knowledge, remains posted to the date of this meeting. A copy of the Notice of Regular Meeting and a copy of the published Notice as to Public Hearing regarding Amended 2022 and Proposed 2023 Budget are incorporated into these proceedings.

NOTICE OF SPECIAL MEETING  
AND  
NOTICE AS TO PUBLIC HEARING REGARDING  
AMENDED 2022 BUDGET AND PROPOSED 2023 BUDGET

**NOTICE OF SPECIAL MEETING**

**[ATTACH MEETING NOTICE]**

**NOTICE AS TO PUBLIC HEARING REGARDING  
AMENDED 2022 BUDGET AND PROPOSED 2023 BUDGET**

**[ATTACH NOTICE AS PUBLISHED]**

Thereupon, Director Haas introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR COLLECTION IN THE YEAR 2022 TO HELP DEFRAID THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE FALCON HIGHLANDS METROPOLITAN DISTRICT, 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 Falcon Highlands Metropolitan District has authorized its budget officer 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 in accordance with law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 14, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT OF EL PASO COUNTY, COLORADO:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto and incorporated herein is approved and adopted as the budget of the Falcon Highlands Metropolitan District for fiscal year 2023.

Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicated that the amount of money necessary to balance the budget for the General Fund for operating expenses from property tax revenue is \$130,610, that the 2022 valuation for assessment, as certified by the El Paso County Assessor, is \$22,881,930. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 5.708 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 4. 2023 Levy of Debt Retirement Expenses. That the foregoing budget indicated that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense from property tax revenue is \$783,660 and that the 2022 valuation for assessment, as certified by the El Paso County Assessor, is \$22,881,930. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of 34,248 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 5. Certification to County Commissioners. That the Secretary or Assistant Secretary of the District or its designee, is hereby authorized and directed to immediately certify to the County Commissioners of El Paso County, the mill levy for the District hereinabove

determined and set forth on the Certification of Tax Levies for Non-School Governments attached hereto.

Section 6. 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.

Section 7. Budget Certification. That the budget shall be certified by the Secretary or Assistant Secretary of the District, and made a part of the public records of the Falcon Highlands Metropolitan District.

The foregoing Resolution was seconded by Director Joyner.

RESOLUTION APPROVED AND ADOPTED THIS 14TH DAY OF NOVEMBER, 2022.

[Remainder of Page Intentionally Left Blank]

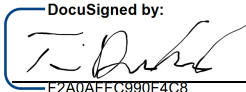


Falcon Highlands Metropolitan District  
2023 Budget Resolution  
Signature Page

FALCON HIGHLANDS METROPOLITAN DISTRICT

By:  DocuSigned by:  
\_\_\_\_\_  
President  
1D1C24314DD0429...

ATTEST:

By:  DocuSigned by:  
\_\_\_\_\_  
Secretary  
F2A0AFC990F4C8...

STATE OF COLORADO  
COUNTY OF EL PASO  
FALCON HIGHLANDS METROPOLITAN DISTRICT

I certify that I am a Director and the duly elected and qualified Secretary or Assistant Secretary of the Falcon Highlands Metropolitan District, and that the foregoing constitute a true and correct copy of the record of proceedings of the Board of Directors of said District, adopted at a special meeting of the Board of Directors of the Falcon Highlands Metropolitan District held on November 14, 2022, Peyton, Colorado, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 14th day of November, 2022.

DocuSigned by:

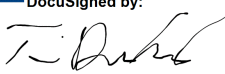


1D1C24314DD0429...  
Secretary

ACKNOWLEDGEMENT OF NOTICE AND  
APPROVAL OF RECORD OF PROCEEDINGS

We, the undersigned members of the Board of Directors of the Falcon Highlands Metropolitan District, El Paso County, Colorado, do hereby acknowledge receipt of proper notice of the meeting of the Board held Monday, November 14, 2022, at 5:30 p.m., at 7464 Antelope Meadows Circle, Peyton, Colorado, informing of the date, time and place of the meeting and the purpose for which it was called, and we do hereby approve said record of proceedings and the actions taken by the Board as stated therein.

