

**2023 ANNUAL REPORT TO THE  
CITY OF COLORADO SPRINGS**

Pursuant to the Service Plan for The Ridge at Sand Creek Metropolitan District (the “District”), the District is required to submit an annual report to the Director of the City’s Budget Department, as follows:

**Current Year:** 2024 (for 2023 reporting year)  
**Name of District:** The Ridge at Sand Creek Metropolitan District  
**Business Address of District:** c/o Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, CO 80203  
**District’s Telephone Number:** (303)-839-3800  
**Contact Person:** David O’Leary, General Counsel

**Please provide the following additional information:**

1. Boundary changes made or proposed to the Districts’ boundaries as of December 31 of the prior year.

None.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year.

None.

3. Copies of the Districts’ Rules and Regulations, if any, as of December 31 of the prior year and access information for same.

Design Guidelines and Declaration of Covenants for the Ridge at Sand Creek can be found on the District’s website: <https://www.theridgeatsandcreekmd.com/governing-information>

District Manager: The Landhuis Company, Attn: Chasity McMorrow, [cmcmorrow@landhuisco.com](mailto:cmcmorrow@landhuisco.com)  
District Legal Counsel: Spencer Fane LLP, Attn: David O’Leary, [doleary@spencerfane.com](mailto:doleary@spencerfane.com)

4. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

There is no litigation, notices of claim, pending or threatened, against the District of which we are aware.

5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

No public improvements have been constructed by the District during the reporting period. The Developer has constructed improvements in accordance with approved development plans and will dedicate completed improvements upon final acceptance (expected in 2024).

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

No facilities or improvements were dedicated to the City during the reporting year.

7. The assessed valuation of the District for the current year. \$1,993,810

8. Current year budget including a description of the Public Improvements to be constructed in such year.

The 2024 budget is attached hereto as **Exhibit A**.

9. Audit of the Districts, and any entity formed by one or more of the Districts, and financial statements for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

The District will file an audit for 2023 by the statutory deadline. Once filed, a copy can be obtained via the State Auditor's website: <https://apps.leg.co.gov/osa/lg/submissions/search>.

10. Notice of any uncured events of default by any of the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

None.

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

None.

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

See **Exhibit B**.

Dated: May 3, 2024

/s/ David S. O'Leary  
David S. O'Leary, Counsel for the District

**EXHIBIT A**  
**2024 BUDGET**

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

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

Attached are the 2024 budget and budget message for THE RIDGE AT SAND CREEK METROPOLITAN DISTRICT in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 1, 2023. If there are any questions on the budget, please contact:

Seef LeRoux  
CliftonLarsonAllen LLP  
121 South Tejon Street, Ste. 1100  
Colorado Springs, CO 80903  
Tel.: 719-635-0330

I, S. Alan Vancil, as Secretary of The Ridge at Sand Creek Metropolitan District, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: S. Alan Vancil

**RESOLUTION**  
**TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,**  
**AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY**  
**THE RIDGE AT SAND CREEK METROPOLITAN DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 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 RIDGE AT SAND CREEK METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of The Ridge at Sand Creek 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, 2023 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 \$26,611; 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 \$79,836; 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 2023 valuation for assessment for the District as certified by the County Assessor of El Paso County is \$ 1,993,810; and

WHEREAS, at an election held on May 5, 2024, 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 RIDGE AT SAND CREEK 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 Ridge at Sand Creek Metropolitan District for calendar year 2024.

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 2024 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 2024 budget year, there is hereby levied a tax of 13.347 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

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 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 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 40.042 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 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 2023.

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 2023.

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 on or about December 10, 2023 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 1st day of November, 2023.

THE RIDGE AT SAND CREEK  
METROPOLITAN DISTRICT

*Jeff Mark*

\_\_\_\_\_  
President

ATTEST:

