

**SKY RANCH METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

**SKY RANCH METROPOLITAN DISTRICT NO. 3  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	1,318	708,197	736,913
Specific ownership taxes	83	47,305	44,215
Interest income	4	196	-
Other revenue	-	-	25,000
Total revenues	<u>1,405</u>	<u>755,698</u>	<u>806,128</u>
Total funds available	<u>1,405</u>	<u>755,698</u>	<u>806,128</u>
EXPENDITURES			
General Fund	742	68,824	81,024
Debt Service Fund	-	344,206	390,165
Regional Improvements Fund	663	342,668	334,939
Total expenditures	<u>1,405</u>	<u>755,698</u>	<u>806,128</u>
Total expenditures and transfers out requiring appropriation	<u>1,405</u>	<u>755,698</u>	<u>806,128</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SKY RANCH METROPOLITAN DISTRICT NO. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/18/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

**ASSESSED VALUATION**

Residential	\$ -	\$ -	\$ 1,788,340
Agricultural	3,096	2,771	2,508
Vacant land	7,348	5,791,908	3,927,325
Personal property	-	-	8,977
Certified Assessed Value	\$ 10,444	\$ 5,794,679	\$ 5,727,150

**MILL LEVY**

General	66.796	11.132	12.523
Debt Service	0.000	55.666	62.622
Regional Improvements	59.540	55.417	53.525
Total mill levy	126.336	122.215	128.670

**PROPERTY TAXES**

General	\$ 697	\$ 64,506	\$ 71,721
Debt Service	-	322,567	358,646
Regional Improvements	622	321,124	306,546
Levied property taxes	1,319	708,197	736,913
Adjustments to actual/rounding	(1)	-	-
Budgeted property taxes	\$ 1,318	\$ 708,197	\$ 736,913

**BUDGETED PROPERTY TAXES**

General	\$ 696	\$ 64,506	\$ 71,721
Debt Service	-	322,567	358,646
Regional Improvements	622	321,124	306,546
Budgeted property taxes	\$ 1,318	\$ 708,197	\$ 736,913

**SKY RANCH METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	696	64,506	71,721
Specific ownership taxes	44	4,300	4,303
Interest income	2	18	-
Other revenue	-	-	5,000
Total revenues	<u>742</u>	<u>68,824</u>	<u>81,024</u>
Total funds available	<u>742</u>	<u>68,824</u>	<u>81,024</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	10	968	1,076
Contingency	-	-	5,000
Transfers to CAB	732	67,856	74,948
Total expenditures	<u>742</u>	<u>68,824</u>	<u>81,024</u>
Total expenditures and transfers out requiring appropriation	<u>742</u>	<u>68,824</u>	<u>81,024</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 3  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	322,567	358,646
Specific ownership taxes	-	21,550	21,519
Interest income	-	89	-
Other revenue	-	-	10,000
Total revenues	<u>-</u>	<u>344,206</u>	<u>390,165</u>
Total funds available	<u>-</u>	<u>344,206</u>	<u>390,165</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	4,839	5,380
Contingency	-	-	10,000
Transfers to CAB	-	339,367	374,785
Total expenditures	<u>-</u>	<u>344,206</u>	<u>390,165</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>344,206</u>	<u>390,165</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 3  
REGIONAL IMPROVEMENTS FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	622	321,124	306,546
Specific ownership taxes	39	21,455	18,393
Interest income	2	89	-
Other revenue	-	-	10,000
Total revenues	<u>663</u>	<u>342,668</u>	<u>334,939</u>
Total funds available	<u>663</u>	<u>342,668</u>	<u>334,939</u>
EXPENDITURES			
General and Administrative			
County Treasurer's fee	9	4,817	4,598
Contingency	-	-	10,000
Transfers to CAB	654	337,851	320,341
Total expenditures	<u>663</u>	<u>342,668</u>	<u>334,939</u>
Total expenditures and transfers out requiring appropriation	<u>663</u>	<u>342,668</u>	<u>334,939</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the Arapahoe County (County) District Court issued on February 23, 2005 and recorded in the County records on March 15, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within Arapahoe County, Colorado.

The District was established to provide for the design, acquisition, construction, installation, maintenance, and financing of certain water, sanitation, storm drainage, streets, safety protection, park and recreation, transportation, television relay and translation, and mosquito control improvements and services within and without the boundaries of the District. Under its Service Plan, the District was organized in conjunction with three other related Districts: Sky Ranch Metropolitan District No. 1, No. 4, and No. 5. The Amended and Restated Service Plan for Sky Ranch Metropolitan District No. 3 was approved on December 8, 2020. Sky Ranch Metropolitan District Nos. 6 – 8 are being organized to work with the existing Districts to provide public improvements, facilities and services necessary to develop and serve the Sky Ranch development. The District entered into Second Amended and Restated Sky Ranch Community Authority Board Establishment Agreement (the CABEA) with District Nos. 3 and 5 on August 13, 2021 which establishes the Sky Ranch Community Authority Board (the CAB). The CAB will own, operate and maintain certain public improvements within the boundaries of the Districts.

The Amended and Restated Service Plans for District Nos. 3 – 8 limit the aggregate amount of debt that they may issue together to \$312,000,000. Pursuant to a Capital Pledge Agreement executed by and between the CAB and the District, the District agrees to impose ad valorem property taxes and pledge certain revenues to facilitate the issuance of Limited Tax Supported District No. 3 Senior Bonds (Tax-Exempt Fixed Rate) and other Debt Obligations issued by the CAB. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District currently has no employees and all administrative functions are contracted.

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.

**SKY RANCH METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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, sale of the tax liens on delinquent properties are held in November. 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.

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 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 29%.

Pursuant to the Service Plan, the maximum total mill levy the District is permitted to impose is 55.664 mills (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2020) for debt service until the District’s then outstanding debt is equal to or less than 50% of the District’s assessed valuation, at that time the debt service mill levy will be unlimited. The maximum mill levy pledged to debt service fund is 50.000 mills. As a result of the assessment ratio change, for collection year 2024, the 55.664 have been adjusted to 62.622 mills for debt service. The service plan does not contain any limitations on the amount of the mill levy for operations and maintenance, and the District levied 12.523 for collection year 2024 for operations.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>	<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		



**SKY RANCH METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (continued)**

**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 6% of the property taxes collected by the General Fund, Debt Service Fund and Regional Improvements Fund.

**Expenditures**

**Transfer to CAB**

In connection with the CABEA, the District will transfer property taxes, net of fees, derived from the operations mill levy, together with specific ownership taxes, to the CAB to pay for operations and maintenance expenditures.

The District is also authorized to impose a mill levy to generate revenue for the planning, design, acquisition, construction, installation, relocation and/or redevelopment, and the administration, overhead and operations and maintenance costs incurred with respect to the Regional Improvements. The District will transfer property taxes, net of fees, derived from the Regional Improvements Mill Levy, together with specific ownership taxes, to the CAB to contribute to the funding of the Regional Improvements.

The District will also transfer property taxes, net of fees, derived from the debt service mill levy, together with specific ownership taxes, to the CAB to pay for the principal and interest on bonds which CAB has issued in August 2022.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Debt and Leases**

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

**Reserves**

**Emergency Reserve**

The District did not provide for Emergency Reserves (equal to at least 3% of the General Fund's fiscal year spending as defined under TABOR) because net tax revenues will be transferred to the CAB. The CAB will provide for the emergency reserve.

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