

ANNUAL REPORT

FOR THE YEAR 2023

STETSON RIDGE METROPOLITAN DISTRICT NOS. 1, 2 & 3

Pursuant to Section VII of the Service Plans approved by the City of Colorado Springs, Colorado on September 12, 2000 (District Nos. 1 and 2) and 2 and May 25, 2006 (District No. 3).

- 1. Boundary changes made or proposed to the Districts' boundaries as of December 31 of the prior year.** There were no boundary changes made or proposed during 2023.
- 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.** The Districts have not adopted any rules and regulations.
- 4. A summary of any litigation which involves the any Districts' Public Improvements as of December 31 of the prior year.** None.
- 5. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year.** No improvements were constructed in 2023.
- 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.** There have been no facilities or improvements dedicated to and accepted by the City as of December 31, 2023.
- 7. The assessed valuation of the Districts for the report year.** The assessed valuation for 2024 is: District No. 1 \$700; District No. 2 \$56,243,110; District No. 3 \$19,608,250.
- 8. Current year budgets including a description of the Public Improvements to be constructed in such year.** The 2024 Budgets are is attached hereto as *Exhibit A*.
- 9. Audit of the Districts' 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.** As of the date of submission this 2023 Annual Report, the Districts' audited financial statements for the year ending December 31, 2023 are not yet available. Once filed, the Districts' audited financial statements for the year ending December 31, 2023 will be available on the website of the Office of the State Auditor: <https://apps.leg.co.gov/osa/lg/submissions/search>.
- 10. Indebtedness for year ending 2023.** District No. 2 General Obligation Limited Tax Bonds, Series 2007 \$450,000. District No. 3 General Obligation Limited Tax Bonds, Series 2020A \$7,215,000 and General Obligation Limited Tax Bonds, Series 2020B \$210,000.
- 11. Notice of any uncured events of noncompliance by the Districts under any Debt instrument, which continue beyond a 90-day period.** The Districts were not in default of any Debt instrument during 2023.
- 12. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a 90-day period.** The Districts did not have an inability to pay its obligations as they came due during 2023.

13. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision. Not applicable.

EXHIBIT A

2024 Adopted Budgets

STETSON RIDGE METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**STETSON RIDGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,242,981	\$ 123,944	\$ 50,145
REVENUES			
Interest income	4,399	557	-
Other revenue	-	-	4,723
Intergovernmental revenues - District 2	510,370	481,379	650,492
Intergovernmental revenues - District 2 Contractual	1,670,901	978,517	1,148,985
Intergovernmental revenues - District 3	190,407	195,977	166,800
Total revenues	2,376,077	1,656,430	1,971,000
Total funds available	3,619,058	1,780,374	2,021,145
EXPENDITURES			
General and administrative			
Accounting	35,708	47,000	52,000
Auditing	14,499	14,700	15,000
Banking fees	8	-	-
Dues and membership	2,912	2,877	3,000
Insurance	17,785	14,605	20,000
District management	20,427	32,000	35,000
Election	21,023	3,945	-
Repay developer advance	2,496,059	950,000	1,100,000
Developer advance - interest expense	103,941	-	-
Legal	11,721	16,000	16,000
Website	457	902	1,500
Miscellaneous	1,008	-	-
Contingency	-	-	41,268
Operations and maintenance			
Landscaping	451,164	346,000	215,232
Repairs and maintenance	21,224	10,000	10,000
Fence and sign maintenance	600	-	-
Stormwater fees	12,998	22,200	25,000
Snow removal	2,170	5,000	10,000
Utilities	281,410	265,000	330,000
Total expenditures	3,495,114	1,730,229	1,874,000
Total expenditures and transfers out requiring appropriation	3,495,114	1,730,229	1,874,000
ENDING FUND BALANCES	\$ 123,944	\$ 50,145	\$ 147,145

No assurance provided. See summary of significant assumptions.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Vacant land	\$	730	\$	730	\$	700
		730		730		700
Adjustments (TIF)		-		-		-
Certified Assessed Value	\$	730	\$	730	\$	700

MILL LEVY

Total mill levy	0.000	0.000	0.000
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PROPERTY TAXES

Budgeted property taxes	\$	-	\$	-	\$	-
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BUDGETED PROPERTY TAXES

	\$	-	\$	-	\$	-
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**STETSON RIDGE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Stetson Ridge Metropolitan District No. 1 ("District No. 1"), 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 January 1, 2000, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The Consolidated Service Plan, approved by the City of Colorado Springs on September 12, 2000, 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 and commercial development. The District was organized in conjunction with Stetson Ridge Metropolitan District #2 ("District No. 2") and Stetson Ridge Metropolitan District No. 3 ("District No. 3") to serve the needs of the Stetson Ridge development for the purpose of financing, construction and operation of improvements and infrastructure serving the three districts. District No. 1 is responsible for managing the construction, operation and maintenance of all improvements not transferred to the City of Colorado Springs. District No. 2 and District No. 3 are responsible for providing the funding and tax base needed to support the financing plan for capital improvements and to fund ongoing operations.

