

RESOLUTION
TO ADOPT 2025 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
THE SANDS METROPOLITAN DISTRICT NO. 1

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2025 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 SANDS METROPOLITAN DISTRICT NO. 1, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2025, AND ENDING ON THE LAST DAY OF DECEMBER, 2025,

WHEREAS, the Board of Directors of The Sands 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 6, 2024 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 \$29,449, 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 \$ 117,797 ; 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 2024 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$ 2,791,400; and

WHEREAS, at an election held on November 8, 2016, 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 SANDS 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 Sands Metropolitan District No. 1 for calendar year 2025.

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 2025 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 2025 budget year, there is hereby levied a tax of 10.550 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

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 2024.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2025 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 2024.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2025 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 42.200 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2024.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2025 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 2024.

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 2024.

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 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 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.

ADOPTED this 6th day of November, 2024.

THE SANDS METROPOLITAN DISTRICT NO. 1

Jeff Mark

President

ATTEST:

S. Alan Vancil

Secretary

The Sands Metropolitan District No. 1			
General Fund Budget			
Year Ended 12/31/2025			
Modified Accrual Basis			
	2023	2024	2025
	12/31/2023	12/31/2024	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ 59,412	\$ 75,825	\$ 152,529
REVENUES			
Property Tax	9,325	10,659	29,449
Specific Ownership Tax	978	977	2,650
Intergovernmental revenue from District No. 2	92,683	121,527	119,624
Intergovernmental revenue from District No. 4	10,136	32,994	88,099
Interest - Delinquent Property Tax	-	2	-
Homeowner Fees - Sands District No. 2	52,814	47,000	-
Homeowner Fees - Windermere		33,663	-
Setup Fee	10,800	4,200	2,000
Setup Fee - Windermere		16,125	6,000
Status Letter Fee	5,600	2,000	1,000
Status Letter Fee - Windermere		7,500	3,000
Covenant Violations	1,846	250	-
Covenant Violations - Windermere	-	75	-
Late Fees	-	925	-
Interest Income - ColoTrust	-	3,000	4,000
Total Revenues	184,182	280,897	255,822
EXPENDITURES			
General Management:			
County Collection Fee - 1.5% of Property Tax	140	160	442
Accounting	9,607	13,800	25,000
Audit	-	-	7,500
Legal	13,097	11,000	11,000
Election Expense	-	-	3,000
Dues and subscriptions	736	1,017	1,210
Insurance	5,142	5,342	8,000
Management Fee - District No. 2	30,340	36,432	40,000
Management Fee - Windermere	-	20,040	22,000
Status Letter Fee	4,900	2,000	1,000
Status Letter - Windermere	-	7,500	3,000
Setup Fee	8,700	4,200	2,000
Setup Fee - Windermere	-	18,925	6,000
Contingency Expenses	-	-	7,290
Total General Management	72,662	120,416	137,442

The Sands Metropolitan District No. 1			
General Fund Budget			
Year Ended 12/31/2025			
Modified Accrual Basis			
	2023	2024	2025
	12/31/2023	12/31/2024	Proposed
	Actual	Estimated	Budget
Maintenance:			
Landscape maintenance - Sands District No. 2	54,852	44,000	62,345
Landscape maintenance - Windermere	-	26,500	17,613
Drainage maintenance - Stormwater -Sands	4,303	4,016	4,100
Landscape repairs - Sands District No. 2	2,850	(439)	10,000
Landscape repairs - Windermere	-	-	5,000
Landscape water - Sands District No. 2	18,752	8,000	9,000
Landscape water - Windermere	12,525	1,200	2,000
Snow Removal	1,825	500	500
Total Maintenance	95,107	83,777	110,558
Total Expenses	167,769	204,193	248,000
Excess of Revenues over Expenditures	16,413	76,704	7,822
ENDING FUND BALANCE	\$ 75,825	\$ 152,529	\$ 160,350
Emergency Reserve - 3% of Revenues	\$ 5,525	\$ 8,427	\$ 7,675
Unrestricted Fund Balance	\$ 70,300	\$ 144,102	\$ 152,676

The Sands Metropolitan District No. 1			
Capital Fund Budget			
Year Ended 12/31/2025			
Modified Accrual Basis			
	2023	2024	2025
	12/31/2023	12/31/2024	Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ 229	\$ 229	\$ -
REVENUES			
Property Tax	37,300	42,637	117,797
Specific Ownership Tax	3,912	3,906	10,602
Intergovernmental revenue from District 4	-	8,630,000	-
Contingency	-	-	1,601
Total Revenues	41,212	8,676,543	130,000
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	560	640	1,767
Development Costs - District No. 4	-	8,630,000	-
Transfer to District No. 2 - Debt Service Fund	40,652	46,132	126,632
Contingency Expense	-	-	1,601
Total Capital Expenditures	41,212	8,676,772	130,000
Excess of Revenues over Expenditures	-	(229)	-
ENDING FUND BALANCE	\$ 229	\$ -	\$ -