DocuSigned by:  
  
1D1C24314DD0429...

DocuSigned by:  
  
F2A0AFFC990F4C8...

DocuSigned by:  
  
540EC6377C5D466...

**EXHIBIT A**

**BUDGET DOCUMENT  
AND  
BUDGET MESSAGE**

**FALCON HIGHLANDS METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 2,268,033	\$ 2,597,486	\$ 2,591,993
<b>REVENUES</b>			
Property taxes	890,460	1,091,487	931,592
Specific ownership taxes	104,460	110,942	93,159
Interest income	1,385	23,230	75,814
Bond proceeds	-	5,880,000	2,730,000
Other revenue	31,859	1,750	6,000
Maintenance fees	131,718	132,000	135,000
Conservation trust proceeds	5,605	5,800	6,000
Facility fees	29,126	34,726	-
Water treatment fees	116,508	117,000	119,000
Water usage fees	236,068	260,000	262,000
Penalties	3,820	4,000	4,000
Meter fees	1,461	1,271	-
Water tap fees	80,000	70,000	-
O&M fees	813	813	-
Inspection fees	90	90	-
Administrative fees	82,870	81,500	83,500
Total revenues	<u>1,716,243</u>	<u>7,814,609</u>	<u>4,446,065</u>
TRANSFERS IN	<u>56,500</u>	<u>57,300</u>	<u>51,100</u>
Total funds available	<u>4,040,776</u>	<u>10,469,395</u>	<u>7,089,158</u>
<b>EXPENDITURES</b>			
General Fund	230,519	144,420	317,000
Debt Service Fund	709,015	7,237,346	1,079,031
Conservation Trust Fund	13,106	-	12,177
Enterprise Fund	434,150	438,336	855,000
Total expenditures	<u>1,386,790</u>	<u>7,820,102</u>	<u>2,263,208</u>
TRANSFERS OUT	<u>56,500</u>	<u>57,300</u>	<u>51,100</u>
Total expenditures and transfers out requiring appropriation	<u>1,443,290</u>	<u>7,877,402</u>	<u>2,314,308</u>
ENDING FUND BALANCES	<u>\$ 2,597,486</u>	<u>\$ 2,591,993</u>	<u>\$ 4,774,850</u>
EMERGENCY RESERVE	\$ 12,000	\$ 13,300	\$ 12,100
SERIES 2004 A REQUIRED RESERVE (\$936,650)	728,939	-	-
O&M RESERVE	22,750	22,750	22,750
TOTAL RESERVE	<u>\$ 763,689</u>	<u>\$ 36,050</u>	<u>\$ 34,850</u>

No assurance provided. See summary of significant assumptions.

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Residential	\$ 9,432,790	\$ 10,523,920	\$ 10,237,040
Commercial	8,813,290	10,069,500	10,247,650
Industrial	6,960	-	-
Agricultural	3,930	4,100	-
Vacant land	1,622,540	2,017,020	1,763,820
State assessed	672,970	664,210	633,420
Certified Assessed Value	\$ 20,552,480	\$ 23,278,750	\$ 22,881,930

**MILL LEVY**

General	6.147	6.596	5.708
Debt Service	36.881	39.574	34.248
Refund and abatements	0.252	1.488	0.757
Total mill levy	43.280	47.658	40.713

**PROPERTY TAXES**

General	\$ 126,336	\$ 153,547	\$ 130,610
Debt Service	757,996	921,233	783,660
Refund and abatements	5,179	34,639	17,322
Levied property taxes	889,511	1,109,419	931,592
Refunds and abatements	949	(17,932)	-
Budgeted property taxes	\$ 890,460	\$ 1,091,487	\$ 931,592

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 131,655</b>	<b>\$ 185,145</b>	<b>\$ 147,932</b>
<b>Debt Service</b>	<b>758,805</b>	<b>906,342</b>	<b>783,660</b>
	<b>\$ 890,460</b>	<b>\$ 1,091,487</b>	<b>\$ 931,592</b>

