

**FLYING HORSE METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

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

11/11/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 9/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 116,094	\$ 75,296	\$ 156,258	\$ 156,258	\$ 72,255
REVENUES					
Property taxes	2,884,738	3,227,664	3,225,581	3,227,664	3,405,973
Specific ownership tax	338,762	322,766	251,864	335,819	340,598
Interest income	2,655	500	16,601	7,200	22,200
Facilities fees	218,000	144,000	124,000	136,000	72,000
Other revenue	-	-	-	-	62,419
Intergovernmental revenues	7,000	-	-	-	-
Total revenues	<u>3,451,155</u>	<u>3,694,930</u>	<u>3,618,046</u>	<u>3,706,683</u>	<u>3,903,190</u>
Total funds available	<u>3,567,249</u>	<u>3,770,226</u>	<u>3,774,304</u>	<u>3,862,941</u>	<u>3,975,445</u>
EXPENDITURES					
General Fund	806,437	911,248	895,635	916,029	950,000
Debt Service Fund	2,604,554	2,858,978	798,997	2,874,657	3,025,445
Total expenditures	<u>3,410,991</u>	<u>3,770,226</u>	<u>1,694,632</u>	<u>3,790,686</u>	<u>3,975,445</u>
Total expenditures and transfers out requiring appropriation	<u>3,410,991</u>	<u>3,770,226</u>	<u>1,694,632</u>	<u>3,790,686</u>	<u>3,975,445</u>
ENDING FUND BALANCES	<u>\$ 156,258</u>	<u>\$ -</u>	<u>\$ 2,079,672</u>	<u>\$ 72,255</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FLYING HORSE METROPOLITAN DISTRICT NO.2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

11/11/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 9/30/2022	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>					
Residential	\$ 60,030,350	\$ 68,377,210	\$ 68,377,210	\$ 68,377,210	\$ -
Single-Family Resid.	-	-	-	-	70,972,790
Commercial	44,660	49,600	49,600	49,600	440,960
State assessed	92,580	8,460	8,460	8,460	8,410
Vacant land	5,928,320	4,047,640	4,047,640	4,047,640	3,023,710
	<u>66,095,910</u>	<u>72,482,910</u>	<u>72,482,910</u>	<u>72,482,910</u>	<u>74,445,870</u>
Adjustments	-	-	-	-	-
Certified Assessed Value	<u>\$ 66,095,910</u>	<u>\$ 72,482,910</u>	<u>\$ 72,482,910</u>	<u>\$ 72,482,910</u>	<u>\$ 74,445,870</u>
<b>MILL LEVY</b>					
General	10.520	11.132	11.132	11.132	11.437
Debt Service	33.124	33.398	33.398	33.398	34.314
Total mill levy	<u>43.644</u>	<u>44.530</u>	<u>44.530</u>	<u>44.530</u>	<u>45.751</u>
<b>PROPERTY TAXES</b>					
General	\$ 695,329	\$ 806,880	\$ 806,880	\$ 806,880	\$ 851,437
Debt Service	2,189,361	2,420,784	2,420,784	2,420,784	2,554,536
Levied property taxes	2,884,690	3,227,664	3,227,664	3,227,664	3,405,973
Adjustments to actual/rounding	48	-	(2,083)	-	-
Refunds and abatements	-	-	-	-	-
Budgeted property taxes	<u>\$ 2,884,738</u>	<u>\$ 3,227,664</u>	<u>\$ 3,225,581</u>	<u>\$ 3,227,664</u>	<u>\$ 3,405,973</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	<b>\$ 695,222</b>	<b>\$ 806,880</b>	<b>\$ 806,395</b>	<b>\$ 806,880</b>	<b>\$ 851,437</b>
Debt Service	<b>2,189,516</b>	<b>2,420,784</b>	<b>2,419,186</b>	<b>2,420,784</b>	<b>2,554,536</b>
	<u><b>\$ 2,884,738</b></u>	<u><b>\$ 3,227,664</b></u>	<u><b>\$ 3,225,581</b></u>	<u><b>\$ 3,227,664</b></u>	<u><b>\$ 3,405,973</b></u>

No assurance provided. See summary of significant assumptions.

