

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 288,479	\$ 264,235	\$ 257,671
REVENUES			
Property taxes	509,184	592,306	630,162
Specific ownership tax	59,796	59,488	63,016
Interest income	366	2,700	300
Other revenue	2,049	-	11,654
Intergovernmental revenues	7,000	-	-
Total revenues	<u>578,395</u>	<u>654,494</u>	<u>705,132</u>
Total funds available	<u>866,874</u>	<u>918,729</u>	<u>962,803</u>
EXPENDITURES			
General Fund	187,183	192,037	210,000
Debt Service Fund	415,456	469,021	485,477
Total expenditures	<u>602,639</u>	<u>661,058</u>	<u>695,477</u>
Total expenditures and transfers out requiring appropriation	<u>602,639</u>	<u>661,058</u>	<u>695,477</u>
ENDING FUND BALANCES	<u>\$ 264,235</u>	<u>\$ 257,671</u>	<u>\$ 267,326</u>
DEBT SERVICE RESERVE	\$ 226,750	\$ 226,750	\$ 226,750
SURPLUS FUND (Up to \$10k a year; Max \$226,750)	20,000	30,000	40,000
TOTAL RESERVE	<u>\$ 246,750</u>	<u>\$ 256,750</u>	<u>\$ 266,750</u>

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/13/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	\$ 11,817,500	\$ 12,920,560	\$ -
Single-Family Resid.	-	-	12,565,040
Commercial	811,800	1,913,220	3,517,500
State assessed	-	1,070	-
Vacant land	578,070	624,810	96,610
	<u>13,207,370</u>	<u>15,459,660</u>	<u>16,179,150</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 13,207,370</u>	<u>\$ 15,459,660</u>	<u>\$ 16,179,150</u>
MILL LEVY			
General	11.015	10.946	11.128
Debt Service	27.538	27.367	27.821
Total mill levy	<u>38.553</u>	<u>38.313</u>	<u>38.949</u>
PROPERTY TAXES			
General	\$ 145,479	\$ 169,221	\$ 180,042
Debt Service	363,705	423,085	450,120
Levied property taxes	<u>509,184</u>	<u>592,306</u>	<u>630,162</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 509,184</u>	<u>\$ 592,306</u>	<u>\$ 630,162</u>
BUDGETED PROPERTY TAXES			
General	\$ 145,474	\$ 169,221	\$ 180,042
Debt Service	363,710	423,085	450,120
	<u>\$ 509,184</u>	<u>\$ 592,306</u>	<u>\$ 630,162</u>

No assurance provided. See summary of significant assumptions.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 28,111	\$ 5,620	\$ -
REVENUES			
Property taxes	145,474	169,221	180,042
Specific ownership tax	17,084	16,996	18,004
Interest income	85	200	300
Other revenue	2,049	-	11,654
Total revenues	164,692	186,417	210,000
Total funds available	192,803	192,037	210,000
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,183	2,538	2,701
Contingency	-	-	11,654
Intergovernmental expenditures	185,000	189,499	195,645
Total expenditures	187,183	192,037	210,000
Total expenditures and transfers out requiring appropriation	187,183	192,037	210,000
ENDING FUND BALANCE	\$ 5,620	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

12/13/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 260,368	\$ 258,615	\$ 257,671
REVENUES			
Property taxes	363,710	423,085	450,120
Specific ownership tax	42,712	42,492	45,012
Interest income	281	2,500	-
Intergovernmental revenues	7,000	-	-
Total revenues	413,703	468,077	495,132
Total funds available	674,071	726,692	752,803
EXPENDITURES			
General and administrative			
County Treasurer's fee	5,458	6,346	6,752
Banking fees	23	-	-
Paying agent fees	7,000	7,000	7,000
Debt Service			
Bond interest - 2020A Senior	212,100	208,800	205,300
Bond interest - 2020B Subordinate	25,875	25,875	22,425
Bond principal - 2020A Senior	165,000	175,000	180,000
Bond principal - 2020B Subordinate	-	46,000	64,000
Total expenditures	415,456	469,021	485,477
Total expenditures and transfers out requiring appropriation	415,456	469,021	485,477
ENDING FUND BALANCE	\$ 258,615	\$ 257,671	\$ 267,326
DEBT SERVICE RESERVE	\$ 226,750	\$ 226,750	\$ 226,750
SURPLUS FUND (Up to \$10k a year; Max \$226,750)	20,000	30,000	40,000
TOTAL RESERVE	\$ 246,750	\$ 256,750	\$ 266,750

No assurance provided. See summary of significant assumptions.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Stetson Ridge Metropolitan District No. 3 (“District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City of Colorado Springs, El Paso County, Colorado on November 28, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Preliminary Consolidated Service Plan, approved by the City of Colorado Springs on August 22, 2006, formed the Stetson Ridge Metropolitan Districts Nos 1 – 3 (“The Districts”).

