

FLYING HORSE METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**FLYING HORSE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/4/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 109,821	\$ 83,720	\$ 35,728
REVENUES			
Property taxes	4,569	4,569	4,569
Specific ownership taxes	429	457	434
Developer advance	4,234	-	-
Other Revenue	61,898	-	12,491
Intergovernmental revenues - District 2	977,930	311,993	324,472
Intergovernmental revenues - District 3	253,636	97,718	113,262
Total revenues	1,302,696	414,737	455,228
Total funds available	1,412,517	498,457	490,956
EXPENDITURES			
General and administrative			
Accounting	38,791	30,000	20,000
Auditing	13,200	5,900	-
County Treasurer's Fee	69	69	69
Dues and Membership	1,192	319	1,200
Insurance	445	4,740	4,740
District management	16,615	-	-
Legal	23,294	6,000	10,000
Litigation	81,205	-	-
Miscellaneous	4,234	-	-
Repay developer advance	330,000	410,000	410,000
Website	1,262	2,000	1,500
Contingency	-	-	12,491
Election	136	3,550	-
Operations and maintenance			
Repairs and maintenance	395,372	-	-
Snow removal	14,443	-	-
Utilities	374,534	-	-
Stormwater fees	34,005	151	-
Total expenditures	1,328,797	462,729	460,000
Total expenditures and transfers out requiring appropriation	1,328,797	462,729	460,000
ENDING FUND BALANCES	\$ 83,720	\$ 35,728	\$ 30,956
EMERGENCY RESERVE	\$ 39,000	\$ 12,500	\$ 13,700
AVAILABLE FOR OPERATIONS	44,720	23,228	17,256
TOTAL RESERVE	\$ 83,720	\$ 35,728	\$ 30,956

FLYING HORSE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/4/25

ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
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ASSESSED VALUATION

Vacant land	439,560	439,560	425,380
	439,560	439,560	425,380
Certified Assessed Value	\$ 439,560	\$ 439,560	\$ 425,380

MILL LEVY

General	10.394	10.394	10.740
Total mill levy	10.394	10.394	10.740

PROPERTY TAXES

General	\$ 4,569	\$ 4,569	\$ 4,569
Levied property taxes	4,569	4,569	4,569
Budgeted property taxes	\$ 4,569	\$ 4,569	\$ 4,569

BUDGETED PROPERTY TAXES

General	\$ 4,569	\$ 4,569	\$ 4,569
	\$ 4,569	\$ 4,569	\$ 4,569

FLYING HORSE METROPOLITAN DISTRICT NO.1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Flying Horse Metropolitan District No.1 ("District No. 1"), 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").

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 and commercial development. The District was organized in conjunction with Flying Horse Metropolitan District No. 2 ("District No. 2") and Flying Horse Metropolitan District No. 3 ("District No. 3") to serve the needs of the Flying Horse development for the purpose of financing, construction and operation of improvements and infrastructure serving the three districts. From inception to year ended 2024, District No. 1 was responsible for managing the construction, operation and maintenance of all improvements not transferred to the City of Colorado Springs. District No. 2 and District No. 3 were responsible for providing the funding and tax base needed to support the financing plan for capital improvements and to fund ongoing operations.

On September 11, 2024, the District's Board of directors approved a termination of the Intergovernmental Agreement subject to the approval of District No. 2 and District No. 3 at their November 2024 elections. If approved, District No. 2 and District No. 3 will be responsible for their own operations and provide 3.000 mills to the District to cover operating costs and operating developer advance repayment.

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 between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Tax

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.

**FLYING HORSE METROPOLITAN DISTRICT NO.1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Tax (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. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a 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%

Intergovernmental Revenue

The intergovernmental revenue in 2024 represent transfers from Flying Horse Metropolitan District Nos. 2 and 3 to provide funding for the overall administrative and operating costs for the Districts.

On September 11, 2024, the District’s Board of directors approved a termination of the Intergovernmental Agreement. This termination agreement was approved by District No. 2 and District No. 3 at their elections on November 5, 2024. As a result of the termination agreement, District No. 2 and District No. 3 are responsible for their own operations and will provide 3.000 mills to the District to cover operating costs and operating developer advance repayment.

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 9.50% of the property taxes collected.

**FLYING HORSE METROPOLITAN DISTRICT NO.1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operations and Maintenance Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, landscaping, utilities, and other administrative expenses.

County Treasurer's Fees

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

Debt and Leases

Developer Advances

The District entered into a Reimbursement Agreement (Agreement) with the Developer. The District agrees to repay the Developer along with accrued interest, at a rate of 8.00% beginning on the date the advance were made to the date of repayment. The Agreement does not constitute a multiple-fiscal year obligation.

**Flying Horse Metropolitan District No. 1
Schedule of Long Term Obligations**

	Balance at December 31, 2024	Additions*	Repayments*	Balance at December 31, 2025*
Developer Advances - Operating	\$ 3,197,609	\$ -	\$ -	\$ 3,197,609
Accrued Interest - Operating	2,585,002	255,809	410,000	2,430,811
Developer Advances - Capital	11,471,033	-	-	11,471,033
Accrued Interest - Capital	1,575,820	455,069	-	2,030,889
	\$ 18,829,464	\$ 710,878	\$ 410,000	\$ 19,130,342
	Balance at			Balance at
	December 31, 2024	Additions*	Repayments*	December 31, 2026*
Developer Advances - Operating	\$ 3,197,609	\$ -	\$ -	\$ 3,197,609
Accrued Interest - Operating	2,430,811	255,809	410,000	2,276,620
Developer Advances - Capital	11,471,033	-	-	11,471,033
Accrued Interest - Capital	2,030,889	917,683	-	2,948,572
	\$ 19,130,342	\$ 1,173,492	\$ 410,000	\$ 19,893,834

*Estimate

The District has no operating or capital leases.

**FLYING HORSE METROPOLITAN DISTRICT NO.1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

Operational Reserves

The District has adopted an operational reserve policy equivalent to a minimum of ninety (90) days of annually budgeted District expenditures.

This information is an integral part of the accompanying budget.