

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 277,822	\$ 342,710	\$ 634,306
REVENUES			
Property Taxes	762,524	769,059	663,964
Specific Ownership Taxes	71,701	73,042	63,077
Interest Income	33,421	24,100	27,000
Other Revenue	7,848	-	11,653
Total Revenues	<u>875,494</u>	<u>866,201</u>	<u>765,694</u>
Total Funds Available	<u>1,153,316</u>	<u>1,208,911</u>	<u>1,400,000</u>
EXPENDITURES			
General Fund	177,010	173,541	208,000
Debt Service Fund	633,596	401,064	415,000
Total Expenditures	<u>810,606</u>	<u>574,605</u>	<u>623,000</u>
Total Expenditures and Transfers Out Requiring Appropriation	<u>810,606</u>	<u>574,605</u>	<u>623,000</u>
ENDING FUND BALANCES	<u>\$ 342,710</u>	<u>\$ 634,306</u>	<u>\$ 777,000</u>
DEBT SERVICE RESERVE	226,750	226,750	226,750
SURPLUS FUND (Up to \$10K a year; Max \$226,750)	40,000	66,000	69,000
TOTAL RESERVE	<u>\$ 266,750</u>	<u>\$ 292,750</u>	<u>\$ 295,750</u>

See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/13/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Single-Family Resid.	\$ 14,934,950	\$ 14,941,510	\$ 14,515,260
Commercial	4,568,860	4,575,520	4,766,740
State Assessed	1,340	1,200	1,200
Vacant Land	103,100	103,100	99,780
	<u>19,608,250</u>	<u>19,621,330</u>	<u>19,382,980</u>
Adjustments (TIF)	-	-	-
Certified Assessed Value	<u>\$ 19,608,250</u>	<u>\$ 19,621,330</u>	<u>\$ 19,382,980</u>
MILL LEVY			
General	7.812	8.000	9.255
Debt Service	31.137	31.135	25.000
Total Mill Levy	<u>38.949</u>	<u>39.135</u>	<u>34.255</u>
PROPERTY TAXES			
General	\$ 153,180	\$ 156,972	\$ 179,389
Debt Service	610,542	610,910	484,575
Levied Property Taxes	<u>763,722</u>	<u>767,882</u>	<u>663,964</u>
Adjustments to Actual/Rounding	(1,198)	-	-
Refunds and Abatements	-	1,177	-
Budgeted Property Taxes	<u>\$ 762,524</u>	<u>\$ 769,059</u>	<u>\$ 663,964</u>
BUDGETED PROPERTY TAXES			
General	\$ 152,962	\$ 157,211	\$ 179,389
Debt Service	609,562	611,848	484,575
	<u>\$ 762,524</u>	<u>\$ 769,059</u>	<u>\$ 663,964</u>

See summary of significant assumptions.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/13/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property Taxes	152,962	157,211	179,389
Specific Ownership Taxes	14,383	14,930	17,042
Interest Income	1,817	1,400	2,000
Other Revenue	7,848	-	9,569
Total Revenues	177,010	173,541	208,000
Total Funds Available	177,010	173,541	208,000
EXPENDITURES			
General and Administrative			
County Treasurer's Fee	2,295	2,355	2,691
Contingency	-	-	9,569
Intergovernmental Expenditures	174,715	171,186	195,740
Total Expenditures	177,010	173,541	208,000
Total Expenditures and Transfers Out Requiring Appropriation	177,010	173,541	208,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/13/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 277,822	\$ 342,710	\$ 634,306
REVENUES			
Property Taxes	609,562	611,848	484,575
Specific Ownership Taxes	57,318	58,112	46,035
Interest Income	31,604	22,700	25,000
Other Revenue	-	-	2,084
Total Revenues	<u>698,484</u>	<u>692,660</u>	<u>557,694</u>
Total Funds Available	<u>976,306</u>	<u>1,035,370</u>	<u>1,192,000</u>
EXPENDITURES			
General and Administrative			
County Treasurer's Fee	9,146	9,164	7,269
Contingency	-	-	4,631
Debt Service			
Paying Agent Fees	7,000	4,000	4,000
Bond Interest - 2020A	201,700	197,900	194,100
Bond Interest - 2020B	15,750	-	-
Bond Principal - 2020A	190,000	190,000	205,000
Bond Principal - 2020B	210,000	-	-
Total Expenditures	<u>633,596</u>	<u>401,064</u>	<u>415,000</u>
Total Expenditures and Transfers Out Requiring Appropriation	<u>633,596</u>	<u>401,064</u>	<u>415,000</u>
ENDING FUND BALANCES	<u>\$ 342,710</u>	<u>\$ 634,306</u>	<u>\$ 777,000</u>
DEBT SERVICE RESERVE	\$ 226,750	\$ 226,750	\$ 226,750
SURPLUS FUND (Up to \$10K a year; Max \$226,750)	40,000	66,000	69,000
TOTAL RESERVE	<u>\$ 266,750</u>	<u>\$ 292,750</u>	<u>\$ 295,750</u>

See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2026 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.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. As of December 31, 2025, the adjusted maximum mill levy for debt service is 30.588 mills. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable.

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.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		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 9.5% 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 4%.

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.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures – (continued)

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. 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.

Schedule of Long-Term Obligations

	Balance at December 31, 2024	Additions*	Repayments*	Balance at December 31, 2025*
G.O. Bonds - Series 2020A	\$ 7,025,000	\$ -	\$ 190,000	\$ 6,835,000
Discount - Series 2020A	(91,914)	-	(6,426)	(85,488)
	<u>\$ 6,933,086</u>	<u>\$ -</u>	<u>\$ 183,574</u>	<u>\$ 6,749,512</u>
	Balance at December 31, 2025*	Additions*	Repayments*	Balance at December 31, 2026*
G.O. Bonds - Series 2020A	\$ 6,835,000	\$ -	\$ 205,000	\$ 6,630,000
Discount - Series 2020A	(85,488)	-	(6,303)	(79,185)
	<u>\$ 6,749,512</u>	<u>\$ -</u>	<u>\$ 198,697</u>	<u>\$ 6,550,815</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 2026 budget.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves – (continued)

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
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>\$ 6,835,000.00</u>	<u>\$ 2,632,650.00</u>	<u>\$ 9,467,650.00</u>