

INSPIRATION METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**INSPIRATION METROPOLITAN DISTRICT
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	\$ 5,785,656	\$ 5,603,368	\$ 3,605,140
REVENUES			
Property taxes	3,850,581	3,880,824	4,825,854
Property Taxes - Regional ARI	120,523	121,827	124,599
Specific ownership taxes	297,479	305,264	361,939
System Development Fees	199,300	112,200	-
Interest Income	390,992	262,564	180,000
Other Revenue	33,021	4,038	1,000
Operating Fees - Residents	2,068,290	2,156,784	2,522,715
Operating Fees - Builders	92,463	48,216	7,938
Transfer Fees	70,500	74,000	54,000
Late Fees & Interest	9,014	8,112	10,000
Billing Adjustments	(7,262)	(3,921)	5,000
Violations and Fees	23,340	15,229	5,000
Tract Turnover	525,719	-	-
Debt Forgiveness	69,071	-	-
Total revenues	<u>7,743,031</u>	<u>6,985,137</u>	<u>8,098,045</u>
TRANSFERS IN	<u>250,000</u>	<u>4,291,787</u>	<u>200,000</u>
Total funds available	<u>13,778,687</u>	<u>16,880,292</u>	<u>11,903,185</u>
EXPENDITURES			
General Fund	267,116	3,446,431	4,168,000
Debt Service Fund	4,093,650	3,998,439	4,083,000
Capital Projects Fund	1,038,693	1,538,495	385,000
Special Revenue Fund	2,525,860	-	-
Total expenditures	<u>7,925,319</u>	<u>8,983,365</u>	<u>8,636,000</u>
TRANSFERS OUT	<u>250,000</u>	<u>4,291,787</u>	<u>200,000</u>
Total expenditures and transfers out requiring appropriation	<u>8,175,319</u>	<u>13,275,152</u>	<u>8,836,000</u>
ENDING FUND BALANCES	<u>\$ 5,603,368</u>	<u>\$ 3,605,140</u>	<u>\$ 3,067,185</u>
EMERGENCY RESERVE - GENERAL FUND	\$ 20,900	\$ 94,100	\$ 116,000
OPERATING RESERVE - GENERAL FUND	-	1,308,003	1,538,003
AVAILABLE FOR OPERATIONS	877,267	1,761,427	1,008,171
2021B RESERVE	154,500	154,500	154,500
2021B SURPLUS AMOUNT	162,500	162,500	162,500
AVAILABLE FOR DISTRICT IMPROVEMENTS	924,606	85,554	25,153
EMERGENCY RESERVE - TABOR - SPECIAL REVENUE FUND	69,700	-	-
OPERATING RESERVE - SPECIAL REVENUE FUND	843,996	-	-
DEBT SERVICE	2,549,899	39,056	62,858
TOTAL RESERVE	<u>\$ 5,603,368</u>	<u>\$ 3,605,140</u>	<u>\$ 3,067,185</u>

See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/19/26

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

ASSESSED VALUATION

Residential	\$ 87,712,500	\$ 90,269,520	\$ 93,981,370
State assessed	16,400	18,300	18,300
Vacant land	6,860,130	4,874,380	2,664,990
Personal property	1,683,880	1,909,770	1,909,630
Other	1,070	1,070	1,030
Certified Assessed Value	\$ 96,273,980	\$ 97,073,040	\$ 98,575,320

MILL LEVY

General	6.000	6.000	10.956
Debt Service	34.000	34.000	38.000
Contractual Obligations	1.252	1.255	1.264
Total mill levy	41.252	41.255	50.220

PROPERTY TAXES

General	\$ 577,644	\$ 582,438	\$ 1,079,992
Debt Service	3,273,315	3,300,483	3,745,862
ARI	120,535	121,827	124,599
Levied property taxes	3,971,494	4,004,748	4,950,453
Adjustments to actual/rounding	(390)	(2,097)	-
Budgeted property taxes	\$ 3,971,104	\$ 4,002,651	\$ 4,950,453

BUDGETED PROPERTY TAXES

General	\$ 577,587	\$ 580,341	1,079,992
Debt Service	3,272,994	3,300,483	3,745,862
ARI	120,523	121,827	124,599
	\$ 3,971,104	\$ 4,002,651	\$ 4,950,453