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,372,371	\$ 1,485,557	\$ 1,726,924
<b>REVENUES</b>			
Property taxes	131,655	185,145	147,932
Specific ownership taxes	104,460	110,942	93,159
Interest income	602	14,000	26,168
Maintenance fees	131,718	132,000	135,000
Other revenue	31,770	1,000	1,000
Total revenues	<u>400,205</u>	<u>443,087</u>	<u>403,259</u>
Total funds available	<u>1,772,576</u>	<u>1,928,644</u>	<u>2,130,183</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	16,536	25,000	40,000
Auditing	8,500	8,500	8,700
County Treasurer's fee	1,976	2,777	2,219
Directors' fees	1,600	2,500	1,800
Insurance and bonds	9,438	9,127	11,000
District management	42,937	42,000	52,000
Legal services	59,078	25,000	47,000
Miscellaneous	428	200	5,000
Payroll - wages and taxes	145	191	138
Election expense	-	2,125	3,000
Contingency	-	-	26,643
Operations and maintenance			
Repairs and maintenance	-	-	10,000
Professional Services	-	-	5,000
Landscape maintenance	-	12,000	12,000
Trail maintenance	-	-	10,000
Park improvements	75,494	-	10,000
General improvements	-	-	12,000
Utilities	14,387	15,000	25,000
Operating expense	-	-	500
Equipment expense	-	-	10,000
Storm drainage	-	-	25,000
Total expenditures	<u>230,519</u>	<u>144,420</u>	<u>317,000</u>
<b>TRANSFERS OUT</b>			
Transfers to other fund	<u>56,500</u>	<u>57,300</u>	<u>51,100</u>
Total expenditures and transfers out requiring appropriation	<u>287,019</u>	<u>201,720</u>	<u>368,100</u>
ENDING FUND BALANCE	<u>\$ 1,485,557</u>	<u>\$ 1,726,924</u>	<u>\$ 1,762,083</u>
EMERGENCY RESERVE	<u>\$ 12,000</u>	<u>\$ 13,300</u>	<u>\$ 12,100</u>
TOTAL RESERVE	<u>\$ 12,000</u>	<u>\$ 13,300</u>	<u>\$ 12,100</u>

No assurance provided. See summary of significant assumptions.



**FALCON HIGHLANDS METROPOLITAN DISTRICT  
 CONSERVATION TRUST FUND  
 2023 BUDGET  
 WITH 2021 ACTUAL AND 2022 ESTIMATED  
 For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 7,799	\$ 301	\$ 6,131
<b>REVENUES</b>			
Conservation Trust proceeds	5,605	5,800	6,000
Interest income	3	30	46
Total revenues	5,608	5,830	6,046
Total funds available	13,407	6,131	12,177
<b>EXPENDITURES</b>			
General and administrative			
Repairs and maintenance	13,106	-	12,177
Total expenditures	13,106	-	12,177
Total expenditures and transfers out requiring appropriation	13,106	-	12,177
ENDING FUND BALANCE	\$ 301	\$ 6,131	\$ -

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 678,445	\$ 728,939	\$ 284,135
<b>REVENUES</b>			
Property taxes	758,805	906,342	783,660
Bond proceeds	-	5,880,000	-
Interest income	704	6,200	11,236
Total revenues	759,509	6,792,542	794,896
Total funds available	1,437,954	7,521,481	1,079,031
<b>EXPENDITURES</b>			
Debt Service			
Bond interest - Series 2004	465,125	224,175	-
Bond interest - Series 2022	-	49,817	285,250
Bond principal - Series 2004	220,000	-	-
Bond principal - Series 2022	-	175,000	45,000
Bond interest - Series 2007	-	250,000	714,031
County Treasurer's fee	11,391	13,595	11,755
Paying agent fees	8,081	12,000	12,000
Bond issue costs	4,418	605,359	-
Refunded bond escrow	-	5,880,000	-
Miscellaneous	-	27,400	-
Contingency	-	-	10,995
Total expenditures	709,015	7,237,346	1,079,031
Total expenditures and transfers out requiring appropriation	709,015	7,237,346	1,079,031
ENDING FUND BALANCE	\$ 728,939	\$ 284,135	\$ -
SERIES 2004 A REQUIRED RESERVE (\$936,650)	\$ 728,939	\$ -	\$ -
TOTAL RESERVE	\$ 728,939	\$ -	\$ -

