

STATE OF COLORADO
COUNTY OF ARAPAHOE
CITY OF AURORA
STERLING HILLS WEST METROPOLITAN DISTRICT
2023 BUDGET RESOLUTION

The Board of Directors of the Sterling Hills West Metropolitan District, City of Aurora, Arapahoe County, Colorado held a regular meeting on Thursday, November 10, 2022, at the hour of 6:30 P.M., via video conference at <https://us06web.zoom.us/j/84606706702?pwd=YlgxZThMSGtKRlc2UViBLzJRZzQrQT09> and via telephone conference at Dial-In: 1-669-900-6833, Meeting ID: 846-0670-6702, Password: 086222.

The following members of the Board of Directors were present:

Treasurer:	Michael Lenz
Secretary:	Alberteem Ransom
Assistant Secretary:	Christine Hatter
Assistant Secretary:	CJ Matthews

Also present were: Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Edward W. (Ted) Laves, Colorado Special District Management and Operations; and Debra Sedgely, CliftonLarsonAllen LLP

Mr. Laves reported that proper notice was made to allow the Board of Directors of the Sterling Hills West Metropolitan District to conduct a public hearing on the 2023 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a regular meeting of the Board of Directors of the District and that a notice of regular meeting was posted on a public website of the District, <https://www.colorado.gov/shwmd> and www.shwmd.org, no less than twenty-four hours prior to the holding of the meeting, and to the best of his knowledge, remains posted to the date of this meeting.

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2023 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE STERLING HILLS WEST METROPOLITAN DISTRICT, CITY OF AURORA, ARAPAHOE 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 (the "Board") of the Sterling Hills West Metropolitan District (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2022; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Thursday, October 27, 2022, in the *Sentinel*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District's increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher's Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Thursday, November 10, 2022 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; 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 Section 29-1-301, C.R.S., and 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; and

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STERLING HILLS WEST METROPOLITAN DISTRICT, CITY OF AURORA, ARAPAHOE 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 as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2023. In the event the final assessed valuation provided by the Arapahoe County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Alberteen Ransom, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2023 Levy of General Property Taxes That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$676,573 and that the 2022 valuation for assessment, as certified by the Arapahoe County Assessor, is \$29,416,245. 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 23.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 6. 2023 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$823,655 and that the 2022 valuation for assessment, as certified by the Arapahoe County Assessor, is \$29,416,245. 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 28.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

Section 7. 2023 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Section 2 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Arapahoe County on or before December 15, 2022, for collection in 2023.

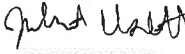
Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Arapahoe County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

[The remainder of this page is intentionally left blank.]

The foregoing Resolution was seconded by Director Ransom.

RESOLUTION APPROVED AND ADOPTED THIS 10TH DAY OF NOVEMBER 2022.

STERLING HILLS WEST METROPOLITAN DISTRICT

DocuSigned by:

085A4176EBDA43B...

By: Julie Uhlott
Its: President

ATTEST:

DocuSigned by:

75704DEE4BE54C0...

By: Alberteen Ransom
Its: Secretary

STATE OF COLORADO
COUNTY OF ARAPAHOE
CITY OF AURORA
STERLING HILLS WEST METROPOLITAN DISTRICT

I, Alberteen Ransom, hereby certify that I am a director and the duly elected and qualified Secretary of the Sterling Hills West Metropolitan District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a regular meeting of the Board of Directors of the Sterling Hills West Metropolitan District held on Thursday, November 10, 2022, via video conference at <https://us06web.zoom.us/j/84606706702?pwd=Y1gxZThMSGtKR1c2UVIBLzJRZzQrQT09> and via telephone conference at Dial-In: 1-669-900-6833, Meeting ID: 846-0670-6702, Password: 086222, 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 9th day of November 2022.



DocuSigned by:
Alberteen Ransom
75704DEE4BE54C0...
Alberteen Ransom, Secretary

EXHIBIT A

Affidavit
Notice as to Proposed 2023 Budget

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID I. PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the County of Arapahoe, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Arapahoe 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 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof; and that said newspaper is a 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 weekly newspaper for the period of 1 consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated October 27 A.D. 2022 and that the last publication of said notice was in the issue of said newspaper dated October 27 A.D. 2022.

I witness whereof I have hereunto set my hand this 27th day of October A.D. 2022.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 27th day of October A.D. 2022.