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 between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Intergovernmental Revenue

The three Districts' administrative expenditures such as legal, accounting, management, insurance, including costs of snow removal and landscape maintenance, are being paid by the District. The District anticipates receiving net revenues collected from District No. 2 and District No. 3's operational mill levy assessment to cover a portion of these costs.

Expenditures

Administrative and Operations and Maintenance Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, landscaping, utilities, and other administrative expenses.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 1
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Developer Advances

The District entered into a Facilities Funding and Acquisition Agreement (Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 6.00% beginning on the date the advance were made to the date of repayment. The Agreement does not constitute a multiple-fiscal year obligation.

**Stetson Ridge Metropolitan District No. 1
Schedule of Long Term Obligations**

	Balance at December 31, 2022	Additions*	Repayments*	Balance at December 31, 2023*
Developer Advances - Operating	\$ 1,300,000	\$ -	\$ 111,317	\$ 1,188,683
Accrued Interest - Operating	79,083	77,952	144,950	12,085
Developer Advances - Capital	653,951	-	653,951	-
Accrued Interest - Capital	6,648	33,134	39,782	-
Total	\$ 2,039,682	\$ 111,086	\$ 950,000	\$ 1,200,768
	Balance at December 31, 2023*	Additions*	Repayments*	Balance at December 31, 2024*
Developer Advances - Operating	\$ 1,188,683	\$ -	\$ 1,016,594	\$ 172,089
Accrued Interest - Operating	12,085	71,321	83,406	-
Developer Advances - Capital	-	-	-	-
Accrued Interest - Capital	-	-	-	-
Total	\$ 1,200,768	\$ 71,321	\$ 1,100,000	\$ 172,089

* Estimate

The District has no operating or capital leases.

Reserves

Emergency Reserves

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

This information is an integral part of the accompanying budget.

STETSON RIDGE METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 710,403	\$ 46,124	\$ 55,028
REVENUES			
Property taxes	534,015	527,928	669,856
Property taxes - contractual	1,048,721	993,418	1,166,482
Specific ownership taxes	164,933	153,674	183,634
Interest income	13,879	35,000	27,000
Other revenue	-	-	26,252
Total revenues	<u>1,761,548</u>	<u>1,710,020</u>	<u>2,073,224</u>
TRANSFERS IN	<u>637,921</u>	-	-
Total funds available	<u>3,109,872</u>	<u>1,756,144</u>	<u>2,128,252</u>
EXPENDITURES			
General Fund	2,201,763	1,479,361	1,850,000
Debt Service Fund	224,064	221,755	224,073
Total expenditures	<u>2,425,827</u>	<u>1,701,116</u>	<u>2,074,073</u>
TRANSFERS OUT	<u>637,921</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>3,063,748</u>	<u>1,701,116</u>	<u>2,074,073</u>
ENDING FUND BALANCES	<u>\$ 46,124</u>	<u>\$ 55,028</u>	<u>\$ 54,179</u>
DEBT SERVICE RESERVE	43,000	43,000	43,000
TOTAL RESERVE	<u>\$ 43,000</u>	<u>\$ 43,000</u>	<u>\$ 43,000</u>

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/4/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 44,962,630	\$ -	\$ -
Single-Family Resid.		45,046,360	54,455,070
Commercial	1,542,670	1,549,170	1,787,970
Vacant land	660,650	60	70
	47,165,950	46,595,590	56,243,110
Adjustments (TIF)	-	-	-
Certified Assessed Value	\$ 47,165,950	\$ 46,595,590	\$ 56,243,110

MILL LEVY

General	6.726	6.530	8.030
Debt Service	4.622	4.800	3.880
Contractual Obligation - Developer Advance	22.283	21.320	20.740
Total mill levy	33.631	32.650	32.650

PROPERTY TAXES

General	\$ 317,238	\$ 304,269	\$ 451,632
Debt Service	218,001	223,659	218,224
Contractual Obligation - Developer Advance	1,050,999	993,418	1,166,482
Levied property taxes	1,586,238	1,521,346	1,836,338
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 1,586,238	\$ 1,521,346	\$ 1,836,338

BUDGETED PROPERTY TAXES

General	\$ 317,238	\$ 304,269	\$ 451,632
Debt Service	218,001	223,659	218,223
Contractual Obligation - Developer Advance	1,050,999	993,418	1,166,483
	\$ 1,586,238	\$ 1,521,346	\$ 1,836,338