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
ENTERPRISE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUNDS AVAILABLE	\$ 209,418	\$ 382,689	\$ 574,803
<b>REVENUES</b>			
Facility fees	29,126	34,726	-
Other revenue	89	750	5,000
Water treatment fees	116,508	117,000	119,000
Administrative fees	82,870	81,500	83,500
Water usage fees	236,068	260,000	262,000
Penalties	3,820	4,000	4,000
Meter fees	1,461	1,271	-
Water tap fees	80,000	70,000	-
O&M fees	813	813	-
Inspection fees	90	90	-
Bond proceeds	-	-	2,730,000
Interest income	76	3,000	38,364
Total revenues	550,921	573,150	3,241,864
<b>TRANSFERS IN</b>			
Transfers from other funds	56,500	57,300	51,100
Total funds available	816,839	1,013,139	3,867,767
<b>EXPENDITURES</b>			
General and administrative			
Accounting	20,670	30,000	50,000
Dues and membership	1,149	845	1,500
Insurance and bonds	14,157	13,691	16,500
District management	55,818	55,000	67,000
Legal / litigation	78,771	35,000	62,000
Miscellaneous	999	2,000	2,500
Contingency	-	-	5,900
Operations and maintenance			
Professional Services	37,101	27,000	50,000
Utilities	93,614	102,000	105,000
Operating expense	18,429	32,000	35,000
Woodman Hills contract	48,012	50,000	55,000
Supplies - treatment facility	12,121	12,000	15,000
Repairs and maintenance	4,100	12,000	25,000
Utility billing	40,986	44,000	46,000
Telephone	888	1,200	1,500
Utility locates	644	5,100	5,000
Security	5,668	6,500	7,500
Bond issue costs	-	-	229,600
Capital Projects			
Capital outlay	1,023	10,000	75,000
Total expenditures	434,150	438,336	855,000
Total expenditures and transfers out requiring appropriation	434,150	438,336	855,000
ENDING FUNDS AVAILABLE	\$ 382,689	\$ 574,803	\$ 3,012,767
O&M RESERVE	\$ 22,750	\$ 22,750	\$ 22,750
TOTAL RESERVE	\$ 22,750	\$ 22,750	\$ 22,750

No assurance provided. See summary of significant assumptions.

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Falcon Highlands Metropolitan District (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, Colorado on November 14, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by El Paso County Commissioners on July 25, 2002. The District's service area is located in the unincorporated town of Falcon in El Paso County, Colorado. The District was established to provide water, sanitary sewage, drainage, landscaping, public transportation, street improvements, traffic and safety controls, parks and recreation facilities, mosquito control and television relay and translation systems.

On November 5, 2002, the District voters approved authorized debt in the amount \$20,750,000 for streets, parks and recreation, water, storm and sanitary sewer, public transportation, mosquito control, safety control, television relay, and operations and maintenance. Also, the District voters approved authorized debt in the amount of \$20,000,000 for debt refunding; and an annual increase in taxes of \$450,000. The election also provided for intergovernmental agreements as multi-fiscal year obligations and allows the District to retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado Constitution or any other law.

The District's service plan limits the total debt issuance to \$25,000,000, with a maximum mill levy of 30.000 mills for debt service and 5.000 mills for operations and maintenance, as adjusted for changes in the ratio of actual value to assessed value of property within the District. The debt service and operations and maintenance mill levies have been adjusted due to a change in the method of calculating assessed valuation.

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. For financial statement reporting purposes in accordance with generally accepted accounting principles (GAAP), the District uses the accrual method of accounting for the Enterprise Fund. Under GAAP, capital expenditures are recorded as assets and depreciation on fixed assets is recognized as an operating expense. For budget reporting, capital expenditures are reported as expenditures and depreciation is not recognized. To distinguish the difference in reporting, for budget reporting the District uses "Funds Available," which is defined as current assets less current liabilities, in lieu of fund balance for GAAP reporting.