Notary Public

Isabella Perry
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID# 20194037562
MY COMMISSION EXPIRES 10/1/2023

NOTICE AS TO PROPOSED 2023
BUDGET AND HEARING
STERLING HILLS WEST
METROPOLITAN DISTRICT

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the STERLING HILLS WEST METROPOLITAN DISTRICT for the ensuing year of 2023. A copy of such proposed budget has been filed in the office of Clifton Larson Allen LLP, 8380 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the Sterling Hills West Metropolitan District to be held at 6:30 P.M., on Thursday, November 10, 2022. The meeting will be held via video conference at <https://us06web.zoom.us/j/84606706702?pwd=Y1gxZThMSGlKR1c2UVlBLzJRZzQrQT09> and via telephone conference at Dial-In: 1-669-900-6833; Meeting ID: 846-0670-6702; Password: 096222. Any interested elector within the Sterling Hills West Metropolitan District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2023 budget.

BY ORDER OF THE
BOARD OF DIRECTORS:
STERLING HILLS
WEST METROPOLITAN DISTRICT
By: /s/ ICENOGLE | SEAVER | POGUE
A Professional Corporation

Publication: October 27, 2022
Sentinel

**NOTICE AS TO PROPOSED 2023 BUDGET AND HEARING
STERLING HILLS WEST METROPOLITAN DISTRICT**

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the **STERLING HILLS WEST METROPOLITAN DISTRICT** for the ensuing year of 2023. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the regular meeting of the Sterling Hills West Metropolitan District to be held at 6:30 P.M., on Thursday, November 10, 2022. The meeting will be held via video conference at <https://us06web.zoom.us/j/84606706702?pwd=Y1gxZThMSGtKR1c2UVIBLzJRZzQrQT09> and via telephone conference at Dial-In: 1-669-900-6833, Meeting ID: 846-0670-6702, Password: 086222. Any interested elector within the Sterling Hills West Metropolitan District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2023 budget.

BY ORDER OF THE BOARD OF DIRECTORS:
STERLING HILLS WEST METROPOLITAN DISTRICT

By: /s/ ICENOGLE | SEAVER | POGUE
A Professional Corporation

Publish In: *Sentinel*
Publish On: Thursday, October 27, 2022

EXHIBIT B

Budget Document
Budget Message

STERLING HILLS WEST METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

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

11/30/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 934,980	\$ 295,976	\$ 662,730
REVENUES			
Property taxes	1,516,464	1,600,259	1,500,229
Specific ownership tax	104,518	88,000	90,014
Interest income	1,781	8,800	11,700
Other revenue	50	1,376	-
Total revenues	<u>1,622,813</u>	<u>1,698,435</u>	<u>1,601,943</u>
Total funds available	<u>2,557,793</u>	<u>1,994,411</u>	<u>2,264,673</u>
EXPENDITURES			
General Fund	1,378,539	450,000	600,000
Debt Service Fund	883,278	881,681	885,000
Total expenditures	<u>2,261,817</u>	<u>1,331,681</u>	<u>1,485,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,261,817</u>	<u>1,331,681</u>	<u>1,485,000</u>
ENDING FUND BALANCES	<u>\$ 295,976</u>	<u>\$ 662,730</u>	<u>\$ 779,673</u>

No assurance provided. See summary of significant assumptions.

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

11/30/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential - Single-Family	\$ 26,966,908	28,245,646	27,462,688
State assessed	714,780	723,650	729,470
Vacant land	930,175	1,219,508	1,219,508
Personal property	1,790	4,768	4,579
Certified Assessed Value	<u>\$ 28,613,653</u>	<u>\$ 30,193,572</u>	<u>\$ 29,416,245</u>
MILL LEVY			
General	25.000	25.000	23.000
Debt Service	28.000	28.000	28.000
Total mill levy	<u>53.000</u>	<u>53.000</u>	<u>51.000</u>
PROPERTY TAXES			
General	\$ 715,341	\$ 754,839	\$ 676,574
Debt Service	801,182	845,420	823,655
Levied property taxes	1,516,523	1,600,259	1,500,229
Adjustments to actual/rounding	(59)	-	-
Budgeted property taxes	<u>\$ 1,516,464</u>	<u>\$ 1,600,259</u>	<u>\$ 1,500,229</u>
BUDGETED PROPERTY TAXES			
General	\$ 715,313	\$ 754,839	\$ 676,574
Debt Service	801,151	845,420	823,655
	<u>\$ 1,516,464</u>	<u>\$ 1,600,259</u>	<u>\$ 1,500,229</u>
Average SF Value	337,350	353,350	353,440
Average SF AV	24,121	25,265	24,564
Taxes Paid	\$ 1,278	\$ 1,339	\$ 1,253

No assurance provided. See summary of significant assumptions.