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

11/11/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 9/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 53,469	\$ 23,180	\$ 24,494	\$ 24,494	\$ -
<b>REVENUES</b>					
Property taxes	695,222	806,880	806,395	806,880	851,437
Specific ownership tax	81,642	80,688	62,966	83,955	85,144
Interest income	598	500	1,780	700	1,000
Other revenue	-	-	-	-	12,419
Total revenues	<u>777,462</u>	<u>888,068</u>	<u>871,141</u>	<u>891,535</u>	<u>950,000</u>
Total funds available	<u>830,931</u>	<u>911,248</u>	<u>895,635</u>	<u>916,029</u>	<u>950,000</u>
<b>EXPENDITURES</b>					
General and administrative					
County Treasurer's fee	10,437	12,103	12,107	12,103	12,772
Contingency	-	4,145	-	-	12,419
Intergovernmental expenditures	796,000	895,000	883,528	903,926	924,809
Total expenditures	<u>806,437</u>	<u>911,248</u>	<u>895,635</u>	<u>916,029</u>	<u>950,000</u>
Total expenditures and transfers out requiring appropriation	<u>806,437</u>	<u>911,248</u>	<u>895,635</u>	<u>916,029</u>	<u>950,000</u>
ENDING FUND BALANCE	<u>\$ 24,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

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

11/11/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 9/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 62,625	\$ 52,116	\$ 131,764	\$ 131,764	\$ 72,255
<b>REVENUES</b>					
Property taxes	2,189,516	2,420,784	2,419,186	2,420,784	2,554,536
Specific ownership tax	257,120	242,078	188,898	251,864	255,454
Interest income	2,057	-	14,821	6,500	21,200
Facilities fees	218,000	144,000	124,000	136,000	72,000
Other revenue	-	-	-	-	50,000
Intergovernmental revenues	7,000	-	-	-	-
Total revenues	<u>2,673,693</u>	<u>2,806,862</u>	<u>2,746,905</u>	<u>2,815,148</u>	<u>2,953,190</u>
Total funds available	<u>2,736,318</u>	<u>2,858,978</u>	<u>2,878,669</u>	<u>2,946,912</u>	<u>3,025,445</u>
<b>EXPENDITURES</b>					
General and administrative					
County Treasurer's fee	32,871	36,312	36,322	36,312	38,318
Banking fees	2	-	-	-	-
Paying agent fees	7,000	7,000	7,000	7,000	7,000
Contingency	-	-	-	-	50,000
Debt Service					
Bond interest - 2020A	1,526,550	1,511,350	755,675	1,511,350	1,493,350
Bond interest - 2020B	658,131	854,316	-	869,995	966,777
Bond principal - 2020A	380,000	450,000	-	450,000	470,000
Total expenditures	<u>2,604,554</u>	<u>2,858,978</u>	<u>798,997</u>	<u>2,874,657</u>	<u>3,025,445</u>
Total expenditures and transfers out requiring appropriation	<u>2,604,554</u>	<u>2,858,978</u>	<u>798,997</u>	<u>2,874,657</u>	<u>3,025,445</u>
ENDING FUND BALANCE	<u>\$ 131,764</u>	<u>\$ -</u>	<u>\$ 2,079,672</u>	<u>\$ 72,255</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FLYING HORSE METROPOLITAN DISTRICT NO.2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Flying Horse 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 8, 2004, 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 24, 2004, formed the Flying Horse Metropolitan Districts Nos 1 – 3 (“The Districts”) as ‘shell districts’ which could not operate until an amended service plan was approved.

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, Flying Horse Metropolitan District No. 1 (“District No. 1”), the Operating District, and Flying Horse Metropolitan District No. 3 (“District No. 2”), the Commercial and 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.

**FLYING HORSE 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.

**Facility Fees**

The District will assess and charge a facility fee against all properties within the Districts. Facilities fees are due and payable to the District upon the earlier of the issuance of a building permit by the Regional Building Department or the sale of a platted lot. Any unpaid fees that are due and owing bear interest at a rate of 12.00% per annum. Under the agreement, the developer will prepay fees to the District if there is a shortfall relative to the projected and agreed-upon schedule. In the event the District receives fees in any semi-annual period in excess of the amount, such excess payments are carried forward and credited against future required payments. Facility fees will be used to pay for the District's bond obligations.

