

FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	16,777
Specific ownership taxes	-	-	1,342
Interest income	-	-	10,000
Developer advance	-	-	6,858,884
Other revenue	-	-	96,306
Intergovernmental revenues - FHNMD No. 2	-	-	380
Intergovernmental revenues - FHNMD No. 3	-	-	340
Intergovernmental revenues - FHNMD No. 4	-	-	12,628
Bond issuance proceeds	-	-	8,220,320
Total revenues	-	-	15,216,977
TRANSFERS IN	-	-	822,030
Total funds available	-	-	16,039,007
EXPENDITURES			
General Fund	-	-	3,500
Debt Service Fund	-	-	15,000
Capital Projects Fund	-	-	14,353,000
Total expenditures	-	-	14,371,500
TRANSFERS OUT	-	-	822,030
Total expenditures and transfers out requiring appropriation	-	-	15,193,530
ENDING FUND BALANCES	\$ -	\$ -	\$ 845,477
DEBT SERVICE SURPLUS FUND	\$ -	\$ -	\$ 845,477
TOTAL RESERVE	\$ -	\$ -	\$ 845,477

See summary of significant assumptions.

FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Commercial	\$ -	\$ 107,860	\$ -
Agricultural	-	-	1,670
State assessed	-	-	3,300
Vacant land	-	273,090	554,280
	-	380,950	559,250
Certified Assessed Value	\$ -	\$ 380,950	\$ 559,250
 MILL LEVY			
General	0.000	0.000	5.000
Debt Service	0.000	0.000	25.000
	0.000	0.000	30.000
 PROPERTY TAXES			
General	\$ -	\$ -	\$ 2,796
Debt Service	-	-	13,981
	-	-	16,777
Levied property taxes	-	-	16,777
Budgeted property taxes	\$ -	\$ -	\$ 16,777
 BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ 2,796
Debt Service	-	-	13,981
	\$ -	\$ -	\$ 16,777

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	2,796
Specific ownership taxes	-	-	224
Other revenue	-	-	480
Total revenues	<u>-</u>	<u>-</u>	<u>3,500</u>
Total funds available	<u>-</u>	<u>-</u>	<u>3,500</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	-	-	42
Contingency	-	-	480
Intergovernmental Expenditures	-	-	2,978
Total expenditures	<u>-</u>	<u>-</u>	<u>3,500</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>3,500</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	13,981
Specific ownership taxes	-	-	1,118
Interest income	-	-	10,000
Intergovernmental revenues - FHNMD No. 2	-	-	380
Intergovernmental revenues - FHNMD No. 3	-	-	340
Intergovernmental revenues - FHNMD No. 4	-	-	12,628
Total revenues	<u>-</u>	<u>-</u>	<u>38,447</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>822,030</u>
Total funds available	<u>-</u>	<u>-</u>	<u>860,477</u>
EXPENDITURES			
County Treasurer's Fee	-	-	210
Trustee fee	-	-	4,000
Contingency	-	-	10,790
Total expenditures	<u>-</u>	<u>-</u>	<u>15,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>15,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 845,477</u>
DEBT SERVICE SURPLUS FUND	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 845,477</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 845,477</u>

See summary of significant assumptions.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	6,858,884
Other revenue	-	-	95,826
Bond issuance proceeds	-	-	8,220,320
Total revenues	<u>-</u>	<u>-</u>	<u>15,175,030</u>
Total funds available	<u>-</u>	<u>-</u>	<u>15,175,030</u>
EXPENDITURES			
Contingency	-	-	95,826
Repay developer advance - capital	-	-	6,858,884
Bond issue costs	-	-	539,406
Capital outlay	-	-	6,858,884
Total expenditures	<u>-</u>	<u>-</u>	<u>14,353,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>822,030</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>15,175,030</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Flying Horse North Metropolitan District No. 5 (“the 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 23, 2023, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

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 four other related districts, Flying Horse North Metropolitan District No. 1 (“District No. 1”), the Operating District, Flying Horse North Metropolitan District No. 2 (“District No. 2”), Flying Horse North Metropolitan District No. 3 (“District No. 3”) and Flying Horse North Metropolitan District No. 4 (“District No. 4”) the Financing Districts. District No. 1 will own (subject to dedication of improvements to the City), operate, maintain and construct facilities benefiting all five Districts, and District No. 2 through No. 5 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 contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with 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.

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 [and to make up any deficiencies in the Reserve Fund].

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (Continued)

Property Taxes – (continued)

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 and actual value reductions 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 total property taxes collected.

Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Intergovernmental Revenue

Property taxes generated from the mills levied by District No. 2, District No. 3, and District No. 4 for debt service, net of fees, are to be transferred to the District, to fund debt service payments.

Bond Issuance

The District anticipates issuing general obligation bonds during 2026. Bond proceeds will be used to pay infrastructure costs, bond issue costs and capitalized interest. Significant terms of the bond issuance will be determined at the time of issuance.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (Continued)

Developer Advances

The District is in the development stage. As such, the infrastructure improvements will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Expenditures

County Treasurer’s Fees

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

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 to District No. 1 to cover a portion of these costs.

Debt Service

Trustee fees are provided based on the anticipated Series 2026 Bond issuance.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

The District has no outstanding debt, nor operating or capital leases. The District anticipates the issuance of debt in 2026.

Schedule of Long-Term Obligations

	Balance at December 31, 2025*	Additions*	Repayments*	Balance at December 31, 2026*
Series 2026A Bonds	\$ -	\$ 8,220,320	\$ -	\$ 8,220,320
Accrued Interest - Series 2026A	-	282,574	-	282,574
Developer Advances - Capital	-	6,858,884	6,858,884	-
Total	<u>\$ -</u>	<u>\$ 15,361,778</u>	<u>\$ 6,858,884</u>	<u>\$ 8,502,894</u>

* Estimate

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 5
2026 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 2026 budget.

This information is an integral part of the accompanying budget.