

The Sands Metropolitan District No. 1			
General Fund Budget			
Year Ended 12/31/2026			
Modified Accrual Basis			
	2024	2025	2026
		Projected	Proposed
	Actuals	Actuals	Budget
BEGINNING FUND BALANCE	\$ 75,825	\$ 163,621	\$ 161,282
REVENUES			
Property Tax	10,659	29,449	34,969
Specific Ownership Tax	994	2,500	3,147
Intergovernmental revenue from District 2	122,095	120,617	115,207
Intergovernmental revenue from District 4	33,044	87,679	88,585
Interest - Delinquent Property Tax	2	(10)	-
Homeowner Fees - Sands D2	95,932	4,865	-
Homeowner Fees - Windermere	-	348	-
Setup Fee	24,550	3,825	2,000
Setup Fee - Windermere	-	2,375	2,000
Status Letter Fee	11,450	1,875	1,000
Status Letter Fee - Windermere	-	1,150	1,000
Covenant Violations	400	2,550	-
Covenant Violations - Windermere	-	125	-
Late Fees	1,963	505	-
Other Income	-	-	10,876
Interest Income - ColoTrust	5,616	480	500
Total Revenues	306,705	258,333	259,284
EXPENDITURES			
General Management			
County Collection Fee - 1.5% of Property Tax	160	442	525
Accounting	16,637	25,000	25,000
Audit	-	21,000	8,000
Legal	10,365	12,000	12,600
Election Expense	-	-	3,000
Dues and subscriptions	1,017	1,193	1,119
Insurance	5,342	8,861	9,386
Management Fee - D2	36,432	40,000	45,000
Postage - D2	-	400	500
Management Fee - Windermere	20,040	21,996	25,000
	-	100	150
Status Letter Fee	3,200	1,875	1,000
Status Letter - Windermere	8,250	1,150	1,000
Setup Fee	6,800	3,825	2,000
Setup Fee - Windermere	20,550	2,375	2,000
Contingency Expenses	-	-	10,876
Total General Management	128,793	140,217	147,155

The Sands Metropolitan District No. 1			
General Fund Budget			
Year Ended 12/31/2026			
Modified Accrual Basis			
	2024	2025	2026
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Maintenance			
Landscape maintenance - Sands D2	43,999	62,345	67,956
Landscape maintenance - Windermere	26,500	26,500	31,389
Drainage maintenance - Stormwater -Sands	4,003	4,543	5,000
Landscape repairs - Sands D2	(439)	5,000	7,000
Landscape repairs - Windermere	1,124	4,000	5,000
Landscape water - Sands D2	10,872	10,666	12,000
Landscape water - Windermere	1,208	7,000	10,000
Snow Removal	100	400	500
Total Maintenance	87,368	120,454	138,845
Total Expenses	216,161	260,672	286,000
Excess of Revenues over Expenditures	90,544	(2,339)	(26,716)
NET CHANGE IN FUND BALANCE	90,544	(2,339)	(26,716)
Transfer to D4 Captial Fund	2,748		
ENDING FUND BALANCE	\$ 163,621	\$ 161,282	\$ 134,566
Emergency Reserve - 3% of Revenues	\$ 9,201	\$ 7,750	\$ 7,779
Unrestricted Fund Balance	154,420	153,532	126,788

The Sands Metropolitan District No. 1			
Capital Fund Budget			
Year Ended 12/31/2026			
Modified Accrual Basis			
	2024	2025	2026
		Projected	Proposed
	Actuals	Actuals	Budget
BEGINNING FUND BALANCE	229	229	229
REVENUES			
Property Tax	42,637	117,797	214,377
Specific Ownership Tax	3,976	10,000	19,294
Interest - Delinquent Property Tax	8	(39)	-
Intergovernmental revenue from District 4	8,630,000	-	-
Contingency	-	-	2,100
Total Revenues	8,676,621	127,758	235,771
EXPENDITURES			
County Collection Fee - 1.5% of Property Tax	639	1,767	3,216
Development Costs - District 4	8,468,901	-	-
Intergovernmental Expense - District 2 Debt Service	45,981	125,991	230,684
Intergovernmental Expense - District 4 Capital Fund	161,100	-	-
Contingency Expense	-	-	2,100
Total Capital Expenditures	8,676,621	127,758	236,000
Excess of Revenues over Expenditures	-	-	(229)
NET CHANGE IN FUND BALANCE	-	-	(229)
ENDING FUND BALANCE	229	229	-

