

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

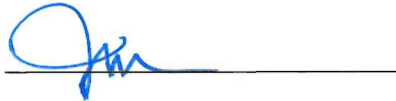
To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 budget and budget message for VILLA BELLA METROPOLITAN DISTRICT NO. 1 in Pueblo County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 24, 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 Villa Bella Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: _____



RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
VILLA BELLA METROPOLITAN DISTRICT NO. 1

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 VILLA BELLA METROPOLITAN DISTRICT NO. 1, PUEBLO 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 Villa Bella 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 October 24, 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 \$ 44 _____; 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 \$220; 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 Pueblo County is \$ 4,230; and

WHEREAS, at an election held on November 2, 2023, 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 VILLA BELLA METROPOLITAN DISTRICT NO. 1 OF PUEBLO 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 Villa Bella Metropolitan District No. 1 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 10.394 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 0.000 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 51.971 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 Pueblo 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 Pueblo 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.

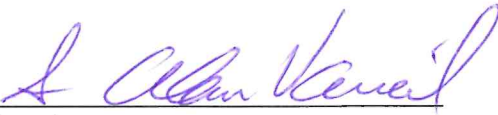
ADOPTED this 24th day of October, 2023.

VILLA BELLA METROPOLITAN DISTRICT NO. 1



President

ATTEST:



Secretary

Villa Bella Metropolitan District No. 1			
Pueblo County, CO			
General Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/2022		Proposed
	Actual	Estimated	Budget
BEGINNING FUND BALANCE	\$ -	\$ 6,313	\$ 8,097
REVENUES			
Intergovernmental Revenue			
District 2	2,010	2,417	2,860
District 3	168	368	968
Total Intergovernmental Revenue	2,178	2,785	3,828
Property Tax	-	-	44
Specific Ownership Tax	-	-	3
Total Revenues	2,178	2,785	3,875
EXPENDITURES			
Accounting	1,747	4,000	4,500
Legal	4,704	6,650	6,500
District Management	-	4,000	4,200
Insurance and Bonds	300	300	300
County Collection Fee	-	-	1
Contingency	-	-	1,000
Total General Management	6,751	14,950	16,501
Excess of Revenues over Expenditures	(4,573)	(12,165)	(12,626)
Transfer from District 1 Capital Fund	10,886	13,949	6,000
ENDING FUND BALANCE	\$ 6,313	\$ 8,097	\$ 1,471
Emergency Reserve - 3% of Revenues	\$ 65	\$ 84	\$ 115
Unrestricted Fund Balance	6,248	8,013	1,356

Villa Bella Metropolitan District No. 1			
Pueblo County, CO			
Capital Fund Budget			
Year Ended 12/31/2024			
Modified Accrual Basis			
	2022	2023	2024
	12/31/2022		Proposed
	Total	Estimated	Budget
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property Tax	-	-	220
Specific Ownership Tax	-	-	15
Intergovernmental Revenue:			
District No. 2 Capital Fund	\$ 10,048	\$ 12,086	\$ 14,302
District No. 3 Capital Fund	838	1,863	4,841
Capital Improvement transfer from D2 Capital Fund	-	-	2,200,000
Total Intergovernmental Revenue	10,886	13,949	2,219,143
District fees from Lot Sales	-	-	-
Total Revenues	10,886	13,949	2,219,143
EXPENDITURES			
County Collection Fee	-	-	3
Capital Infrastructure Costs - District 2	-	-	2,200,000
Transfer to District 1 General Fund	10,886	13,949	6,000
Total Capital Expenditures	10,886	13,949	2,206,000
Excess of Revenues over Expenditures	-	-	13,143
ENDING FUND BALANCE	\$ -	\$ -	\$ 13,143

Villa Bella Metropolitan District No. 1 - 3				
Pueblo County, CO				
Property Taxes				
2023 Valuations for 2024 Taxes		77	75	76
	Combined	District No. 1	District No. 2	District No. 3
Total Assessed Value	353,360	4,230	260,840	88,290
Total Mill Levy	60.00	62.37	62.37	62.37
2022 Property Tax to be paid in 2023	\$ 21,202	\$ 264	\$ 16,267	\$ 5,506
Property Tax				
Operations & Maintenance	\$ 3,673	\$ 44	\$ 2,711	\$ 918
Contractual Obligations	\$ 18,365	\$ 220	\$ 13,556	\$ 4,589
Total	\$ 22,038	\$ 264	\$ 16,267	\$ 5,507
Mill Levy Charged				
Operations & Maintenance	10.000	10.394	10.394	10.394
Contractual Obligations	50.000	51.971	51.971	51.971
Total	60.000	62.365	62.365	62.365