**STETSON RIDGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 22,213	\$ -	\$ -
REVENUES			
Property taxes	316,547	304,269	451,632
Property taxes - contractual	1,048,721	993,418	1,166,482
Specific ownership taxes	164,933	153,674	183,634
Interest income	11,428	28,000	22,000
Other revenue	-	-	26,252
Total revenues	1,541,629	1,479,361	1,850,000
TRANSFERS IN			
Transfers from other funds	637,921	-	-
Total funds available	2,201,763	1,479,361	1,850,000
EXPENDITURES			
General and administrative			
County Treasurer's fee	4,751	4,564	6,774
County Treasurer's fee - contractual	15,741	14,901	17,497
Contingency	-	-	26,252
Intergovernmental expenditures	510,370	481,379	650,492
Intergovernmental expenditures - contractu	1,670,901	978,517	1,148,985
Operations and maintenance			
Total expenditures	2,201,763	1,479,361	1,850,000
Total expenditures and transfers out requiring appropriation	2,201,763	1,479,361	1,850,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 688,190	\$ 46,124	\$ 55,028
REVENUES			
Property taxes	217,468	223,659	218,224
Interest income	2,451	7,000	5,000
Total revenues	<u>219,919</u>	<u>230,659</u>	<u>223,224</u>
Total funds available	<u>908,109</u>	<u>276,783</u>	<u>278,252</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,264	3,355	3,273
Paying agent fees	2,800	2,800	2,800
Debt Service			
Bond interest	33,000	25,600	18,000
Bond Principal	185,000	190,000	200,000
Total expenditures	<u>224,064</u>	<u>221,755</u>	<u>224,073</u>
TRANSFERS OUT			
Transfers to other fund	<u>637,921</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>861,985</u>	<u>221,755</u>	<u>224,073</u>
ENDING FUND BALANCES	<u>\$ 46,124</u>	<u>\$ 55,028</u>	<u>\$ 54,179</u>
DEBT SERVICE RESERVE	<u>\$ 43,000</u>	<u>\$ 43,000</u>	<u>\$ 43,000</u>
TOTAL RESERVE	<u>\$ 43,000</u>	<u>\$ 43,000</u>	<u>\$ 43,000</u>

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Stetson Ridge Metropolitan District No. 2 (“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 22, 2000, 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 September 12, 2000, 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. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

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 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 5%.

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.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On December 7, 2007, the District issued general obligation bonds with a face value of \$2,070,000 and supplemental interest coupons of \$605,000. The bonds bear interest at an annual rate of 4.00% to be paid to the bondholders semi-annually on each June 1 and December 1, beginning June 1, 2008. The bonds mature on December 1, 2025 and are subject to redemption prior to maturity at the discretion of District #2, as a whole or in integral multiples of \$5,000 on December 1, 2018 or on any date thereafter. The bonds are subject to mandatory sinking fund redemption requirements.

Schedule of Long-Term Obligations

	Balance at December 31, 2022	Additions*	Repayments*	Balance at December 31, 2023*
Series 2007 Bonds - Principal	\$ 640,000	\$ -	\$ 190,000	\$ 450,000
Series 2007 Bonds - Discount	(10,457)	-	(3,582)	(6,875)
Total	<u>\$ 629,543</u>	<u>\$ -</u>	<u>\$ 186,418</u>	<u>\$ 443,125</u>
	Balance at December 31, 2023*	Additions*	Repayments*	Balance at December 31, 2024*
Series 2007 Bonds - Principal	\$ 450,000	\$ -	\$ 200,000	\$ 250,000
Series 2007 Bonds - Discount	(6,875)	-	(3,582)	(3,293)
Total	<u>\$ 443,125</u>	<u>\$ -</u>	<u>\$ 196,418</u>	<u>\$ 246,707</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 2024 budget.

Debt Service Reserves

The Debt Service Reserve in the amount of \$43,000 is required to be maintained on the Series 2007 Bonds.

This information is an integral part of the accompanying budget.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$2,070,000

General Obligation Limited Tax Refunding Bonds Series 2007

Dated December 4, 2007

Interest Rate 4.00%

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>
2024	200,000	18,000	218,000
2025	250,000	10,000	260,000
Total	<u>\$ 450,000</u>	<u>\$ 28,000</u>	<u>\$ 478,000</u>