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. 1
2026 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

The Sands Metropolitan District No. 1 (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 2 and 3, annexed into the City of Colorado Springs, CO in 2018. 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”); and (ii) District No. 4 is located North East of the intersection of Marksheffel Rd. and Carefree Circle and East of Antelope Ridge in El Paso County, Colorado. Overall, the Districts’ boundaries are estimated to include approximately 166.378 acres of land (more or less) in its boundaries (approximately 114.304 acres comprising the Constitution/Marksheffel Parcel and approximately 52.074 acres comprising the District 4 Parcel), entirely within El Paso County, State of Colorado. Along with its companion Districts Nos. 2, 3 and 4 (“Financing Districts”) 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 7.008 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. Fees are charged by the Management company for the setup of new homeowner, to provide status letters to title companies and for design fees. These fees are then paid to the Management company.

**THE SANDS METROPOLITAN DISTRICT NO. 1
2026 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

GENERAL FUND – (continued)

REVENUES – (continued)

4. Intergovernmental revenue is budgeted for General Fund tax revenue from The Sands Metropolitan Districts #2 and #4 transferred to District #1. Districts #2 has assessed 12.734 mills and District #4 has assessed 12.446 mills for Operations and Maintenance for 2026. The related property tax revenue and an allocation of specific ownership tax at 9% of the Property Tax are included in this budgeted revenue.

EXPENDITURES

1. Expenditures include the operating and maintenance costs for Districts #1 – #4 since all of the net operating tax revenues of Districts #2 – #4 are transferred to District #1 as intergovernmental revenue.
2. Accounting fees include the monthly accounting for the District and the costs of the accounting firm to prepare periodic and annual financial statements, and to record mill levy certifications and budgets with regulatory authorities.
3. Legal fees are estimated based on the annual requirements of the District.
4. District Management costs are based on the contract with the Management Company.
5. Insurance is the estimated charges from the Colorado Special Districts Property and Liability Insurance Pool.
6. Landscape maintenance, repairs and water are for maintenance of the common areas and drainage facilities within the Districts.
7. Streetlight costs include the electric utilities to operate them.
8. A contingency expense is budgeted at \$10,876 for unexpected expenses.

CAPITAL 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 District #1 Contractual Obligations at 42.962 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.

EXPENDITURES

1. County property tax collection fee is based on 1.5% of the property tax received.
2. The Capital Fund has budgeted a transfer to District #2 Debt Fund of its Pledged Revenue to the District #2 Debt.

**THE SANDS METROPOLITAN DISTRICT NO. 1
2026 BUDGET MESSAGE
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

DEBT AND LEASES

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

RESERVES

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of revenues, excluding Developer Loan Proceeds.

ADDITIONAL INFORMATION

1. The basis of accounting for the District is the Modified Accrual Basis.

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. 1
(taxing entity)^A
 the Board of Directors
(governing body)^B
 of the The Sands Metropolitan District No. 1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 4,989,910 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: \$ 4,989,910 (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 <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	7.008 mills	\$ 34,969
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	7.008 mills	\$ 34,969
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	42.962 mills	\$ 214,377
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	49.970 mills	\$ 249,346

Contact person: Seef LeRoux Daytime phone: () (719) 635-0330
 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: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|--|
| 3. | Purpose of Contract: | Contractual Obligation to The Sands Metropolitan District No. 2 |
| | Title: | Capital Pledge Agreement |
| | Date: | September 15, 2020 |
| | Principal Amount: | \$12,315,000 |
| | Maturity Date: | December 1, 2050 |
| | Levy: | 42.962 |
| | Revenue: | \$214,377 |
| | | |
| 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. 1
County	El Paso County
DOLA Local Government ID Number	66752
Subdistrict Number (if applicable)	N/A
Budget / Fiscal Year	2026

Mill Levy Information

	Operations	Contractual Obligation
1. Mill Levy Purpose		
2. Mill Levy Rate (Mills)	7.008	42.962
3. Previous Year Mill Levy Rate (Mills)	10.550	42.200
4. Previous Year Mill Levy Revenue Collected	\$29,449	\$117,797
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	\$ 5,520	\$ 96,580
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	seefleroux@claconnect.com