

**PIKES PEAK HEIGHTS METROPOLITAN DISTRICT
ANNUAL REPORT FOR REPORT YEAR 2022
CITY OF COLORADO SPRINGS**

A. Boundary changes made or proposed during the reporting year.

During the report year of 2022, the Board of Directors did not make or propose any changes to the boundaries of the District.

B. Intergovernmental Agreements with other governmental bodies entered into or proposed during the reporting year.

The District did not enter into any Intergovernmental Agreements during 2022.

C. Copies of the Districts' rules and regulations during the reporting year.

During the report year of 2022, the District did not make any changes to its policies.

D. Summary of any litigation involving the District's Public Improvements.

During the report year of 2022, the District was not involved in any litigation.

E. Status of Construction of Public Improvements during the reporting year.

During the report year of 2022, the District did not construct any public improvements.

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

During the report year of 2022, the District did not construct any facilities or improvements.

G. The assessed valuation of the District for the current year.

The assessed valuation of the District is \$968,900.

H. Current Year Budget including a description of Public Improvements to be constructed during 2023.

See attached Exhibit A. The District does not anticipate constructing any public improvements in 2023.

I. Audit of District Financials for the 2022 reporting year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The 2022 Audit Exemption will be provided upon completion.

J. Notice of any uncured events of noncompliance by the District under any debt instrument which continues beyond a 90-day period.

During the report year of 2022, the District has not had an event of noncompliance.

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

During the report year of 2022, the District has not had an inability to pay its obligations.

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

During the report year of 2022, no Certifications have been issued.

EXHIBIT A
2023 Budget

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 PIKES PEAK HEIGHTS METROPOLITAN DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 1, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen, LLP
8390 E. Crescent Pkwy., Ste. 300
Greenwood Village, CO 80111
Tel.: 303-779-4525

I, Jordan Honea as President of the Pikes Peak Heights Metropolitan District, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: Jordan Honea

RESOLUTION
TO ADOPT 2023 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
PIKES PEAK HEIGHTS METROPOLITAN DISTRICT

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 BUSINESS IMPROVEMENT 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 Pikes Peak Heights Metropolitan District 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 1, 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 \$ 968,900 ; and

WHEREAS, at an election held on November 19, 2018, 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 PIKES PEAK HEIGHTS METROPOLITAN DISTRICT 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 Pikes Peak Heights Metropolitan District 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 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 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 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 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 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 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]

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

ADOPTED this 1st day of November, 2022.

PIKES PEAK HEIGHTS
METROPOLITAN DISTRICT

Jordan Honea

President

ATTEST:

K. Herman

Secretary

**PIKES PEAK HEIGHTS
METROPOLITAN DISTRICT**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

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

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (6,063)	\$ (2,157)	\$ 3,537
REVENUES			
Developer advance	34,056	25,000	50,000
Total revenues	<u>34,056</u>	<u>25,000</u>	<u>50,000</u>
Total funds available	<u>27,993</u>	<u>22,843</u>	<u>53,537</u>
EXPENDITURES			
General and administrative			
Accounting	9,725	10,000	11,500
Insurance and bonds	-	2,500	2,500
District management	-	-	1,500
Legal services	18,175	6,000	10,000
Miscellaneous	2,250	250	-
Election expense	-	556	1,000
Contingency	-	-	23,500
Total expenditures	<u>30,150</u>	<u>19,306</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>30,150</u>	<u>19,306</u>	<u>50,000</u>
ENDING FUND BALANCE	<u>\$ (2,157)</u>	<u>\$ 3,537</u>	<u>\$ 3,537</u>

No assurance is provided. See summary of significant assumptions.

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

1/20/23

ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
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ASSESSED VALUATION

Residential	\$ -	\$ -	\$ 49,500
Vacant Land	101,690	238,900	919,400
Certified Assessed Value	<u>\$ 101,690</u>	<u>\$ 238,900</u>	<u>\$ 968,900</u>

MILL LEVY

Total mill levy	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
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PROPERTY TAXES

Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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BUDGETED PROPERTY TAXES

	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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No assurance is provided. See summary of significant assumptions.

**PIKES PEAK HIGHTS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by court order and decree of the District Court for the County of El Paso on November 19, 2018 and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the City of Colorado Springs, Colorado. The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction, and completion of public improvements and services, including public art amenities, streets, and park and recreation.

On November 19, 2018, District voters authorized the District to issue \$8,000,000 of general obligation bonds or other financial obligations for the infrastructure development of the services noted in the preceding paragraph.

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

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

Developer Advance

The District is in the development stage. As such, a significant portion of the operating and administrative expenditures are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Expenditures

Administrative Expenditures

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

Debt and Leases

The District has no bond indebtedness or capital or operating leases. The District's debt consists of developer advances., which are not considered general obligation debt. Repayment of advances is subject to annual appropriation if and when eligible funds become available.

**PIKES PEAK HIGHTS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has outstanding developer advances and activity as follows:

	Balance - December 31, 2021	Additions	Retirement/ Reductions	Balance - December 31, 2022
Developer Advance - Operations	\$ 70,842	\$ 25,000	\$ -	\$ 95,842
Accrued Interest - Developer				
Advances - Operations	5,916	5,834	-	11,750
	<u>\$ 76,758</u>	<u>\$ 30,834</u>	<u>\$ -</u>	<u>\$ 107,592</u>
	Balance - December 31, 2022	Additions	Retirement/ Reductions	Balance - December 31, 2023
Developer Advance - Operations	\$ 95,842	\$ 50,000	\$ -	\$ 145,842
Accrued Interest - Developer				
Advances - Operations	11,750	8,459	-	20,209
	<u>\$ 107,592</u>	<u>\$ 58,459</u>	<u>\$ -</u>	<u>\$ 166,051</u>

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the Pikes Peak Heights Metropolitan District,
(taxing entity)^A


(governing body)^B(local government)^C

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

(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**

(no later than Dec. 15) _____ (mm/dd/yyyy) _____ (yyyy)

Contact person: (print)	<u>Seef Le Roux</u>	Daytime phone:	<u>(719) 635-0330</u>
Signed:		Title:	Accountant for the District

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

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

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

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

CONTRACTS^K:

3. Purpose of Contract: _____
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.