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

11/30/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 707,186	\$ 94,193	\$ 453,808
REVENUES			
Property taxes	715,313	754,839	676,574
Specific ownership tax	49,301	47,800	40,594
Interest income	882	5,600	7,700
Other revenue	50	1,376	-
Total revenues	<u>765,546</u>	<u>809,615</u>	<u>724,868</u>
Total funds available	<u>1,472,732</u>	<u>903,808</u>	<u>1,178,676</u>
EXPENDITURES			
General and administrative			
Accounting	42,464	30,000	35,000
Auditing	3,000	3,500	3,500
County Treasurer's fee	10,739	11,323	10,149
Directors' fees	2,800	1,700	3,000
Dues and licenses	422	941	1,000
Insurance and bonds	5,233	5,946	6,500
District management	24,250	26,400	29,000
Legal services	19,551	22,000	25,000
Miscellaneous	483	500	500
Conference/seminars	-	800	3,000
Banking fees	34	-	-
Payroll taxes	214	130	230
Election expense	-	2,471	3,000
Contingency	-	11,089	26,922
Operations and maintenance			
Repairs and maintenance	42,000	21,000	25,000
Landscaping - contract	49,077	47,000	75,000
Drainage pond maintenance	-	8,000	25,000
Drainage pond renovations - soft costs	69,179	15,000	20,000
Drainage pond - construction	916,223	25,000	100,000
Drainage pond - landscaping	76,764	75,000	50,000
Snow removal	20,933	12,000	30,000
Utilities - irrigation	88,910	120,000	100,000
Utilities - electricity	418	600	700
Irrigation upgrades	-	-	15,000
Security	-	-	-
Phone/website service	829	1,000	1,200
Storage rental	1,001	1,000	1,200
Tree/shrub maintenance	3,923	7,500	10,000
Website maintenance	92	100	100
Total expenditures	<u>1,378,539</u>	<u>450,000</u>	<u>600,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,378,539</u>	<u>450,000</u>	<u>600,000</u>
ENDING FUND BALANCE	<u>\$ 94,193</u>	<u>\$ 453,808</u>	<u>\$ 578,676</u>
EMERGENCY RESERVE	\$ 23,000	\$ 24,400	\$ 21,800
RESERVE FOR IRRIGATION REPLACEMENT	25,000	160,000	175,000
RESERVE FOR PLAYGROUND REPLACEMENT	10,000	50,000	60,000
RESERVE FOR DETENTION POND	-	50,000	75,000
RESERVE FOR PARK IMPROVEMENTS	-	50,000	60,000
AVAILABLE FOR OPERATIONS	36,193	119,408	186,876
TOTAL RESERVE	<u>\$ 94,193</u>	<u>\$ 453,808</u>	<u>\$ 578,676</u>

No assurance provided. See summary of significant assumptions.

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

11/30/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 227,794	\$ 201,783	\$ 208,922
REVENUES			
Property taxes	801,151	845,420	823,655
Specific ownership tax	55,217	40,200	49,419
Interest income	899	3,200	4,000
Total revenues	<u>857,267</u>	<u>888,820</u>	<u>877,074</u>
Total funds available	<u>1,085,061</u>	<u>1,090,603</u>	<u>1,085,996</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	12,681	12,355
Paying agent fees	12,028	3,500	3,500
Contingency	3,500	-	1,645
Debt Service			
Bond interest	522,750	505,500	487,500
Bond principal	345,000	360,000	380,000
Total expenditures	<u>883,278</u>	<u>881,681</u>	<u>885,000</u>
Total expenditures and transfers out requiring appropriation	<u>883,278</u>	<u>881,681</u>	<u>885,000</u>
ENDING FUND BALANCE	<u>\$ 201,783</u>	<u>\$ 208,922</u>	<u>\$ 200,997</u>

No assurance provided. See summary of significant assumptions.

**STERLING HILLS WEST METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was formed by Court Order on December 3, 1999, with its formation election held on November 2, 1999. The election approved general obligation indebtedness of \$3,600,000 for streets, \$500,000 for safety controls, \$1,000,000 for water facilities, \$1,500,000 for sewer and storm drainage facilities, \$6,200,000 for parks, and \$750,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$500,000 for general operations and maintenance and \$2,148,000 for repayment of the combined approved debt.

In accordance with its Service Plan, the District was formed to provide for the construction of improvements for streets, landscaping, storm drainage, water and sewer, safety protection, and park improvements and facilities in its service area within the City of Aurora (City). During 2004 the District amended its Service Plan with the City, which allowed the District to increase its debt limitation from \$9,400,000 to \$11,600,000 in order to fund additional capital project costs. As required by the original Service Plan, the District received approval from the City on August 27, 2007 of a Second Amendment to the Service Plan, which approved a refunding of the District's outstanding debt and the issuance of additional debt to pay costs of public improvements in an amount not to exceed \$1,100,000, an extension of the maturity of debt to 2031, and the imposition of a mill levy for payment of debt of not more than 42.55 mills, subject to adjustment for changes occurring after 2000 in the method of calculating assessed valuation. The adjusted maximum mill levy is 57.963.

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

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

The calculation of the taxes levied is displayed on the property tax summary page.

