

**FLYING HORSE METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**FLYING HORSE METROPOLITAN DISTRICT NO.3  
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 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 21,103	\$ 30,573	\$ 29,598	\$ 29,598	\$ 15,591
REVENUES					
Property taxes	753,451	919,247	919,296	919,247	960,979
Specific ownership tax	88,839	91,925	71,732	95,643	96,098
Interest income	612	300	4,715	2,450	6,300
Infrastructure development fees	-	30,000	-	30,000	30,000
Other revenue	-	5,617	-	-	20,623
Intergovernmental revenues	3,500	-	-	-	-
Total revenues	<u>846,402</u>	<u>1,047,089</u>	<u>995,743</u>	<u>1,047,340</u>	<u>1,114,000</u>
Total funds available	<u>867,505</u>	<u>1,077,662</u>	<u>1,025,341</u>	<u>1,076,938</u>	<u>1,129,591</u>
EXPENDITURES					
General Fund	207,786	299,882	258,889	294,900	305,000
Debt Service Fund	630,121	777,780	13,848	766,447	824,591
Total expenditures	<u>837,907</u>	<u>1,077,662</u>	<u>272,737</u>	<u>1,061,347</u>	<u>1,129,591</u>
Total expenditures and transfers out requiring appropriation	<u>837,907</u>	<u>1,077,662</u>	<u>272,737</u>	<u>1,061,347</u>	<u>1,129,591</u>
ENDING FUND BALANCES	<u>\$ 29,598</u>	<u>\$ -</u>	<u>\$ 752,604</u>	<u>\$ 15,591</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FLYING HORSE METROPOLITAN DISTRICT NO.3  
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 6/30/2022	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>					
Residential	\$ 8,114,620	\$ 8,857,110	\$ 8,857,110	\$ 8,857,110	\$ -
Single-Family Resid.	-	-	-	-	8,897,790
Commercial	7,382,650	10,717,150	10,717,150	10,717,150	11,538,650
Agricultural	8,820	8,240	8,240	8,240	7,500
State assessed	5,040	4,410	4,410	4,410	4,400
Vacant land	2,575,190	2,391,500	2,391,500	2,391,500	2,271,450
	<u>18,086,320</u>	<u>21,978,410</u>	<u>21,978,410</u>	<u>21,978,410</u>	<u>22,719,790</u>
Adjustments	-	-	-	-	-
Certified Assessed Value	<u>\$ 18,086,320</u>	<u>\$ 21,978,410</u>	<u>\$ 21,978,410</u>	<u>\$ 21,978,410</u>	<u>\$ 22,719,790</u>
<b>MILL LEVY</b>					
General	10.261	10.456	10.456	10.456	10.574
Debt Service	31.566	31.369	31.369	31.369	31.723
Total mill levy	<u>41.827</u>	<u>41.825</u>	<u>41.825</u>	<u>41.825</u>	<u>42.297</u>
<b>PROPERTY TAXES</b>					
General	\$ 185,584	\$ 229,806	\$ 229,806	\$ 229,806	\$ 240,239
Debt Service	570,913	689,441	689,441	689,441	720,740
Levied property taxes	<u>756,497</u>	<u>919,247</u>	<u>919,247</u>	<u>919,247</u>	<u>960,979</u>
Adjustments to actual/rounding	44	-	(8,071)	-	-
Refunds and abatements	(3,090)	-	-	-	-
Budgeted property taxes	<u>\$ 753,451</u>	<u>\$ 919,247</u>	<u>\$ 911,176</u>	<u>\$ 919,247</u>	<u>\$ 960,979</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ 184,821	\$ 229,806	\$ 227,794	\$ 229,806	\$ 240,239
Debt Service	568,630	689,441	683,382	689,441	720,740
	<u>\$ 753,451</u>	<u>\$ 919,247</u>	<u>\$ 911,176</u>	<u>\$ 919,247</u>	<u>\$ 960,979</u>

No assurance provided. See summary of significant assumptions.