*S. Alan Vancil*

\_\_\_\_\_  
Secretary



<b>The Ridge at Sand Creek Metropolitan District</b>			
<b>General Fund Budget</b>			
<b>Year Ended 12/31/2024</b>			
<b>Modified Accrual Basis</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Proposed Budget</b>
<b>BEGINNING FUND BALANCE</b>	\$ (1,386)	\$ (9,313)	\$ 132
<b>REVENUES</b>			
Homeowner Fees	31,275	30,000	27,000
Homeowner Setup Fee	150	600	450
Homeowner Status Letter Fee	100	400	250
Homeowner Late Fees	168	-	-
Property Tax	4,352	20,597	26,611
Interest on Delinquent Tax	1	-	-
Specific Ownership Tax	809	2,060	2,927
<b>Total Revenues</b>	<b>36,855</b>	<b>53,657</b>	<b>57,238</b>
<b>EXPENDITURES</b>			
Accounting	2,716	5,000	7,000
Audit	-	-	5,500
Legal	10,212	11,000	7,000
District Management	3,207	5,460	8,100
Dues & subscriptions	186	279	300
Insurance	2,621	2,571	4,700
Setup Fee	150	450	450
Status Letter Fee	100	250	250
County tax collection fee	65	309	399
Contingency	-	-	500
<b>Total General Management</b>	<b>19,257</b>	<b>25,319</b>	<b>34,199</b>
<b>Maintenance</b>			
Landscape maintenance	9,900	10,392	11,400
Landscape water	8,448	7,000	7,000
Snow Removal	233	500	500
Sprinkler Repair	4,048	1,000	1,000
Landscape Repair	2,896	-	1,000
<b>Total Maintenance</b>	<b>25,525</b>	<b>18,892</b>	<b>20,900</b>
<b>Total Expenses</b>	<b>44,782</b>	<b>44,211</b>	<b>55,099</b>
Excess of Revenues over Expenditures	(7,927)	9,446	2,139
Transfer from Capital Fund	-	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ (9,313)</b>	<b>\$ 132</b>	<b>\$ 2,271</b>
Emergency Reserve - 3% of Revenues	\$ 1,106	\$ 1,610	\$ 1,717
Unrestricted Fund Balance	\$ (10,419)	\$ (1,477)	\$ 554
Homes	78	75	90
Annual Fee	\$ 400	\$ 400	\$ 300
<b>Total Fees</b>	<b>\$ 31,275</b>	<b>\$ 30,000</b>	<b>\$ 27,000</b>

<b>The Ridge at Sand Creek Metropolitan District</b>			
<b>Debt Service Fund Budget</b>			
<b>Year Ended 12/31/2024</b>			
<b>Modified Accrual Basis</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Proposed Budget</b>
<b>BEGINNING FUND BALANCE</b>	\$ 2,574	\$ 17,867	\$ 26,931
<b>REVENUES</b>			
Property Tax - Contractual Obligations	13,059	\$ 61,792	\$ 79,836
Specific Ownership Tax	2,427	6,179	7,984
Interest on Delinquent Tax	3	-	-
<b>Total Revenues</b>	<b>15,489</b>	<b>67,971</b>	<b>87,820</b>
<b>EXPENDITURES</b>			
Interest on Bonds	-	53,419	106,838
Property Tax Collection Fee	196	927	1,198
<b>Total Expenditures</b>	<b>196</b>	<b>54,346</b>	<b>108,035</b>
Excess of Revenues over Expenditures	15,293	13,625	(20,215)
Transfer from (To) Capital Fund	-	(4,561)	-
<b>ENDING FUND BALANCE</b>	<b>\$ 17,867</b>	<b>\$ 26,931</b>	<b>\$ 6,715</b>

<b>The Ridge at Sand Creek Metropolitan District</b>			
<b>Capital Fund Budget</b>			
<b>Year Ended 12/31/2024</b>			
<b>Modified Accrual Basis</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>Actuals</b>	<b>Estimated</b>	<b>Proposed Budget</b>
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ (2,004)	\$ -
<b>REVENUES</b>			
Developer Bond Proceeds	-	2,590,000	-
Developer Advances	-	2,590,000	-
Total Revenues	-	5,180,000	-
<b>EXPENDITURES</b>			
Development Costs (90 * \$25,000)	-	2,590,000	-
Bond issue costs	2,004	2,557	-
Payoff Developer Advances	-	2,590,000	-
<b>Total Capital Expenditures</b>	<b>2,004</b>	<b>5,182,557</b>	<b>-</b>
Excess of Revenues over Expenditures	(2,004)	(2,557)	-
Transfer From Debt Service Fund	-	4,561	-
<b>ENDING FUND BALANCE</b>	<b>\$ (2,004)</b>	<b>\$ -</b>	<b>\$ -</b>

<b>The Ridge at Sand Creek Metro District</b>	
<b>Property Taxes</b>	
<b>2023 Valuations for 2024 Taxes</b>	<b>395</b>
	<b>District Taxes</b>
Vacant Residential Land - Market Value	122,091
Percentage	28%
Assessed Value	34,060
Residential Land & Improvements - Market Value	29,231,519
Percentage	6.70%
Assessed Value	1,958,440
Commercial Land & Buildings Market Value	4,707
Percentage	28%
Assessed Value	1,310
Severed Mineral Interests (Oil & Gas)	-
Percentage	0%
Assessed Value	-
Public Utility state value	-
Percentage	0%
Assessed Value	-
Total Assessed Value - Final as of 11/23/22	1,993,810
Mill Levy - General Operating & Debt Service	53.389
2023 Property Tax to be paid in 2024	\$ 106,447
<b>Property Tax</b>	
Debt Fund	\$ 79,836
Operations & Maintenance	\$ 26,611
Total	\$ 106,447
<b>Mill Levy Charged</b>	
Debt Fund	40.042
Operations & Maintenance	13.347
Total	53.389

