

**Resolution No. 2018-11-02**

**RESOLUTION  
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS  
(2019)**

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The Board of Directors of Paint Brush Hills Metropolitan District, as the ex officio board members of the Paint Brush Hills Metropolitan District Subdistrict A (the "Board"), County of El Paso, Colorado (the "District") held a special meeting at 9985 Towner Avenue, Falcon, Colorado, on November 8, 2018, at the hour of 7:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2019 BUDGET

PUBLISHER'S AFFIDAVIT

STATE OF COLORADO )  
 ) ss.  
COUNTY OF ELBERT )

I, Jenna Lister, do solemnly affirm that I am the Publisher of RANCLAND NEWS; that the same is a weekly newspaper published at Simla, County of Elbert, State of Colorado, and has a general circulation therein; that said newspaper has been continuously and uninterruptedly published in said County of Elbert for a period of at least 52 consecutive weeks next prior to the first publication of the annexed notice, that said newspaper is entered in the post office at Calhan, Colorado as second class mail matter and that said newspaper is a newspaper within the meaning of the Act of the General Assembly of the State of Colorado, approved March 30, 1923, and entitled "Legal Notices and Advertisements," with other Acts relating to the printing and publishing of legal notices and advertisements. That the annexed notice was published in the regular and entire issue of said newspaper, once each week for one successive weeks; that the first publication of said notice was in the issue of said newspaper dated;

November 1, 2018

and the last publication of said notice was in the issue of said newspaper dated;

and that copies of each number of said paper in which said notice and/or list was published were delivered by carriers or transmitted by mail to each of the subscribers of said newspaper, Ranchland News, according to the accustomed mode of business in this office.

Jenna Lister  
Publisher

The above certificate of publication was subscribed and affirmed to before me, a Notary Public, to be the identical person described in the above certificate, on the

1 day of November, 2018  
Susan Lister

9/20/20 Notary Public

My Notary Public Commission Expiration Date)

SUSAN LISTER  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 19964014317  
MY COMMISSION EXPIRES 09/20/2020

Notice of Budget  
PAINT BRUSH HILLS METROPOLITAN  
DISTRICT  
SUBDISTRICT A  
9985 Towner Avenue  
Falcon, Colorado 80831  
NOTICE OF PUBLIC HEARING ON THE  
PROPOSED 2019 BUDGET  
NOTICE OF BUDGET

NOTICE is hereby given that a proposed budget has been submitted to the Board of Directors for the ensuing year of 2019; a copy of such proposed budget has been filed in the office of the Paint Brush Hills Metropolitan District Subdistrict A, 9985 Towner Avenue, Falcon, Colorado, where the same is open for public inspection.

Such proposed budget will be considered at a public hearing during a Special Meeting of the Board of Directors to be held at 9985 Towner Avenue, Falcon, Colorado on Thursday, November 8, 2018 at 7:00 PM. Any interested elector of the Paint Brush Hills Metropolitan District Subdistrict A may inspect the proposed budget and file or register any objections thereto at any time prior to the final adoption of the budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
PAINT BRUSH HILLS METROPOLITAN DISTRICT  
SUBDISTRICT A  
By /s/ Leon Gomes  
District Manager  
Published November 1, 2018  
In Ranchland News  
Legal No. 329

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2019 AND ENDING ON THE LAST DAY OF DECEMBER 2019.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 8, 2018, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2019. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2019 budget year, 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 District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2019 budget year, there is hereby levied a tax of

40.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2019 budget year, 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 District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2019 budget year, 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 District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of El Paso County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

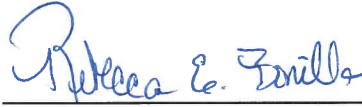
Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

*[Remainder of page intentionally left blank.]*

ADOPTED THIS 8<sup>TH</sup> DAY OF NOVEMBER, 2018.