The Sands Metropolitan District No. 1 - 4					
Property Taxes					
2024 Valuations for 2025 Taxes					
		District #	District #	District #	District #
		358	359	360	361
	Combined	District No. 1	District No. 2	District No. 3	District No. 4
Vacant Residential Land - Market Value	813,501	104,994	42,304	659,995	6,208
Percentage	29.00%	27.89%	27.89%	27.90%	27.87%
Assessed Value	226,940	29,280	11,800	184,130	1,730
Residential Land & Improvements	205,425,744	-	124,392,171	-	81,033,573
Percentage	6.70%		6.70%		6.70%
Assessed Value	13,763,570		8,334,220	-	5,429,350
Commercial	23,559,262	9,900,065	5,811	13,653,386	3,458,950
Percentage		28%	28%	28%	28%
Assessed Value	7,538,060	2,762,120	1,620	3,809,270	965,050
Natural Resources					279
Percentage					29%
Assessed Value					80
State Assessed	-	-	14,540	13,530	61,930
Percentage	28%	28%	28%	28%	28%
Assessed Value	25,200	-	4,100	3,800	17,300
Total Assessed Value	21,553,770	2,791,400	8,351,740	3,997,200	6,413,510
Mill Levies		52.750	66.621	35.000	76.671
Property Tax to be paid	1,335,281	147,247	556,402	139,902	491,730
Property Tax based on Mill Levy					
Operations & Maintenance	222,679	29,449	111,278	-	81,952
Debt Service	854,901		445,123		409,778
Contractual Obligations	257,699	117,797		139,902	
Total	1,335,279	147,246	556,401	139,902	491,730
Mill Levy Charged					
Operations & Maintenance		10.550	13.324	-	12.778
Debt Service			53.297		63.893
Contractual Obligations		42.200		35.000	
Total		52.750	66.621	35.000	76.671

**THE SANDS METROPOLITAN DISTRICT NO. 1
EL PASO COUNTY, CO
2025 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

The Sands Metropolitan District No. 1 (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2016 in El Paso County. The District, along with Districts 2 and 3, annexed into the City of Colorado Springs, CO in 2018. The District was established as part of a “Multiple District Structure” for The Sands community and is generally located as follows: (i) Districts 1, 2 and 3 are located adjacent and to the North and East of the intersection of Constitution Avenue and Marksheffel Road (“Constitution/Marksheffel Parcel”); and (ii) District No. 4 is located North East of the intersection of Marksheffel Rd. and Carefree Circle and East of Antelope Ridge in El Paso County, Colorado. Overall, the Districts’ boundaries are estimated to include approximately 166.378 acres of land (more or less) in its boundaries (approximately 114.304 acres comprising the Constitution/Marksheffel Parcel and approximately 52.074 acres comprising the District 4 Parcel), entirely within El Paso County, State of Colorado. Along with its companion Districts Nos. 2, 3 and 4 (“Financing Districts”) this “Service District” was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

GENERAL FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for Operations and Maintenance at 10.550 mills.
2. Specific ownership taxes are budgeted at 9% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.
3. Fees are charged by the Management company for the setup of new homeowner, to provide status letters to title companies and for design fees. These fees are then paid to the Management company.

**THE SANDS METROPOLITAN DISTRICT NO. 1
EL PASO COUNTY, CO
2025 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

GENERAL FUND – (continued)

REVENUES – (continued)

4. Intergovernmental revenue is budgeted for General Fund tax revenue from The Sands Metropolitan Districts #2 and #4 transferred to District #1. District #2 has assessed 13.324 mills and District #4 has assessed 12.778 mills for Operations and Maintenance for 2025. The related property tax revenue and an allocation of specific ownership tax at 9% of the Property Tax are included in this budgeted revenue.
5. Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

EXPENDITURES

Expenditures include the operating and maintenance costs for Districts #1 – #4 since all of the net operating tax revenues of Districts #2 – #4 are transferred to District #1 as intergovernmental revenue.

1. Accounting fees include the monthly accounting for the District and the costs of the accounting firm to prepare periodic and annual financial statements, and to record mill levy certifications and budgets with regulatory authorities.
2. Legal fees are estimated based on the annual requirements of the District.
3. District Management costs are based on the contract with the Management Company.
4. Insurance is the estimated charges from the Colorado Special Districts Property and Liability Insurance Pool.
5. Landscape maintenance, repairs and water are for maintenance of the common areas and drainage facilities within the Districts.
6. Streetlight costs include the electric utilities to operate them.
7. A contingency expense is budgeted for unexpected expenses.

CAPITAL FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for District #1 Contractual Obligations at 42.200 mills.
2. Specific ownership taxes are budgeted at 9% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.
3. Contingency income is budgeted for unexpected income.

**THE SANDS METROPOLITAN DISTRICT NO. 1
EL PASO COUNTY, CO
2025 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

CAPITAL FUND – (continued)

EXPENDITURES

1. County property tax collection fee is based on 1.5% of the property tax received.
2. The Capital Fund has budgeted a transfer to District #2 Debt Fund of its Pledged Revenue to the District #2 Debt.
3. A contingency expense is budgeted for unexpected expenses.

DEBT AND LEASES

The District has no debt, nor any operating or capital leases.

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of revenues, excluding Developer Loan Proceeds.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the The Sands Metropolitan District No.1
(taxing entity)^A
 the Board of Directors
(governing body)^B
 of the The Sands Metropolitan District No.1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 2,791,400 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: \$ 2,791,400
(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: 12/11/2024 for budget/fiscal year 2025.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	10.550 mills	\$ 29,449
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.550 mills	\$ 29,449
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	42.200 mills	\$ 117,797
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	52.750 mills	\$ 147,246

Contact person: Seef Le Roux Daytime phone: () 719-635-0330
 Signed: Seef Le Roux Title: Accountant for 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: | _____ |
| | 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: | Contractual Obligation to The Sans Metropolitan District No. 2 |
| | Title: | Capital Pledge Agreement |
| | Date: | September 15, 2020 |
| | Principal Amount: | \$12,315,000 |
| | Maturity Date: | December 1, 2050 |
| | Levy: | 42.200 |
| | Revenue: | \$117,797 |
| | | |
| 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.