

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 708,722	\$ 710,403	\$ 45,850
REVENUES			
Property taxes	1,107,413	535,239	527,928
Property taxes - contractual	-	1,050,999	993,418
Specific ownership tax	130,049	159,314	152,135
Interest income	638	3,250	4,900
Other revenue	-	-	10,680
Intergovernmental revenues	1,400	-	-
Total revenues	<u>1,239,500</u>	<u>1,748,802</u>	<u>1,689,061</u>
TRANSFERS IN	<u>-</u>	<u>637,921</u>	<u>-</u>
Total funds available	<u>1,948,222</u>	<u>3,097,126</u>	<u>1,734,911</u>
EXPENDITURES			
General Fund	1,023,305	2,190,685	1,465,002
Debt Service Fund	214,514	222,670	220,355
Total expenditures	<u>1,237,819</u>	<u>2,413,355</u>	<u>1,685,357</u>
TRANSFERS OUT	<u>-</u>	<u>637,921</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,237,819</u>	<u>3,051,276</u>	<u>1,685,357</u>
ENDING FUND BALANCES	<u>\$ 710,403</u>	<u>\$ 45,850</u>	<u>\$ 49,554</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
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	\$ 39,198,760	\$ 44,962,630	\$ -
Single-Family Resid.	-	-	45,046,360
Commercial	1,205,410	1,542,670	1,549,170
Vacant land	399,700	660,650	60
	<u>40,803,870</u>	<u>47,165,950</u>	<u>46,595,590</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 40,803,870</u>	<u>\$ 47,165,950</u>	<u>\$ 46,595,590</u>
MILL LEVY			
General	21.727	6.726	6.530
Debt Service	5.413	4.622	4.800
Contractual Obligation - Developer Advance	0.000	22.283	21.320
Total mill levy	<u>27.140</u>	<u>33.631</u>	<u>32.650</u>
PROPERTY TAXES			
General	\$ 886,546	\$ 317,238	\$ 304,269
Debt Service	220,871	218,001	223,659
Contractual Obligation - Developer Advance	-	1,050,999	993,418
Levied property taxes	<u>1,107,417</u>	<u>1,586,238</u>	<u>1,521,346</u>
Adjustments to actual/rounding	(4)	-	-
Budgeted property taxes	<u>\$ 1,107,413</u>	<u>\$ 1,586,238</u>	<u>\$ 1,521,346</u>
BUDGETED PROPERTY TAXES			
General	\$ 886,595	\$ 317,238	\$ 304,269
Debt Service	220,818	218,001	223,659
Contractual Obligation - Developer Advance	-	1,050,999	993,418
Total	<u>\$ 1,107,413</u>	<u>\$ 1,586,238</u>	<u>\$ 1,521,346</u>

No assurance provided. See summary of significant assumptions.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 28,474	\$ 22,213	\$ -
REVENUES			
Property taxes	886,595	317,238	304,269
Property taxes - contractual	-	1,050,999	993,418
Specific ownership tax	130,049	159,314	152,135
Interest income	400	3,000	4,500
Other revenue	-	-	10,680
Total revenues	1,017,044	1,530,551	1,465,002
TRANSFERS IN			
Transfers from other funds	-	637,921	-
Total funds available	1,045,518	2,190,685	1,465,002
EXPENDITURES			
General and administrative			
County Treasurer's fee	13,305	4,759	4,564
County Treasurer's fee - contractual	-	15,765	14,901
Miscellaneous	-	-	10,680
Intergovernmental expenditures	1,010,000	481,241	456,340
Intergovernmental expenditures - contractual	-	1,688,920	978,517
Total expenditures	1,023,305	2,190,685	1,465,002
Total expenditures and transfers out requiring appropriation	1,023,305	2,190,685	1,465,002
ENDING FUND BALANCE	\$ 22,213	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 680,248	\$ 688,190	\$ 45,850
REVENUES			
Property taxes	220,818	218,001	223,659
Interest income	238	250	400
Intergovernmental revenues	1,400	-	-
Total revenues	<u>222,456</u>	<u>218,251</u>	<u>224,059</u>
Total funds available	<u>902,704</u>	<u>906,441</u>	<u>269,909</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	3,314	3,270	3,355
Paying agent fees	1,400	1,400	1,400
Debt Service			
Bond interest	39,800	33,000	25,600
Bond principal	170,000	185,000	190,000
Total expenditures	<u>214,514</u>	<u>222,670</u>	<u>220,355</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>637,921</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>214,514</u>	<u>860,591</u>	<u>220,355</u>
ENDING FUND BALANCE	<u>\$ 688,190</u>	<u>\$ 45,850</u>	<u>\$ 49,554</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
2023 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
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

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.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 2
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*
Series 2007 Bonds - Principal	\$ 825,000	\$ -	\$ 185,000	\$ 640,000
Series 2007 Bonds - Discount	(14,039)	-	(3,582)	(10,457)
Total	<u>\$ 810,961</u>	<u>\$ -</u>	<u>\$ 181,418</u>	<u>\$ 629,543</u>
	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>

* 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 \$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>
2023	\$ 190,000	\$ 25,600	\$ 215,600
2024	200,000	18,000	218,000
2025	250,000	10,000	260,000
Total	<u>\$ 640,000</u>	<u>\$ 53,600</u>	<u>\$ 693,600</u>

No assurance provided. See summary of significant assumptions.