See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
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	\$ 469,599	\$ 898,167	\$ 3,163,530
REVENUES			
Property taxes	577,587	580,341	1,079,992
Specific ownership taxes	52,296	53,666	80,999
Interest Income	41,390	200,146	100,000
Other Revenue	24,411	4,038	1,000
Operating Fees - Residents	-	2,156,784	2,522,715
Operating Fees - Builders	-	48,216	7,938
Transfer Fees	-	74,000	54,000
Late Fees & Interest	-	8,112	10,000
Billing Adjustments	-	(3,921)	5,000
Violations and Fees	-	15,229	5,000
Total revenues	<u>695,684</u>	<u>3,136,611</u>	<u>3,866,644</u>
TRANSFERS IN			
Transfers From Other Funds	-	3,433,485	-
Total funds available	<u>1,165,283</u>	<u>7,468,263</u>	<u>7,030,174</u>
EXPENDITURES			
General and administrative			
Accounting	129,080	131,628	138,540
Auditing	6,900	7,300	7,524
County Treasurer's Fee	8,720	9,021	16,200
Dues And Membership	570	1,738	2,027
Insurance	13,196	53,483	71,074
Legal	106,880	85,198	100,000
Consultant Services	-	-	90,000
Miscellaneous	1,770	3,712	1,000
Election	-	15,820	-
Billing	-	107,434	105,403
Bad Debt Expense	-	-	1,000
Office Supplies	-	1,387	500
Legal - Liens & Collections	-	18,906	10,000
Property Management Covenant Enforcement	-	60,000	66,000
Management Fee	-	720,412	702,000
Storage	-	5,468	2,000
Lockbox Services	-	3,578	3,757
Billing Statements Postage/Mailing	-	-	5,000
Uniforms	-	-	500
Total general and administrative	<u>267,116</u>	<u>1,225,085</u>	<u>1,322,525</u>
Utilities			
Trash Collection	-	293,727	328,295
Water And Sewer	-	213,833	240,000
Gas	-	4,724	5,500
Electric - Landscape And Facilities	-	14,904	42,000
Total utilities	<u>-</u>	<u>527,188</u>	<u>615,795</u>

See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
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
Landscaping			
Open Space Repair & Maintenance	-	297,294	466,000
Plants, Hardscapes, Other	-	72,900	125,000
Irrigation System	-	72,212	75,000
Landscape Maintenance	-	594,968	510,000
Pond Maintenance And Certification	-	30,000	40,000
Pest Control - Landscaping	-	-	-
Tract Turnover	-	95,982	350,000
Tree Maintenance	-	67,652	93,480
Tree Removal And Replacement	-	50,000	60,000
Winter Water	-	39,450	69,000
Total landscaping	-	1,320,458	1,788,480
Community Engagement			
Community Wide Program	-	40,000	70,000
Holiday Lights	-	7,500	7,500
Total community engagement	-	47,500	77,500
Facility Maintenance			
Building Maintenance And Repairs	-	47,668	61,000
Facility Security Systems/Internet	-	41,588	4,200
Fence/Walls	-	99,335	64,500
Maintenance - General Community	-	-	18,696
Pest Control - Facility Maintenance	-	-	-
Pool Repairs	-	16,996	-
Pool Supplies	-	-	-
Pool Maintenance	-	12,750	12,750
Pool Staff Lifeguards/Monitors	-	72,250	72,500
Snow Removal	-	25,360	36,050
Waste Services	-	6,509	6,800
Total facility maintenance	-	322,456	276,496
Communications			
Digital Tools & Support	-	3,744	5,000
Total communications	-	3,744	5,000
Other Expense			
Contingency	-	-	82,204
Total other expense	-	-	82,204
Total expenditures	267,116	3,446,431	4,168,000
TRANSFERS OUT			
Transfers to other fund	-	858,302	200,000
Total expenditures and transfers out requiring appropriation	267,116	4,304,733	4,368,000
ENDING FUND BALANCES			
	\$ 898,167	\$ 3,163,530	\$ 2,662,174
EMERGENCY RESERVE	\$ 20,900	\$ 94,100	\$ 116,000
OPERATING RESERVE	-	1,308,003	1,538,003
AVAILABLE FOR OPERATIONS	877,267	1,761,427	1,008,171
TOTAL RESERVE	\$ 898,167	\$ 3,163,530	\$ 2,662,174