**VILLA BELLA METROPOLITAN DISTRICT NO. 1
PUEBLO COUNTY, CO
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Villa Bella 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 2021 in Pueblo County. The District are generally located North of Colorado Hwy 47 and Northeast of Troy Ave. in Pueblo, Colorado. The property within the District are within territories also known or formerly within the Thunder Village Metropolitan District and the Villa Bella subdivision. The Districts initial boundaries referred to as Villa Bella will include approximately 562 acres with proposed expansion areas of approximately 188 acres of future inclusion property (Walking Stick Vistas) to be included in District Nos. 1-3 in the future (“Future Inclusion Area”). The total combined area of approximately 750 acres of property (“Service Area”) is expected to be divided into several development areas planned for development of residential areas. All of the property within the District has been annexed to the City of Pueblo. Along with its companion Districts Nos. 2 and 3 (“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 a non-potable water system, 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. Intergovernmental revenue is budgeted for General Fund tax revenue from Villa Bella Metropolitan Districts #2 and #3 transferred to District #1. District #2 and District #3 assessed 10.394 mills for Operations and Maintenance for 2024. The related property tax revenue and an allocation of specific ownership tax are included in this budgeted revenue.
2. Property Taxes are based on the assessed value of property within the District as established by Pueblo County. Mill levies are budgeted for Operations and Maintenance at 10.394 Mills.
3. Specific ownership taxes are budgeted at 7% 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

Expenditures include the operating and maintenance costs for Districts #1 – #3 since all of the net operating tax revenues of Districts #2 and #3 are transferred to District #1 as intergovernmental revenue.

**VILLA BELLA METROPOLITAN DISTRICT NO. 1
PUEBLO COUNTY, CO
2024 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

GENERAL FUND – (continued)

EXPENDITURES – (continued)

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. The County property tax collection fee is based on 1.5% of the property tax received.
5. A contingency expense is budgeted at \$1,000 for unexpected expenses.
6. Landscape maintenance is for maintenance of the common areas.

CAPITAL PROJECT FUND

REVENUES

1. Intergovernmental revenue is budgeted for Contractual Obligation tax revenue from Villa Bella Metropolitan Districts #2 and #3 transferred to District #1. District #2 and District #3 assessed 51.971 mills for Contractual Obligation for 2024. The related property tax revenue and an allocation of specific ownership tax are included in this budgeted revenue.
2. Capital improvement transfer from District No. 2 capital fund.
3. Property Taxes are based on the assessed value of property within the District as established by Pueblo County. Mill levies are budgeted for Contractual Obligations at 51.971 mills.
4. Specific ownership taxes are budgeted at 7% 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. The County property tax collection fee is based on 1.5% of the property tax received.
2. Capital infrastructure costs during 2024.
3. Transfer to District No. 1 general fund.

DEBT SERVICE FUND

Revenues & Expenditures

1. There are no Revenues or Expenditures budgeted for the Debt Fund in 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.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Pueblo County, Colorado.

On behalf of the Villa Bella Metropolitan District No. 1,

the Board of Directors (taxing entity)^A

of the Villa Bella Metropolitan District No. 1 (governing body)^B
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 4,230
(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: \$ 4,230
(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: 01/01/2024 for budget/fiscal year 2024.
(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>10.394</u> mills	\$ <u>44</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>10.394</u> mills	\$ <u>44</u>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	<u>51.971</u> mills	\$ <u>220</u>
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]	<u>62.365</u> mills	\$ <u>264</u>

Contact person: Seef Le Roux Phone: (719)635-0330

Signed: Seef Le Roux Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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: Public Infrastructure
Title: Developer Reimbursement Agreements
Date: Unknown
Principal Amount: Unknown
Maturity Date: Unknown
Levy: 51.971
Revenue: \$ 220

- 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.