**FLYING HORSE METROPOLITAN DISTRICT NO.3  
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 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 11,758	\$ 11,178	\$ 10,733	\$ 10,733	\$ -
<b>REVENUES</b>					
Property taxes	184,821	229,806	229,824	229,806	240,239
Specific ownership tax	21,792	22,981	17,933	23,911	24,024
Infrastructure development fees	-	30,000	-	30,000	30,000
Interest income	148	300	399	450	500
Other revenue	-	5,617	-	-	10,237
Total revenues	<u>206,761</u>	<u>288,704</u>	<u>248,156</u>	<u>284,167</u>	<u>305,000</u>
Total funds available	<u>218,519</u>	<u>299,882</u>	<u>258,889</u>	<u>294,900</u>	<u>305,000</u>
<b>EXPENDITURES</b>					
General and administrative					
County Treasurer's fee	2,786	3,447	3,449	3,447	3,604
Contingency	-	11,435	-	-	10,237
Intergovernmental expenditures	205,000	255,000	255,440	261,453	261,159
Operations and maintenance					
Development fees returned to FHR	-	30,000	-	30,000	30,000
Total expenditures	<u>207,786</u>	<u>299,882</u>	<u>258,889</u>	<u>294,900</u>	<u>305,000</u>
Total expenditures and transfers out requiring appropriation	<u>207,786</u>	<u>299,882</u>	<u>258,889</u>	<u>294,900</u>	<u>305,000</u>
ENDING FUND BALANCE	<u>\$ 10,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FLYING HORSE METROPOLITAN DISTRICT NO.3  
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 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 9,345	\$ 19,395	\$ 18,865	\$ 18,865	\$ 15,591
REVENUES					
Property taxes	568,630	689,441	689,472	689,441	720,740
Specific ownership tax	67,047	68,944	53,799	71,732	72,074
Interest income	464	-	4,316	2,000	5,800
Intergovernmental revenues	3,500	-	-	-	-
Other revenue	-	-	-	-	10,386
Total revenues	<u>639,641</u>	<u>758,385</u>	<u>747,587</u>	<u>763,173</u>	<u>809,000</u>
Total funds available	<u>648,986</u>	<u>777,780</u>	<u>766,452</u>	<u>782,038</u>	<u>824,591</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	8,572	10,342	10,348	10,342	10,811
Paying agent fees	3,500	3,500	3,500	3,500	3,500
Contingency	-	-	-	-	10,386
Debt Service					
Bond interest	618,049	763,938	-	752,605	799,894
Total expenditures	<u>630,121</u>	<u>777,780</u>	<u>13,848</u>	<u>766,447</u>	<u>824,591</u>
Total expenditures and transfers out requiring appropriation	<u>630,121</u>	<u>777,780</u>	<u>13,848</u>	<u>766,447</u>	<u>824,591</u>
ENDING FUND BALANCE	<u>\$ 18,865</u>	<u>\$ -</u>	<u>\$ 752,604</u>	<u>\$ 15,591</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FLYING HORSE METROPOLITAN DISTRICT NO.3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Flying Horse 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 8, 2004, 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 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. 2 (“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.3  
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.

**Infrastructure Development Fees**

Per a Facilities Fee Agreement between the District and the developer (FHR), facility fees of \$30,000 expected to be received in 2023 will be used to reimburse FHR for fees advanced in prior years.

**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 July 30, 2019, the District issued General Obligation Limited Tax Refunding Bonds, Series 2019A (2019A Bonds) in the amount of \$17,800,000. The 2019A Bonds bear interest at an annual rate of 6.00% per annum, calculated on the basis of a 360-day year of 12 30- day months, through maturity on December 1, 2049. Interest is payable to the bondholders annually on December 1. To the extent

**FLYING HORSE METROPOLITAN DISTRICT NO.3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

principal and interest of any Bond is not paid when due, such principal will remain outstanding until the termination date of December 2, 2059 and will continue to bear interest at the rate then borne by the bond. Any amounts not paid by the termination date will be deemed paid, satisfied, and discharged, regardless of the amount of principal and interest paid prior to the termination date.

The 2019A Bonds are secured by and payable from the pledged revenue consisting of monies derived by the District from the following sources, net of any collection costs: property taxes, specific ownership taxes and any other legally available monies which the District determines to be treated as pledged revenue. The 2019A Bonds are to be repaid as pledged revenues are available. The 2019A Bonds have no fixed principal payment amounts due prior to maturity. Accordingly, no maturity schedule has been included in this budget.

**Schedule of Long Term Obligations**

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*
G.O. Subordinate Bonds - Series 2019A	\$ 17,800,000	\$ -	\$ -	\$ 17,800,000
Accrued Interest	1,222,468	1,142,665	752,605	1,612,528
	<u>\$ 19,022,468</u>	<u>\$ 1,142,665</u>	<u>\$ 752,605</u>	<u>\$ 19,412,528</u>
	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
G.O. Subordinate Bonds - Series 2019A	\$ 17,800,000	\$ -	\$ -	\$ 17,800,000
Accrued Interest	1,612,528	1,160,752	799,894	1,973,387
	<u>\$ 19,412,528</u>	<u>\$ 1,160,752</u>	<u>\$ 799,894</u>	<u>\$ 19,773,387</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.

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