See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
SPECIAL REVENUE 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	\$ 2,769,244	\$ 3,433,485	\$ -
REVENUES			
Operating Fees - Residents	2,068,290	-	-
Operating Fees - Builders	92,463	-	-
Transfer Fees	70,500	-	-
Late Fees & Interest	9,014	-	-
Billing Adjustments	(7,262)	-	-
Interest Income	150,492	-	-
Violations and Fees	23,340	-	-
Other Revenue	7,545	-	-
Tract Turnover	525,719	-	-
Total revenues	<u>2,940,101</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from other funds	<u>250,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>5,959,345</u>	<u>3,433,485</u>	<u>-</u>
EXPENDITURES			
Administrative			
Total administrative	<u>886,017</u>	<u>-</u>	<u>-</u>
Utilities			
Total utilities	<u>502,607</u>	<u>-</u>	<u>-</u>
Landscaping			
Total landscaping	<u>825,283</u>	<u>-</u>	<u>-</u>
Community Engagement			
Total community engagement	<u>43,801</u>	<u>-</u>	<u>-</u>
Facility Maintenance			
Total facility maintenance	<u>261,208</u>	<u>-</u>	<u>-</u>
Communications			
Total communications	<u>6,944</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,525,860</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>3,433,485</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,525,860</u>	<u>3,433,485</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 3,433,485</u>	<u>\$ -</u>	<u>\$ -</u>
EMERGENCY RESERVE - TABOR	\$ 69,700	\$ -	\$ -
OPERATING RESERVE	843,996	-	-
AVAILABLE FOR OPERATIONS	2,519,789	-	-
TOTAL RESERVE	<u>\$ 3,433,485</u>	<u>\$ -</u>	<u>\$ -</u>

See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
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	\$ 796,178	\$ 347,110	\$ 356,056
REVENUES			
Property taxes	3,272,994	3,300,483	3,745,862
Specific ownership taxes	245,183	251,598	280,940
System Development Fees	199,300	112,200	-
Interest Income	108,034	43,104	80,000
Debt Forgiveness	69,071	-	-
Total revenues	<u>3,894,582</u>	<u>3,707,385</u>	<u>4,106,802</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>300,000</u>	<u>-</u>
Total funds available	<u>4,690,760</u>	<u>4,354,495</u>	<u>4,462,858</u>
EXPENDITURES			
General and administrative			
Accounting	2,129	804	3,000
County Treasurer's Fee	49,416	48,857	56,188
Legal	1,300	-	-
Paying Agent Fees	15,000	-	8,000
Contingency	-	-	5,199
2021A-1 Loan Interest	1,857,852	1,820,721	1,783,787
2021A-2 Loan Interest	395,632	387,807	379,826
2021B Sub Bonds Interest	148,250	140,250	132,000
2021A-1 Loan Principal	1,145,000	1,180,000	1,265,000
2021A-2 Loan Principal	250,000	255,000	275,000
2021B Sub Bonds Principal	160,000	165,000	175,000
Repay Developer Advance	53,970	-	-
Developer Advance - Interest Expense	15,101	-	-
Total expenditures	<u>4,093,650</u>	<u>3,998,439</u>	<u>4,083,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>250,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>4,343,650</u>	<u>3,998,439</u>	<u>4,083,000</u>
ENDING FUND BALANCES	<u>\$ 347,110</u>	<u>\$ 356,056</u>	<u>\$ 379,858</u>
2021B RESERVE	\$ 154,500	\$ 154,500	\$ 154,500
2021B SURPLUS AMOUNT	162,500	162,500	162,500
DEBT SERVICE	30,110	39,056	62,858
TOTAL RESERVE	<u>\$ 347,110</u>	<u>\$ 356,056</u>	<u>\$ 379,858</u>

See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
CAPITAL PROJECTS 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	\$ 1,750,635	\$ 924,606	\$ 85,554
REVENUES			
Property Taxes - Regional ARI	120,523	121,827	124,599
Interest Income	91,076	19,314	-
Other Revenue	1,065	-	-
Total revenues	<u>212,664</u>	<u>141,141</u>	<u>124,599</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>558,302</u>	<u>200,000</u>
Total funds available	<u>1,963,299</u>	<u>1,624,049</u>	<u>410,153</u>
EXPENDITURES			
General and Administrative			
County Treasurer's Fee - Regional ARI	1,820	1,802	1,869
Regional ARI Expense	118,704	122,117	122,730
Capital Outlay	-	27,940	-
Reserve Fund Expenses	-	58,302	75,000
Additional Xeriscape Conversion	3,536	-	-
Annual to Perennial	2,679	-	-
GIS Mapping	6,576	-	-
Rockinghorse and Rocky Top Median	30,936	-	-
Hilltop monument Restoration	19,859	-	-
Community Service Building Site Development	130,488	-	-
Community Service Building Needs	-	-	60,000
Community Service Building Construct/Related Costs	668,558	1,298,045	-
Tennis Court Resealing/Reshaping	18,162	-	-
Plants, Hardscapes, Other	-	12,656	100,000
Equipment	-	17,633	-
Vistas Pocket Park	37,375	-	-
Contingency	-	-	25,401
Total expenditures	<u>1,038,693</u>	<u>1,538,495</u>	<u>385,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,038,693</u>	<u>1,538,495</u>	<u>385,000</u>
ENDING FUND BALANCES	<u>\$ 924,606</u>	<u>\$ 85,554</u>	<u>\$ 25,153</u>
AVAILABLE FOR DISTRICT IMPROVEMENTS	<u>\$ 924,606</u>	<u>\$ 85,554</u>	<u>\$ 25,153</u>
TOTAL	<u><u>\$ 924,606</u></u>	<u><u>\$ 85,554</u></u>	<u><u>\$ 25,153</u></u>