PAINT BRUSH HILLS METROPOLITAN DISTRICT  
SUBDISTRICT A



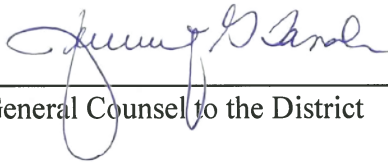
\_\_\_\_\_  
Officer of the District

ATTEST:

  
\_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

  
\_\_\_\_\_

General Counsel to the District

STATE OF COLORADO  
COUNTY OF EL PASO  
PAINT BRUSH HILLS METROPOLITAN DISTRICT SUBDISTRICT A

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on November 8, 2018, at 9985 Towner Avenue, Falcon, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 8<sup>th</sup> day of November, 2018.

  
\_\_\_\_\_

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**



**SCHILLING & COMPANY, INC.**

*Certified Public Accountants*

P.O. Box 631579  
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086

FAX: 720.348.2920

### **Accountant's Compilation Report**

Board of Directors  
Paint Brush Hills Metropolitan District Subdistrict A  
El Paso County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Paint Brush Hills Metropolitan District Subdistrict A (a component unit of Paint Brush Hills Metropolitan District), for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ending December 31, 2017, in the format required by Colorado Revised Statutes 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The actual comparative information for the year ending December 31, 2017 is presented for comparative purposes as required by Colorado Revised Statutes 29-1-105. Such information is taken from the audited financial statements of the Paint Brush Hills Metropolitan District for the year ended December 31, 2017. Osborne, Parsons & Rosacker, LLP audited the financial statements for the year ended December 31, 2017, whose report was dated June 14, 2018.

The budget is presented in accordance with the requirements of Colorado Revised Statutes 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Paint Brush Hills Metropolitan District Subdistrict A.

*SCHILLING & COMPANY, INC.*

Schilling & Company, Inc.  
January 11, 2019



**PAINT BRUSH HILLS METROPOLITAN DISTRICT SUBDISTRICT A**  
**Assessed Value, Property Tax and Mill Levy Information**  
**For the Years Ended and Ending December 31,**

Actual 2017	Estimated 2018	Adopted Budget 2019
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<b>Assessed Valuation</b>	\$ 223,230	\$ 953,220	\$ 2,581,040
<b>Mill Levy</b>			
Debt Service Fund	40.000	40.000	40.000
<b>Total Mill Levy</b>	40.000	40.000	40.000
<b>Property Taxes</b>			
Debt Service Fund	\$ 8,929	\$ 38,129	\$ 103,242
<b>Actual/Budgeted Property Taxes</b>	\$ 8,929	\$ 38,129	\$ 103,242

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**PAINT BRUSH HILLS METROPOLITAN DISTRICT SUBDISTRICT A  
GENERAL FUND  
2019 Budget as Adopted  
With 2017 Actual and 2018 Estimated  
For the Years Ended and Ending December 31,**

	<b>Actual 2017</b>	<b>Estimated 2018</b>	<b>Adopted Budget 2019</b>
<b>BEGINNING FUND BALANCE</b>	\$ (5,139)	\$ -	\$ -
<b>REVENUE</b>			
Developer Advances/Reimbursements	6,424	9,989	20,000
Contribution from PBHMD	5,807	-	-
<b>TOTAL REVENUE</b>	<u>12,231</u>	<u>9,989</u>	<u>20,000</u>
<b>TOTAL FUNDS AVAILABLE</b>	<u>7,092</u>	<u>9,989</u>	<u>20,000</u>
<b>EXPENDITURES</b>			
Accounting	-	-	2,500
Insurance	-	-	-
Legal	7,092	9,895	16,500
Miscellaneous	-	94	1,000
<b>TOTAL EXPENDITURES</b>	<u>7,092</u>	<u>9,989</u>	<u>20,000</u>
<b>EXPENDITURES REQUIRING APPROPRIATION</b>	<u>7,092</u>	<u>9,989</u>	<u>20,000</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**PAINT BRUSH HILLS METROPOLITAN DISTRICT SUBDISTRICT A**  
**DEBT SERVICE FUND**  
**2019 Budget as Adopted**  
**With 2017 Actual and 2018 Estimated**  
**For the Years Ended and Ending December 31,**