**THE RIDGE AT SAND CREEK METROPOLITAN DISTRICT  
2024 BUDGET MESSAGE  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Ridge at Sand Creek Metropolitan District (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 June 2020. The District is located entirely within the City of Colorado Springs, El Paso County, State of Colorado. The 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 District 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. The homeowners will be assessed a \$300 annual fee to cover the shortfall of revenue over expenses in 2024.
2. 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 13.347 Mills.
3. Specific ownership taxes are budgeted at 10% 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.

**EXPENDITURES**

1. Accounting fees include the costs of the accounting firm to review the financial statements, review and file the budget and to prepare annual financial statements.
2. Legal fees are estimated based on the annual requirements of the District.
3. District Management costs are estimated based on costs to manage the District.
4. Dues & subscriptions are the estimated SDA dues and office expenses.
5. Insurance is the estimated charges from the Colorado Special Districts Property and Liability Pool insurance.
6. A property tax collection fee is payable to the County at the rate of 1.5% of the property taxes collected, excluding specific ownership tax.
7. Landscape Maintenance and Water is the cost to maintain and water the landscaping, common areas and drainage systems.

**THE RIDGE AT SAND CREEK METROPOLITAN DISTRICT  
2024 BUDGET MESSAGE  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**DEBT SERVICE 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 Debt Service at 40.042 Mills.
2. Specific ownership taxes re budgeted at 10% 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.

**EXPENDITURES**

1. County property tax collection fee is based on 1.5% of the property tax received.
2. Interest on the Bond is budgeted in the amount of \$106,838.

**CAPITAL FUND**

1. No Capital Fund activity budgeted for 2024.

**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.
2. There are no operating or capital lease obligations of the District.

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



**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: | Senior Cash Flow Bonds |
|    | Series:           | Series 2023            |
|    | Date of Issue:    | June 1, 2023           |
|    | Coupon Rate:      | 4.125%                 |
|    | Maturity Date:    | December 1, 2060       |
|    | Levy:             | 40.042                 |
|    | Revenue:          | \$ 79,836              |
|    |                   |                        |
| 2. | Purpose of Issue: | _____                  |
|    | Series:           | _____                  |
|    | Date of Issue:    | _____                  |
|    | Coupon Rate:      | _____                  |
|    | Maturity Date:    | _____                  |
|    | Levy:             | _____                  |
|    | Revenue:          | _____                  |

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

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.



**EXHIBIT B**  
**CERTIFICATION OF EXTERNAL FINANCIAL ADVISOR**

**CERTIFICATE OF FINANCIAL ADVISOR**

*THE RIDGE AT SAND CREEK METROPOLITAN DISTRICT  
CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO*

*\$2,590,000  
LIMITED TAX GENERAL OBLIGATION BONDS  
SERIES 2023*

The undersigned, on behalf of MuniCap, Inc. (“MuniCap”), in connection with the issuance by The Ridge at Sand Creek Metropolitan District, in the City of Colorado Springs, El Paso County, Colorado (the “District”), of its Limited Tax General Obligation Bonds, Series 2023, in the principal amount of \$2,590,000 (the “Bonds”), hereby certifies as follows (capitalized terms used herein and not defined shall have the meanings ascribed thereto by the Resolution authorizing the issuance of the Bonds):

1. MuniCap is an “External Financial Advisor” within the meaning of the District’s Service Plan, and is a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (i) is an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyers’ Municipal Market Place; and (iii) is not an officer or employee of the District.

2. The net effective interest rate (calculated as defined in §32-1-103(12), C.R.S.) to be borne by the Bonds does not exceed a reasonable current tax-exempt interest rate, using criteria deemed appropriate by us and based upon our analysis of comparable non-rated high yield securities.

3. The structure of the Bonds, including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

4. The undersigned is duly authorized by all applicable laws, rules, regulations, and corporate documents to make the representations contained herein.

**IN WITNESS WHEREOF**, I have hereunto subscribed my name as of the 1<sup>st</sup> day of June, 2023.

**MUNICAP, INC.**

By: *emily Metzler*  
Title: Authorized Officer