The District was organized to provide planning, acquisition, construction, installation and financing of public improvements, including streets, water, wastewater, traffic and safety, park and recreation, mosquito control, television relay and transportation facilities, primarily for residential development. The District was organized in conjunction with two other related districts, Stetson Ridge Metropolitan District No. 1 (“District No. 1”), the Operating District, and Stetson Ridge Metropolitan District No. 2 (“District No. 2”), the Financing District. District No. 1 will own (subject to dedication of improvements to the City), operate, maintain and construct facilities benefiting all three Districts, and District No. 2 and District No. 3 will contribute to the costs of construction, operation and maintenance of such facilities. The District's service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

The District has no employees and all administrative functions are contractual.

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 of the budget using the adopted mill levy imposed by the District.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (Continued)

Property Taxes – (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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 10% of the total property taxes collected.

Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Expenditures

Intergovernmental Expenditures

All administrative expenditures such as legal, accounting, management, insurance, including costs for snow removal and landscape maintenance, are paid through and by District No. 1, the Operating District. The District will transfer net revenues collected from its operational mill levy, as well as the current, unpledged revenue from its debt service fund, to District No. 1 to cover a portion of these costs.

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Debt and Leases

In June 2020, the District issued \$7,840,000 in Series 2020A General Obligation Bonds and \$482,000 in Series 2020B Subordinate General Obligation Bonds. The Bonds are special limited obligations of the District secured by and payable from the pledged revenues, consisting of the following source: (i) the Senior Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result on the imposition of the Senior Required Mill Levy; and (iii) any other legally available moneys which the District determines, in its absolute discretion. To transfer to the Trustee for application as Senior Pledged Revenues. The Series 2020A Bonds are term bonds maturing as follows: \$7,840,000 due December 1, 2047 at an interest rate of 2.00 to 3.00% per annum. The Series 2020B Bonds of \$482,000 are term bonds due December 15, 2042 at an interest rate of 7.50%.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (Continued)

Schedule of Long Term Obligations

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
G.O. Bonds - Series 2020A	\$ 7,570,000	\$ -	\$ 175,000	\$ 7,395,000
Discount - Series 2020A	(111,911)	-	(6,780)	(105,131)
G.O. Subordinate Bonds - Series 2020B	345,000	-	46,000	299,000
	<u>\$ 7,803,089</u>	<u>\$ -</u>	<u>\$ 214,220</u>	<u>\$ 7,588,869</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
G.O. Bonds - Series 2020A	\$ 7,395,000	\$ -	\$ 180,000	\$ 7,215,000
Discount - Series 2020A	(105,131)	-	(6,667)	(98,464)
G.O. Subordinate Bonds - Series 2020B	299,000	-	64,000	235,000
	<u>\$ 7,588,869</u>	<u>\$ -</u>	<u>\$ 237,333</u>	<u>\$ 7,351,536</u>

* Estimate

The District has no operating or capital leases.

Reserves

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all three Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2023 budget.

Debt Service Reserves

The Debt Service Reserve in the amount of \$226,750 is equal to half of the required to be maintained on the Series 2020A Bonds. The remaining half is met by the Reserve Policy.

This information is an integral part of the accompanying budget.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$7,840,000

General Obligation Limited Tax Refunding and Improvement Bonds Series 2020A

Dated June 23, 2020

Interest Rate 2.00% - 3.00%

Interest due June 1 and December 1

Principal due December 1

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total All Bonds</u>
2023	\$ 180,000	\$ 205,300	\$ 385,300
2024	190,000	201,700	391,700
2025	190,000	197,900	387,900
2026	205,000	194,100	399,100
2027	210,000	190,000	400,000
2028	220,000	185,800	405,800
2029	225,000	181,400	406,400
2030	235,000	176,900	411,900
2031	240,000	172,200	412,200
2032	255,000	165,000	420,000
2033	265,000	157,350	422,350
2034	275,000	149,400	424,400
2035	280,000	141,150	421,150
2036	295,000	132,750	427,750
2037	305,000	123,900	428,900
2038	325,000	114,750	439,750
2039	335,000	105,000	440,000
2040	350,000	94,950	444,950
2041	365,000	84,450	449,450
2042	380,000	73,500	453,500
2043	390,000	62,100	452,100
2044	400,000	50,400	450,400
2045	415,000	38,400	453,400
2046	425,000	25,950	450,950
2047	440,000	13,200	453,200
Total	<u>\$ 7,570,000</u>	<u>\$ 3,446,350</u>	<u>\$ 11,016,350</u>

No assurance provided. See summary of significant assumptions.