

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/18/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|---|------------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 55,605 | \$ 59,453 | \$ - |
| REVENUES | | | |
| Property Taxes | 669,380 | 652,335 | 430,513 |
| Property Taxes - Contractual | 1,165,653 | 702,342 | 446,358 |
| Specific Ownership Taxes | 172,404 | 128,866 | 83,303 |
| Interest Income | 37,418 | 31,600 | 19,200 |
| Other Revenue | 14,561 | - | 8,626 |
| Total Revenues | <u>2,059,416</u> | <u>1,515,144</u> | <u>988,000</u> |
| TRANSFERS IN | <u>-</u> | <u>280</u> | <u>-</u> |
| Total Funds Available | <u>2,115,021</u> | <u>1,574,877</u> | <u>988,000</u> |
| EXPENDITURES | | | |
| General Fund | 1,831,495 | 1,308,782 | 988,000 |
| Debt Service Fund | 224,073 | 265,815 | - |
| Total Expenditures | <u>2,055,568</u> | <u>1,574,597</u> | <u>988,000</u> |
| TRANSFERS OUT | <u>-</u> | <u>280</u> | <u>-</u> |
| Total Expenditures and Transfers Out Requiring Appropriation | <u>2,055,568</u> | <u>1,574,877</u> | <u>988,000</u> |
| ENDING FUND BALANCES | <u>\$ 59,453</u> | <u>-</u> | <u>-</u> |
| DEBT SERVICE RESERVE | 43,000 | - | - |
| TOTAL RESERVE | <u>\$ 43,000</u> | <u>\$ -</u> | <u>\$ -</u> |

See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/18/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|--|----------------------|----------------------|----------------------|
| ASSESSED VALUATION | | | |
| Single-Family Resid. | \$ 54,455,070 | \$ 54,458,110 | \$ 54,050,390 |
| Commercial | 1,787,970 | 1,733,080 | 1,744,340 |
| Vacant Land | 70 | 70 | 70 |
| | <u>56,243,110</u> | <u>56,191,260</u> | <u>55,794,800</u> |
| Adjustments (TIF) | - | - | - |
| Certified Assessed Value | <u>\$ 56,243,110</u> | <u>\$ 56,191,260</u> | <u>\$ 55,794,800</u> |
| MILL LEVY | | | |
| General | 8.030 | 8.033 | 7.716 |
| Debt Service | 3.880 | 3.577 | 0.000 |
| Contractual Obligation - Developer Advance | 20.740 | 12.500 | 8.000 |
| Total Mill Levy | <u>32.650</u> | <u>24.110</u> | <u>15.716</u> |
| PROPERTY TAXES | | | |
| General | \$ 451,632 | \$ 451,384 | \$ 430,513 |
| Debt Service | 218,223 | 200,996 | - |
| Contractual Obligation - Developer Advance | 1,166,482 | 702,391 | 446,358 |
| Levied Property Taxes | <u>1,836,337</u> | <u>1,354,771</u> | <u>876,871</u> |
| Adjustments to Actual/Rounding | (1,200) | - | - |
| Refunds and Abatements | (104) | (93) | - |
| Budgeted Property Taxes | <u>\$ 1,835,033</u> | <u>\$ 1,354,678</u> | <u>\$ 876,871</u> |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ 451,311 | \$ 451,353 | \$ 430,513 |
| Debt Service | 218,069 | 200,982 | - |
| Contractual Obligation - Developer Advance | 1,165,653 | 702,342 | 446,358 |
| Total Budgeted Property Taxes | <u>\$ 1,835,033</u> | <u>\$ 1,354,678</u> | <u>\$ 876,871</u> |

See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/18/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property Taxes | 451,311 | 451,353 | 430,513 |
| Property Taxes - Contractual | 1,165,653 | 702,342 | 446,358 |
| Specific Ownership Taxes | 172,404 | 128,866 | 83,303 |
| Interest Income | 27,566 | 26,500 | 19,200 |
| Other Revenue | 14,561 | - | 8,626 |
| Total Revenues | 1,831,495 | 1,309,062 | 988,000 |
| Total Funds Available | 1,831,495 | 1,309,062 | 988,000 |
| EXPENDITURES | | | |
| General and Administrative | | | |
| County Treasurer's Fee | 6,774 | 6,771 | 6,458 |
| County Treasurer's Fee - Contractual | 17,497 | 10,536 | 6,695 |
| Contingency | - | - | 8,626 |
| Intergovernmental Expenditures | 659,069 | 599,668 | 526,558 |
| Intergovernmental Expenditures - Contractual | 1,148,155 | 691,806 | 439,663 |
| Total Expenditures | 1,831,495 | 1,308,782 | 988,000 |
| TRANSFERS OUT | | | |
| Transfers To Other Fund | - | 280 | - |
| Total Expenditures and Transfers Out Requiring Appropriation | 1,831,495 | 1,309,062 | 988,000 |
| ENDING FUND BALANCES | \$ - | \$ - | \$ - |

See summary of significant assumptions.

STETSON RIDGE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/18/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|---|------------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ 55,605 | 59,453 | \$ - |
| REVENUES | | | |
| Property Taxes | 218,069 | 200,982 | - |
| Interest Income | 9,852 | 5,100 | - |
| Total Revenues | <u>227,921</u> | <u>206,082</u> | <u>-</u> |
| TRANSFERS IN | | | |
| Transfers From Other Funds | <u>-</u> | <u>280</u> | <u>-</u> |
| Total Funds Available | <u>283,526</u> | <u>265,815</u> | <u>-</u> |
| EXPENDITURES | | | |
| General and Administrative | | | |
| County Treasurer's Fee | 3,273 | 3,015 | - |
| Paying Agent Fees | 2,800 | 2,800 | - |
| Debt Service | | | |
| Bond Interest | 18,000 | 10,000 | - |
| Bond Principal | 200,000 | 250,000 | - |
| Total Expenditures | <u>224,073</u> | <u>265,815</u> | <u>-</u> |
| Total Expenditures and Transfers Out Requiring Appropriation | <u>224,073</u> | <u>265,815</u> | <u>-</u> |
| ENDING FUND BALANCES | <u>\$ 59,453</u> | <u>\$ -</u> | <u>\$ -</u> |
| DEBT SERVICE RESERVE | <u>\$ 43,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| TOTAL RESERVE | <u>\$ 43,000</u> | <u>\$ -</u> | <u>\$ -</u> |

See summary of significant assumptions.

**STETSON RIDGE METROPOLITAN DISTRICT NO. 2
2026 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
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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.

County Treasurer’s Fees

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

**STETSON RIDGE METROPOLITAN DISTRICT NO. 2
2026 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, 2024 | Additions* | Repayments* | Balance at December 31, 2025* |
|-------------------------------|----------------------------------|-------------|-------------------|----------------------------------|
| Series 2007 Bonds - Principal | \$ 250,000 | \$ - | \$ 250,000 | \$ - |
| Series 2007 Bonds - Discount | (1,525) | - | (1,525) | - |
| Total | <u>\$ 248,475</u> | <u>\$ -</u> | <u>\$ 248,475</u> | <u>\$ -</u> |
| | Balance at December 31, 2025* | Additions* | Repayments* | Balance at December 31, 2026* |
| Series 2007 Bonds - Principal | \$ - | \$ - | \$ - | \$ - |
| Series 2007 Bonds - Discount | - | - | - | - |
| Total | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</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.

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.