

FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 3
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|-----------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | - | - | 378 |
| Specific ownership taxes | - | - | 36 |
| Other Revenue | - | - | 586 |
| Total revenues | <u>-</u> | <u>-</u> | <u>1,000</u> |
| Total funds available | <u>-</u> | <u>-</u> | <u>1,000</u> |
| EXPENDITURES | | | |
| General Fund | - | - | 250 |
| Debt Service Fund | - | - | 750 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>1,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>-</u> | <u>1,000</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See summary of significant assumptions.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|--------------------------------|----------------|-------------------|----------------|
| ASSESSED VALUATION | | | |
| Agricultural | \$ - | \$ 4,320 | \$ 790 |
| State assessed | - | - | 8,700 |
| Vacant land | - | 467,290 | 3,090 |
| Certified Assessed Value | \$ - | \$ 471,610 | \$ 12,580 |
| MILL LEVY | | | |
| General | 0.000 | 0.000 | 5.000 |
| Debt Service | 0.000 | 0.000 | 25.000 |
| Total mill levy | 0.000 | 0.000 | 30.000 |
| PROPERTY TAXES | | | |
| General | \$ - | \$ - | \$ 63 |
| Debt Service | - | - | 315 |
| Levied property taxes | - | - | 378 |
| Budgeted property taxes | \$ - | \$ - | \$ 378 |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ - | \$ - | \$ 63 |
| Debt Service | - | - | 315 |
| | \$ - | \$ - | \$ 378 |

See summary of significant assumptions.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|-----------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | - | - | 63 |
| Specific ownership taxes | - | - | 6 |
| Other Revenue | - | - | 181 |
| Total revenues | <u>-</u> | <u>-</u> | <u>250</u> |
| Total funds available | <u>-</u> | <u>-</u> | <u>250</u> |
| EXPENDITURES | | | |
| County Treasurer's Fee | - | - | 1 |
| Contingency | - | - | 181 |
| Intergovernmental Expenditures | - | - | 68 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>250</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>-</u> | <u>250</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See summary of significant assumptions.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/26

| | ACTUAL 2024 | ESTIMATED 2025 | BUDGET 2026 |
|-----------------------------------------------------------------|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | - | - | 315 |
| Specific ownership taxes | - | - | 30 |
| Other Revenue | - | - | 405 |
| Total revenues | <u>-</u> | <u>-</u> | <u>750</u> |
| Total funds available | <u>-</u> | <u>-</u> | <u>750</u> |
| EXPENDITURES | | | |
| County Treasurer's Fee | - | - | 5 |
| Intergovernmental Expenditures | - | - | 340 |
| Contingency | - | - | 405 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>750</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>-</u> | <u>750</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See summary of significant assumptions.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 3
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Flying Horse North Metropolitan District No. 3 (“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. 4 (“District No. 4”) and Flying Horse North Metropolitan District No. 5 (“District No. 5”) 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 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.

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.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 3
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.

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 District will transfer net revenues collected from its operational mill levy to District No. 1 to cover a portion of these costs.

The District will transfer net pledged revenues collected from its debt service mill levy to District No. 5 to service the anticipated bonds issued in 2026.

County Treasurer's Fees

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

Debt and Leases

The District has no debt, nor any operating or capital leases.

**FLYING HORSE NORTH METROPOLITAN DISTRICT NO. 3
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 five 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.