The District has no employees. All administrative and operating functions are contracted.

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by 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 budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

**Service Charges**

The District receives service fees for street lighting, maintenance, administration, water treatment, and water usage. The District bills residential and commercial customers monthly for such services at established rates.

**Water Tap, Sewer Tap and Infrastructure Improvement Fees**

The District charges water tap, sewer tap and infrastructure fees for new users to connect to the District's water and sewer systems. The District has not budgeted any water, sewer, and infrastructure taps and fees for 2023.

**Water Meter, Inspection, and Operations and Maintenance Reserve Fees**

The District collects water meter, inspection, and operations and maintenance reserve fees with each tap application to cover the costs of administration and future maintenance needs. The District has not budgeted any water meter, inspection and operations and maintenance reserve fees for 2023.

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Conservation Trust (Lottery Proceeds)**

The District anticipates receiving revenue from the State Lottery on a per capita basis ratio. The revenue is restricted for recreation purposes under state statutes.

**Net Investment Income**

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

**Expenditures**

**Administrative Expenditures**

Administrative expenditures have been budgeted based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, audit, accounting, insurance, management, maintenance and other administrative expenses.

**General and Operations Expenditures**

These expenditures represent outsourced operating costs, repairs and maintenance, utilities, and other related expenses associated with the treatment and delivery of water to the District's customers.

**County Treasurer's Fees**

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

**Capital Outlay**

The District's capital outlay consists primarily of expenditures for rehabilitation and replacement of existing facilities.

**Debt Service**

Principal and interest payments on the District's senior obligations are provided based on the Schedule of Senior Debt Service Requirements to Maturity. The District anticipates issuing revenue bonds in 2023.

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**\$5,880,000 General Obligation Refunding Bonds, Series 2022**

On September 30, 2022, the District issued the Series 2022 Senior Bonds, in the amount of \$5,880,000. Proceeds from the sale of the Series 2022 Senior Bonds were used to refund the 2004A Senior Bonds. The Series 2022 Senior Bonds bears interest at 5.00%, payable semi-annually on June 1 and December 1, beginning on December 1, 2022. Annual mandatory fund principal payments are due on December 1, beginning on December 1, 2022. The Series 2022 Senior Bonds mature on December 1, 2052. To the extent the principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate borne by the Series 2022 Senior Bond. To the extent interest on any Series 2022 Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date, at the rate then borne by the Series 2022 Senior Bond. All of Series 2022 Senior Bonds and interest thereon are to be deemed to be paid and discharged on December 2, 2061 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

**\$4,935,000 General Obligation Limited Tax Subordinate Bonds, Series 2007**

On February 26, 2007, the District issued the \$4,935,000 General Obligation Limited Tax Subordinate Bonds, Series 2007 (the "Series 2007 Bonds"). The Series 2007 Bonds were issued for the purposes of (i) to construct certain infrastructure improvements within the District; (ii) to reimburse the Developer for construction of certain infrastructure improvements completed, (iii) to pay a portion of approximately twenty months of capitalized interest on the Series 2007 Bonds; (iv) to pay the issuance expenses and Underwriter's fees with respect to the Series 2007 Bonds.

The Series 2007 Bonds bear interest at 8.500%, payable semi-annually on June 15 and December 15, beginning on June 15, 2007. To the extent interest on the Series 2007 Bonds is not paid when due, such interest shall compound semi-annually on June 15 and December 15 at the rate of the bonds. The

Series 2007 Bonds are subject to optional and extraordinary redemption. The Series 2007 Bonds are subordinate in all respects to the District's 2004A Bonds; but senior to the payment of debt service on the Notes. Principal of, and interest on the Series 2007 Bonds payable on any interest payment date will be made only to the extent that the District has revenue in excess of debt service requirements of the Series 2004A Bonds or from sources not pledged to the payment of the Series 2004A Bonds. Unpaid principal and interest on the Series 2007 Bonds due on any date will accrue until such time as the Series 2004A Bonds are no longer outstanding or the District's revenues exceed then current debt service on the Series 2004A Bonds.