STETSON RIDGE METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 264,235	\$ 267,554	\$ 302,665
REVENUES			
Property taxes	592,306	630,162	763,722
Specific ownership taxes	61,586	63,654	76,372
Interest income	9,403	25,450	20,600
Other revenue	-	-	10,902
Total revenues	<u>663,295</u>	<u>719,266</u>	<u>871,596</u>
Total funds available	<u>927,530</u>	<u>986,820</u>	<u>1,174,261</u>
EXPENDITURES			
General Fund	192,948	198,678	180,000
Debt Service Fund	467,028	485,477	662,633
Total expenditures	<u>659,976</u>	<u>684,155</u>	<u>842,633</u>
Total expenditures and transfers out requiring appropriation	<u>659,976</u>	<u>684,155</u>	<u>842,633</u>
ENDING FUND BALANCES	<u>\$ 267,554</u>	<u>\$ 302,665</u>	<u>\$ 331,628</u>
DEBT SERVICE RESERVE	226,750	226,750	226,750
SURPLUS FUND (Up to \$10K a year; Max \$226,750)	30,000	40,000	50,000
TOTAL RESERVE	<u>\$ 256,750</u>	<u>\$ 266,750</u>	<u>\$ 276,750</u>

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/5/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 12,920,560	\$ -	\$ -
Single-Family Resid.	-	12,565,040	14,934,950
Commercial	1,913,220	3,517,500	4,568,860
State assessed	1,070	-	1,340
Vacant land	924,810	96,610	103,100
	15,759,660	16,179,150	19,608,250
Adjustments (TIF)	-	-	-
Certified Assessed Value	\$ 15,759,660	\$ 16,179,150	\$ 19,608,250

MILL LEVY

General	10.946	11.128	7.812
Debt Service	27.367	27.821	31.137
Total mill levy	38.313	38.949	38.949

PROPERTY TAXES

General	\$ 172,505	\$ 180,042	\$ 153,180
Debt Service	431,295	450,120	610,542
Levied property taxes	603,800	630,162	763,722
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	\$ 603,800	\$ 630,162	\$ 763,722

BUDGETED PROPERTY TAXES

General	\$ 172,505	\$ 180,042	\$ 153,180
Debt Service	431,295	450,120	610,542
	\$ 603,800	\$ 630,162	\$ 763,722

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/5/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 5,620	\$ -	\$ -
REVENUES			
Property taxes	169,222	180,042	153,180
Specific ownership taxes	17,595	18,186	15,318
Interest income	511	450	600
Other revenue	-	-	10,902
Total revenues	187,328	198,678	180,000
Total funds available	192,948	198,678	180,000
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,541	2,701	2,298
Contingency	-	-	10,902
Intergovernmental expenditures	190,407	195,977	166,800
Total expenditures	192,948	198,678	180,000
Total expenditures and transfers out requiring appropriation	192,948	198,678	180,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/5/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 258,615	\$ 267,554	\$ 302,665
REVENUES			
Property taxes	423,084	450,120	610,542
Specific ownership taxes	43,991	45,468	61,054
Interest income	8,892	25,000	20,000
Total revenues	475,967	520,588	691,596
Total funds available	734,582	788,142	994,261
EXPENDITURES			
General and administrative			
County Treasurer's fee	6,353	6,752	9,158
Debt Service			
Paying agent fees	7,000	7,000	7,000
Bond interest - 2020A	208,800	205,300	201,700
Bond interest - 2020B	25,875	22,425	17,775
Bond principal - 2020A	175,000	180,000	190,000
Bond principal - 2020B	44,000	64,000	237,000
Total expenditures	467,028	485,477	662,633
Total expenditures and transfers out requiring appropriation	467,028	485,477	662,633
ENDING FUND BALANCES	\$ 267,554	\$ 302,665	\$ 331,628
DEBT SERVICE RESERVE	\$ 226,750	\$ 226,750	\$ 226,750
SURPLUS FUND (Up to \$10K a year; Max \$226,7	30,000	40,000	50,000
TOTAL RESERVE	\$ 256,750	\$ 266,750	\$ 276,750

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2024 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
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

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 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 5%.

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.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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%.

Schedule of Long-Term Obligations

	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	301,000	-	64,000	237,000
	<u>\$ 7,590,869</u>	<u>\$ -</u>	<u>\$ 237,333</u>	<u>\$ 7,353,536</u>
	Balance at December 31, 2023*	Additions*	Repayments*	Balance at December 31, 2024*
G.O. Bonds - Series 2020A	\$ 7,215,000	\$ -	\$ 190,000	\$ 7,025,000
Discount - Series 2020A	(98,464)	-	(6,550)	(91,915)
G.O. Subordinate Bonds - Series 2020B	237,000	-	237,000	-
	<u>\$ 7,353,536</u>	<u>\$ -</u>	<u>\$ 420,450</u>	<u>\$ 6,933,085</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 2024 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

Year	Principal	Interest	Total All Bonds
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>\$ 7,215,000.00</u>	<u>\$ 3,032,250.00</u>	<u>\$ 10,247,250.00</u>

No assurance provided. See summary of significant assumptions.