	<b>Actual 2017</b>	<b>Estimated 2018</b>	<b>Adopted Budget 2019</b>
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ 10,012	\$ 52,836
<b>REVENUE</b>			
Property Taxes	8,929	38,129	103,242
Specific Ownership Taxes	1,210	4,571	12,377
Interest	7	258	300
<b>TOTAL REVENUE</b>	<u>10,146</u>	<u>42,958</u>	<u>115,919</u>
<b>TOTAL FUNDS AVAILABLE</b>	<u>10,146</u>	<u>52,970</u>	<u>168,755</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	134	134	1,549
<b>TOTAL EXPENDITURES</b>	<u>134</u>	<u>134</u>	<u>1,549</u>
<b>EXPENDITURES REQUIRING APPROPRIATION</b>	<u>134</u>	<u>134</u>	<u>1,549</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 10,012</u>	<u>\$ 52,836</u>	<u>\$ 167,206</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**PAINT BRUSH HILLS METROPOLITAN DISTRICT SUBDISTRICT A  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2019 annual budget. Actual results may differ from the prospective results contained in the budget.

The 2019 budget was prepared in accordance with the Local Budget Law of Colorado. The budget reflects the anticipated spending plan for the 2019 fiscal year based on available revenues. This budget provides for the general operation and debt service of the Paint Brush Hills Metropolitan District Subdistrict A.

**SERVICES PROVIDED**

The Paint Brush Hills Metropolitan District Subdistrict A (Subdistrict A) was formed in 2015 by the Board of Directors of the Paint Brush Hills Metropolitan District for the purpose of providing water, sanitary sewer, storm sewer and drainage, streets, street lights, traffic signals, bridges, mosquito control, safety protection and parks and recreation services. The Subdistrict A currently serves customers in the service area which is located in El Paso County. No change in the level of service is anticipated during 2019.

**BUDGETARY BASIS OF ACCOUNTING**

The Subdistrict A uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total Subdistrict A budget. Subdistrict A's General Fund and Debt Service Fund are considered Governmental Funds and are budgeted using the current financial resources measurement focus and the modified accrual basis of accounting. For the modified accrual basis of accounting revenues are recognized as soon as they are both measurable and available. For this purpose, the Subdistrict A considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Expenditures (including capital asset additions and improvements), other than long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

**FUND SUMMARIES**

**General Fund** is used to account for resources traditionally associated with government such as property taxes, and specific ownership tax. Expenditures which include administration, legal services, park services and other expenses related to statutory operations of a local government. The General Fund's primary sources of revenue are anticipated to be developer advances and bond issuance proceeds.

**Debt Service Fund** is used to account for accumulation of property taxes and specific ownership taxes for the payment of debt service on bonds or other long-term obligations that are anticipated to be issued by the Subdistrict A in a future period.

This information is an integral part of the accompanying budget.

**PAINT BRUSH HILLS METROPOLITAN DISTRICT SUBDISTRICT A  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**REVENUE**

***Property Taxes***

For 2019 the Subdistrict A's assessed valuation is \$2,581,040. The Subdistrict A is levying a property tax mill levy of 40.000 mills to be used for payment of debt service on bonds or other long-term obligations to be issued in a future period.

***Specific Ownership Taxes***

This revenue is based on a sharing of the collection of vehicle ownership taxes pooled by the County. The amounts estimated for 2019 are based on historical collections.

***Developer Advances***

The Subdistrict A anticipates receiving developer advances during 2019 to provide funding to pay for general operational expenditures related to the operation of the Subdistrict A.

**EXPENDITURES**

Subdistrict A expenditures are budgeted based on prior years' amounts expended adjusted for known variations. The Subdistrict A has budgeted inflationary increases for 2019 with no significant changes in the level of services provided.

**DEBT AND LEASES**

The Subdistrict A does not have any outstanding bonds, leases or other long-term obligations.

**EMERGENCY RESERVE**

As required by Section 20 of Article X of the Colorado Constitution ("TABOR"), the Subdistrict A has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.

This information is an integral part of the accompanying budget.