Furthermore, owners of the Series 2007 Bonds will have no power to exercise, or to direct the Trustee to exercise, any remedy upon default or otherwise while the Series 2004A Bonds are outstanding.

The Series 2007 Bonds share the same pledged revenue sources as the 2004A Bonds and the Notes. In addition to said pledged revenue; the Series 2007 Bonds and the Notes are also payable from drainage and other credits (if, and to the extent received by the District, the "Credits") paid to the District by El Paso County, Colorado, which Credits are not pledged to the payment of debt service on the Series 2004A Bonds.

The District has no material operating or capital leases.

**FALCON HIGHLANDS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Series 2007 Accrued Interest	\$ 9,792,981	\$ 1,278,481	\$ 250,000	\$ 10,821,462
Total	<u>\$ 9,792,981</u>	<u>\$ 1,278,481</u>	<u>\$ 250,000</u>	<u>\$ 10,821,462</u>
	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023*
Series 2007 Accrued Interest	\$ 10,821,462	\$ 1,367,759	\$ 714,031	\$ 11,475,190
Total	<u>\$ 10,821,462</u>	<u>\$ 1,367,759</u>	<u>\$ 714,031</u>	<u>\$ 11,475,190</u>

\*The above are based on estimates

**Reserve Funds**

**Operations and Maintenance Reserve**

The District collects an Operations and Maintenance Reserve Fee at the time of water and sewer tap sale. These fees are held in reserve for future operation and maintenance needs of the District's water and sewer system.

**Emergency Reserve**

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

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



**FALCON HIGHLANDS METROPOLITAN DISTRICT  
SCHEDULE OF SENIOR DEBT REQUIREMENTS TO MATURITY  
December 31, 2023**

**\$5,880,000**

**General Obligation Refunding Bonds**

**Dated September 30, 2022**

**Series 2022**

**Interest Rate of 5.000%**

**June 1 and December 1**

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	45,000	285,250	\$ 330,250
2024	50,000	283,000	333,000
2025	60,000	280,500	340,500
2026	70,000	277,500	347,500
2027	75,000	274,000	349,000
2028	85,000	270,250	355,250
2029	85,000	266,000	351,000
2030	100,000	261,750	361,750
2031	105,000	256,750	361,750
2032	115,000	251,500	366,500
2033	120,000	245,750	365,750
2034	135,000	239,750	374,750
2035	140,000	233,000	373,000
2036	155,000	226,000	381,000
2037	160,000	218,250	378,250
2038	175,000	210,250	385,250
2039	185,000	201,500	386,500
2040	200,000	192,250	392,250
2041	210,000	182,250	392,250
2042	230,000	171,750	401,750
2043	240,000	160,250	400,250
2044	260,000	148,250	408,250
2045	270,000	135,250	405,250
2046	290,000	121,750	411,750
2047	305,000	107,250	412,250
2048	330,000	92,000	422,000
2049	345,000	75,500	420,500
2050	370,000	58,250	428,250
2051	390,000	39,750	429,750
2052	405,000	20,250	425,250
	<u>\$ 5,705,000</u>	<u>\$ 5,785,750</u>	<u>\$ 11,490,750</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 Falcon Highlands Metropolitan District,  
(taxing entity)<sup>A</sup>

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

of the Falcon Highlands Metropolitan District  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 22,881,930 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: \$ 22,881,930 (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>5.708</u> mills	\$ <u>130,610</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><span style="border: 1px solid black; padding: 2px;">5.708</span></b> mills	<b><span style="border: 1px solid black; padding: 2px;">\$ 130,610</span></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>34.248</u> mills	\$ <u>783,660</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	<u>0.757</u> mills	\$ <u>17,322</u>
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><span style="border: 1px solid black; padding: 2px;">40.713</span></b> mills	<b><span style="border: 1px solid black; padding: 2px;">\$931,592</span></b>