**STERLING HILLS WEST METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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 6% of total property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

Expenditures

Administrative Expenses

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

Operations and maintenance

Certain pocket parks and street landscaping improvements and a detention pond are owned and maintained by the District. The estimated costs for repairs and maintenance are found on the General Fund page of the budget.

Debt Service

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2017 Bonds as detailed on the debt service schedule and debt service summary page of the Budget (discussed under Debt and Leases).

Contingency

The District has provided for the possibility of additional expenditures for landscaping or other contingencies.

**STERLING HILLS WEST METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

General Obligation Refunding Bonds

On September 8, 2017, the District refunded \$11,965,000 of General Obligation Refunding and Improvement Bonds (2007 Bonds) dated September 13, 2007, with interest rates from 4.0% to 5.0% by the issuance of \$11,385,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding Bonds (2017 Bonds). Funds from the issuance of the 2017 Bonds were deposited with a trustee and invested in U.S. government securities. The 2007 Bonds were repaid in full by the trustee on December 1, 2017. Proceeds of the 2017 Bonds were also used pay amounts due to the Bond Insurer of the 2007 Bonds and the cost of issuance of the 2017 Bonds.

The 2017 Bonds bear interest at the rate of 5.0% per annum, with an effective interest rate of 3.86% due to the payment of a \$1,498,883 premium paid at the time of issuance. Interest is due June 1 and December 1. Principal is due on December 1. The 2017 Bonds mature on December 1, 2039. The 2017 Bonds are subject to redemption prior to maturity, at the option of the District on December 1, 2027, and on any date thereafter, upon payment of par and accrued interest thereon to the date of redemption.

The 2017 Bonds are secured by and payable from Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue. The Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the 2017 Bonds as the same become due and payable but not in excess of 42.55 mills, provided however, that in the event the method of calculating assessed valuation is or was changed after 2000, the maximum mill levy will be increased or decreased to reflect such changes. Once the debt to assessed ratio is 40% or less, the Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the 2017 Bonds as the same become due and payable without limitation of rate. On December 31, 2022, the District's debt to assessed ratio was 33.14%.

The District has no operating or capital leases.

Reserve Funds

Emergency Reserves

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

Reserve for Capital Replacement

The District has set aside funds for the replacement of certain capital assets owned by the District.

This information is an integral part of the accompanying budget.

**STERLING HILLS WEST METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$11,385,000 General Obligation Limited
Tax Convertible to Unlimited Tax
Refunding Bonds
5.00% Serial & Term Bonds Due December 1, 2039
Series 2017, Dated September 8, 2017
Interest Payable June 1 and December 1,
Principal Due December 1**

Year Ended December 31,	Principal	Interest	Total
2023	\$ 380,000	\$ 487,500	\$ 867,500
2024	395,000	468,500	863,500
2025	415,000	448,750	863,750
2026	435,000	428,000	863,000
2027	460,000	406,250	866,250
2028	480,000	383,250	863,250
2029	505,000	359,250	864,250
2030	530,000	334,000	864,000
2031	560,000	307,500	867,500
2032	585,000	279,500	864,500
2033	615,000	250,250	865,250
2034	645,000	219,500	864,500
2035	680,000	187,250	867,250
2036	710,000	153,250	863,250
2037	745,000	117,750	862,750
2038	785,000	80,500	865,500
2039	825,000	41,250	866,250
Total	<u>\$ 9,750,000</u>	<u>\$ 4,952,250</u>	<u>\$ 14,702,250</u>

No assurance provided. See summary of significant assumption.

EXHIBIT C

Certification of Tax Levy

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ARAPAHOE COUNTY, Colorado.

On behalf of the STERLING HILLS WEST METROPOLITAN DISTRICT,
 (taxing entity)^A

the BOARD OF DIRECTORS
 (governing body)^B

of the STERLING HILLS WEST METROPOLITAN DISTRICT
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 29,416,245 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: (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
 \$ 29,416,245
 USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 11/30/2022 for budget/fiscal year 2023
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>23.000</u> mills	<u>\$ 676,573</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	23.000 mills	676,573
3. General Obligation Bonds and Interest ^J	<u>28.000</u> mills	<u>\$823,655</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	51.000 mills	\$ 1,500,228

Contact person: Alberteen Ransom Daytime phone: _____
 (print)
 Signed:  Title: secretary

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).

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.

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:	General Obligation Limited Tax Convertible to Unlimited Tax Refunding
	Series:	2017
	Date of Issue:	September 8, 2017
	Coupon Rate:	5.00%
	Maturity Date:	December 1, 2039
	Levy:	28.000
	Revenue:	\$823,655

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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Sterling Hills West Metropolitan District of Arapahoe County, Colorado on this 10th day of November 2022.



DocuSigned by:
Alberteen Ransom
75704DEE4BE54C0...

Alberteen Ransom, Secretary