

The Sands Metropolitan District No. 2			
General Fund Budget			
Year Ended 12/31/2026			
Modified Accrual Basis			
	2024	2025	2026
		Projected	Proposed
	Actuals	Actuals	Budget
BEGINNING FUND BALANCE	-	-	-
REVENUES			
Property Tax	113,307	112,697	107,170
Interest on Delinquent Tax	41	(2)	-
Specific Ownership Tax	10,447	9,591	9,645
Contingency Income	-	-	1,185
Total Revenues	123,795	122,286	118,000
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	1,700	1,669	1,608
Intergov Expense - District 1 General Fund	122,095	120,617	115,207
Contingency Expense	-	-	1,185
Total Expenses	123,795	122,286	118,000
Excess of Revenues over Expenditures	-	-	-
ENDING FUND BALANCE	-	-	-

The Sands Metropolitan District No. 2			
Debt Service Fund Budget			
Year Ended 12/31/2026			
Modified Accrual Basis			
	2024	2025	2026
		Projected	Proposed
	Actuals	Actuals	Budget
BEGINNING FUND BALANCE	\$ 14,002	\$ 12,877	\$ 19,731
REVENUES			
Property Tax	453,238	445,123	428,679
Interest on Delinquent Tax	165	(8)	-
Specific Ownership Tax	41,787	37,644	38,581
Intergov Revenue District No. 1 Capital Fund	45,981	125,991	230,684
Intergov Revenue District No. 3 Capital Fund	155,345	149,726	162,041
Interest Income - ColoTrust	6,159	14,320	14,500
Contingency Income	-	-	1,230
Total Revenues	702,675	772,796	875,715
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	6,801	6,677	6,430
Bond interest expense	697,000	724,265	722,340
Bond Principal Payment		35,000	100,000
Contingency Expense	-	-	1,230
Total Expenses	703,801	765,942	830,000
Excess of Revenues over Expenditures	(1,126)	6,854	45,715
ENDING FUND BALANCE	\$ 12,876	\$ 19,731	\$ 65,447

The Sands Metropolitan District No. 1 - 4					
Property Taxes					
2025 Valuations for 2026 Taxes					
		District #	District #	District #	District #
		358	359	360	361
	Combined	District No. 1	District No. 2	District No. 3	District No. 4
Vacant Residential Land - Market Value	801,199	129,204	5,642	659,494	6,859
Percentage	29.00%	27.00%	26.94%	27.00%	27.12%
Assessed Value	216,320	34,880	1,520	178,060	1,860
Residential Land & Improvements	224,671,711	-	134,516,348	-	90,155,363
Percentage	6.25%		6.25%		6.25%
Assessed Value	14,042,030		8,408,010	-	5,634,020
Commercial	33,631,071	18,351,973	3,683	15,275,415	3,475,863
Percentage	29%	27%	27%	27%	27%
Assessed Value	10,018,890	4,955,030	1,000	4,124,370	938,490
Natural Resources					279
Percentage					29%
Assessed Value					80
State Assessed	-	-	20,210	15,830	58,940
Percentage	29%	29%	27%	27%	29%
Assessed Value	25,700	-	5,500	4,300	15,900
Total Assessed Value	24,302,940	4,989,910	8,416,030	4,306,730	6,590,350
Mill Levies		49.970	63.670	35.000	74.678
Property Tax to be paid	1,428,087	249,347	535,850	150,736	492,154
Property Tax based on Mill Levy					
Operations & Maintenance	224,162	34,969	107,170	-	82,023
Debt Service	838,810	-	428,679		410,131
Contractual Obligations	365,113	214,377		150,736	
Total	1,428,085	249,346	535,849	150,736	492,154
Mill Levy Charged					
Operations & Maintenance		7.008	12.734	-	12.446
Debt Service			50.936		62.232
Contractual Obligations		42.962		35.000	
Total		49.970	63.670	35.000	74.678

THE SANDS METROPOLITAN DISTRICT NO. 2
2026 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS

The Sands Metropolitan District No. 2 (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2016 in El Paso County. The District, along with Districts 1 and 3, annexed into the City of Colorado Springs, CO in 2018 and have their own Service Plan. District 4 is in El Paso County and is governed by a separate Service Plan. The District was established as part of a “Multiple District Structure” for The Sands community and is generally located as follows: (i) Districts 1, 2 and 3 are located adjacent and to the North and East of the intersection of Constitution Avenue and Marksheffel Road (“Constitution/Marksheffel Parcel”); Overall, the Districts’ proposed boundaries are estimated to include approximately 114.304 acres of land (more or less) in its initial boundaries entirely within the City of Colorado Springs, El Paso County, State of Colorado. Along with its companion Districts Nos. 1 and 3, this “Service District” was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

The District has no employees at this time and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105.