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

Signed: \_\_\_\_\_ *Carrie Bartow* 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: | Refunding   |
|       | Series:           | General Obligation Refunding Bonds, Series 2022               |
|       | Date of Issue:    | September 30, 2022  |
|       | Coupon Rate:      | 5.000%  |
|       | Maturity Date:    | December 1, 2052  |
|       | Levy:             | 14.433  |
|       | Revenue:          | \$330,255   |
| <hr/> |                   |   |
| 2.    | Purpose of Issue: | Public Infrastructure   |
|       | Series:           | General Obligation Limited Tax Subordinate Bonds, Series 2007 |
|       | Date of Issue:    | February 26, 2007   |
|       | Coupon Rate:      | 8.500%  |
|       | Maturity Date:    | December 15, 2036   |
|       | Levy:             | 19.815  |
|       | Revenue:          | \$453,405   |

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

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

Proof of Publication

THE TRANSCRIPT  
Colorado Springs, Colorado

STATE OF COLORADO, } ss.  
COUNTY OF EL PASO }

I, Amy Sweet, Publisher and Executive Editor, or the undersigned Authorized Agent of the Publisher and Executive Editor, do solemnly swear that I am the Publisher and Executive Editor, or Authorized Agent of the Publisher and Executive Editor of The Transcript; that the same is a tri-weekly newspaper and published in the County of El Paso, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a tri-weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said tri-weekly newspapers for the period of 1 consecutive insertion(s), and/or once each week and on the same days of each week; and that the first publication of said notice was in the issue of said newspaper dated:

31, OCTOBER, A.D. 2022.

And that the last publication of said notice was in the issue of said newspaper dated:

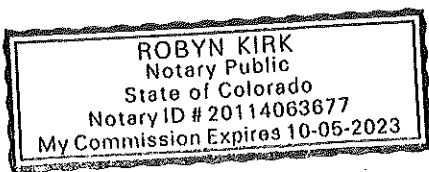
31, OCTOBER, A.D. 2022.

In witness whereof, I have hereunto set my hand this 31st day of October, A.D. 2022.

  
\_\_\_\_\_  
Publisher and Executive Editor / Authorized Agent

Subscribed and sworn to before me, a notary public in and for the County of El Paso, State of Colorado, this 31st day of October, A.D. 2022.

  
\_\_\_\_\_  
Notary Public



NOTICE AS TO PUBLIC  
HEARING RE AMENDED  
2022 AND PROPOSED  
2023 BUDGETS

NOTICE IS HEREBY GIVEN that a proposed 2023 budget has been submitted to the FALCON HIGHLANDS METROPOLITAN DISTRICT, for the fiscal year 2023. A copy of such proposed budget has been filed in the office of the accountant, Clifton Larson Allen, LLP located at 121 S. Tejon Street, Suite 1100, Colorado Springs, Colorado, where same is open for public inspection. Such proposed budget will be considered at a regular meeting of the Falcon Highlands Metropolitan District to be held at 5:30 p.m. on Monday, November 14, 2022. If necessary, an amended 2022 budget will be filed in the office of the accountant and open for inspection for consideration at the regular meeting of the Board. The meeting will be held at 7464 Antelope Meadows Circle, Peyton, CO 80831. In addition, the meeting may be accessed by Microsoft Teams. To join the meeting by Microsoft Teams, visit the District's website at: [www.falconhighlandsmetro.com](http://www.falconhighlandsmetro.com) for the link to join the meeting or call the District at 719-635-0330 x 37226. Any interested elector within the Falcon Highlands Metropolitan District may inspect the amended and proposed budgets and file or register any objections at any time prior to the final adoption of the amended 2022 and proposed 2023 budgets.

BY ORDER OF THE  
BOARD OF DIRECTORS:  
FALCON HIGHLANDS  
METROPOLITAN DISTRICT  
By: *Isi SETER & VANDER  
WALL, P.C.*  
Attorneys for the District  
Publication Date: October 31, 2022  
Published in The Transcript  
DT41906