**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.

**FLYING HORSE METROPOLITAN DISTRICT NO.2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (Continued)**

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2020A Bonds (discussed under Debt and Leases).

**Debt and Leases**

On August 8, 2020, the District issued \$36,595,000 in Series 2020A General Obligation Refunding and Improvement Bonds and \$15,405,000 in Series 2020B Subordinate General Obligation Limited Tax Bonds. The interest rate on the 2020A Bonds is 4.00%-5.00% per annum and the rate on the Series 2020B Bonds is 7.25% per annum. Interest on the 2020A Bonds is payable to the bondholders semi-annually on each June 1 and December 1, commencing December 1, 2020. The Series 2020B Bonds of \$15,405,000 are term bonds due December 15, 2050. The Bonds are special limited obligations of the District secured by and payable from the pledged revenues, consisting of the following source: (i) the Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result on the imposition of the 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 Pledged Revenues.

**Schedule of Long Term Obligations**

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
Series 2020A Bonds	\$ 36,215,000	\$ -	\$ 450,000	\$ 35,765,000
Premium	6,840,864	-	373,215	6,467,649
Series 2020B Bonds	15,405,000	-	-	15,405,000
Accrued Interest	612,709	1,168,869	869,995	911,583
	<u>\$ 59,073,573</u>	<u>\$ 1,168,869</u>	<u>\$ 1,693,210</u>	<u>\$ 58,549,232</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
Series 2020A Bonds	\$ 35,765,000	\$ -	\$ 470,000	\$ 35,295,000
Premium	6,467,649	-	368,770	6,098,880
Series 2020B Bonds	15,405,000	-	-	15,405,000
Accrued Interest	911,583	1,180,032	966,777	1,124,838
	<u>\$ 58,549,232</u>	<u>\$ 1,180,032</u>	<u>\$ 1,805,547</u>	<u>\$ 57,923,718</u>

\*Estimate

The District has no operating or capital leases.



**FLYING HORSE METROPOLITAN DISTRICT NO.2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.

**This information is an integral part of the accompanying budget.**

**FLYING HORSE METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$36,595,000

General Obligation Limited Tax Refunding Bonds Series 2020A

Dated August 8, 2020

Interest Rate 4.00% - 5.00%

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	\$ 470,000	\$ 1,493,350	\$ 1,963,350
2024	525,000	1,474,550	1,999,550
2025	545,000	1,453,550	1,998,550
2026	605,000	1,431,750	2,036,750
2027	635,000	1,401,500	2,036,500
2028	705,000	1,369,750	2,074,750
2029	740,000	1,334,500	2,074,500
2030	815,000	1,297,500	2,112,500
2031	855,000	1,256,750	2,111,750
2032	935,000	1,214,000	2,149,000
2033	985,000	1,167,250	2,152,250
2034	1,070,000	1,118,000	2,188,000
2035	1,115,000	1,075,200	2,190,200
2036	1,200,000	1,030,600	2,230,600
2037	1,250,000	982,600	2,232,600
2038	1,340,000	932,600	2,272,600
2039	1,395,000	879,000	2,274,000
2040	1,490,000	823,200	2,313,200
2041	1,550,000	763,600	2,313,600
2042	1,655,000	701,600	2,356,600
2043	1,725,000	635,400	2,360,400
2044	1,790,000	566,400	2,356,400
2045	1,865,000	494,800	2,359,800
2046	1,940,000	420,200	2,360,200
2047	2,015,000	342,600	2,357,600
2048	2,100,000	262,000	2,362,000
2049	2,180,000	178,000	2,358,000
2050	2,270,000	90,800	2,360,800
<b>Total</b>	<b>\$ 35,765,000</b>	<b>\$ 26,191,050</b>	<b>\$ 61,956,050</b>

No assurance provided. See summary of significant assumptions.