GENERAL FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for Operations and Maintenance at 12.734 mills.
2. Specific ownership taxes are budgeted at 9% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.
3. Contingency income is budgeted for possible additional specific ownership taxes.

EXPENDITURES

1. County property tax collection fee is based on 1.5% of the property tax received.
2. Net tax revenues are paid as Intergovernmental Expenses to the General Fund in The Sands Metropolitan District # 1.
3. Contingency expense is budgeted for possible additional intergovernmental expenses.

**THE SANDS METROPOLITAN DISTRICT NO. 2
2026 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

CAPITAL FUND

REVENUES & EXPENDITURES

No revenues or expenditures are budgeted for the Capital Fund for 2026.

DEBT SERVICE FUND

REVENUES

1. Property Taxes are based on the assessed value of property within the District as established by El Paso County. Mill Levies are budgeted for Debt Service at 50.936 mills.
2. Specific ownership taxes are budgeted at 9% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the County treasurer to all taxing entities within the county.
3. Intergovernmental revenue is budgeted from Districts #1 and #3 for their pledged revenue to the District #2 debt.
4. Contingency income is budgeted for possible additional specific ownership taxes.

EXPENDITURES

1. County property tax collection fee is based on 1.5% of the property tax received.
2. Bond interest is based on the available funds to pay the interest.
3. Contingency Expense is budgeted for possible additional interest expense.

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year revenues. Since substantially all funds received by the District are transferred to The Sands Metropolitan District # 2, an emergency reserve is not reflected in the District's budget.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.
2. There are no operating or capital lease obligations of the District.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of El Paso County, Colorado.

On behalf of the The Sands Metropolitan District No. 2,
 (taxing entity)^A
 the Board of Directors
 (governing body)^B
 of the The Sands Metropolitan District No. 2
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 8,416,030 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 8,416,030 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/15/2025 for budget/fiscal year 2026.
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	12.734 mills	\$ 107,170
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	12.734 mills	\$ 107,170
3. General Obligation Bonds and Interest ^J	50.936 mills	\$ 428,679
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	63.670 mills	\$ 535,849

Contact person: Seef LeRoux Daytime phone: () (719) 635-0330
 (print)
 Signed: Seef Le Roux Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	Public Infrastructure
	Series:	Limited Tax General Obligation Bonds, Series 2020
	Date of Issue:	September 24, 2010
	Coupon Rate:	5.50%
	Maturity Date:	December 1, 2050
	Levy:	50.936
	Revenue:	\$428,679
2.	Purpose of Issue:	_____
	Series:	_____
	Date of Issue:	_____
	Coupon Rate:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

CONTRACTS^K:

3.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____
4.	Purpose of Contract:	_____
	Title:	_____
	Date:	_____
	Principal Amount:	_____
	Maturity Date:	_____
	Levy:	_____
	Revenue:	_____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Mill Levy Public Information

Pursuant to § 39-1-125, C.R.S.

Taxing Entity Information

Taxing Entity	The Sands Metropolitan District No. 2
County	El Paso County
DOLA Local Government ID Number	66753
Subdistrict Number (if applicable)	N/A
Budget / Fiscal Year	2026

Mill Levy Information

	Operations	Debt Service
1. Mill Levy Purpose		
2. Mill Levy Rate (Mills)	12.734	50.936
3. Previous Year Mill Levy Rate (Mills)	13.324	53.297
4. Previous Year Mill Levy Revenue Collected	\$111,278	\$445,123
5. Mill Levy Maximum Without Further Voter Approval	10.000 O&M and 40.000 Contractual Obligations (both subject to adjustment)	10.000 O&M and 40.000 Contractual Obligations (both subject to adjustment)
6. Allowable Annual Growth in Mill Levy Revenue	Unlimited	Unlimited
7. Actual Growth in Mill Levy Revenue Over Prior Year	\$ (4,108)	\$ (16,444)
8. Is revenue from this mill levy allowed to be retained and spent as a voter-approved revenue change pursuant to section 20 (7)(b) of Article X of the State Constitution (TABOR)?	Yes	N/A
9. Is revenue from this mill levy subject to the Statutory Property Tax Limit (5.50%) § 29-1-301, C.R.S.?	Waived	N/A
10. Is revenue from this mill levy subject to the Statutory Property Tax Limit (5.25%) § 29-1-1702, C.R.S.?	Yes	N/A
11. Is revenue from this mill levy subject to any other limit on annual revenue growth enacted by the local government or another local government?	No	No
12. Does the mill levy need to be adjusted or does a temporary mill levy reduction need to be used in order to collect a certain amount of revenue? If "Yes", what is the amount of revenue?	No	No
13. Other or additional information	N/A	N/A

Contact Information

Contact Person	Seef Le Roux
Title	Accountant for the District
Phone	(719) 635-0330
Email	seeferoux@claconnect.com