See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Inspiration Metropolitan District, 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 Aurora on May 30, 2002 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). On February 10, 2017, the District formally changed its name from Rocking Horse Metropolitan District No. 2 to Inspiration Metropolitan District. The District’s service area is located in the City of Aurora (the “City”) in Douglas County (the “County”). The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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 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.

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%

**INSPIRATION METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes – Regional ARI

The Amended and Restated Consolidated Service Plan for RockingHorse Metropolitan Districts Nos. 1 and 2, approved by the City of Aurora on August 6, 2004 (the “Amended and Restated Service Plan”), was subsequently amended by a First Amendment approved by the City of Aurora on March 24, 2025 (the “First Amendment”, and together with the Amended and Restated Service Plan, the “Service Plan”).

Since the time the original Service Plan was approved, the District entered into the South Aurora Regional Improvement Authority Establishment Agreement (the “Establishment Agreement”) and is a member district of the South Aurora Regional Improvement Authority (“SARIA”). The Establishment Agreement provides that SARIA is organized for the purpose of planning designing, constructing, installing, acquiring, relocating, redeveloping and financing regional improvements designated in the ARI Master Plans.

The First Amendment, approved by the City of Aurora on March 24, 2025, amended the definition of ARI Mill Levy in Section 2 of the Amended and Restated Service Plan so that the District shall impose the ARI Mill Levy as follows:

- one (1) mill for collection beginning in the first year of collection of a debt service mill levy by the district and continuing in each year thereafter through the twentieth (20th) year;
- five (5) mills from the twenty-first (21st) year through the fortieth (40th) year or the date of repayment of the debt incurred for Public Improvements, other than Regional Improvements, which ever first occurs; and
- for an additional ten (10) years, the mill levy shall be equal to the lesser of 30 mills or the mill levy imposed by such district in the tax year 2023 for collection in 2024.

Pursuant to the First Amendment, ARI mill levies may be adjusted for changes in the method of calculating assessment valuation or any constitutionally mandated tax credit, or abatement. Such mill levies may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

The District first imposed a mill levy for debt service for the collection year 2011. Consistent with the Service Plan, and the Establishment Agreement, the District has pledged its ARI Mill Levy to SARIA.

In order to fund projects, SARIA may issue revenue bonds secured by the pledged revenues of the ARI Mill Levies by each of its member districts. The District remits the property taxes generated from the District imposed ARI mill levy, net of the cost of collections, to SARIA. SARIA issued its Series 2018 Special Revenue Bonds in the principal amount of \$11,265,000 on July 2, 2025, which were refunded in full by its Series 2025 Special Revenue Refunding and Improvement Bonds in the principal amount of \$39,660,000 that were issued on July 2, 2025.

**INSPIRATION METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (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 7.5% of all the property taxes collected, excluding property taxes collected for ARI.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

System Development Fees

On October 20, 2015, the District established a one-time system development fee of \$3,500 per residential unit for the overall cost of providing amenities and facilities benefitting property and inhabitants within the District. The Development Fee is automatically increased by the greater of two percent (2%) or the annual increase in the Consumer Price Index, Denver-Aurora-Lakewood area as published by the Bureau of Labor Statistics (the "Index"), effective January 1 of every year, both rounded to the nearest five dollars (\$5.00). The first adjustment occurred January 1, 2024. The annual fee for 2026 is \$3,740 per lot. The system development fee is calculated to defray the cost of funding Development Costs and reasonably distributes the burden in a manner based on the benefits received by persons paying and using the Facilities. The fees are payable by homebuilders at the time of issuance of a building permit.

Operating Fees

The District adopted a Resolution Concerning the Imposition of an Operations Fee on October 20, 2015, which has been subsequently updated. The Board does expect to raise the current Operations Fees for 2026. The recommended Fee for each residential unit and each vacant lot is \$331.50 per quarter and \$165.75 per quarter, respectively. The District also imposes a Transfer Fee on each residential unit transfer and each vacant lot transfer of \$500.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability and operations and maintenance of the District owned public facilities such as legal, accounting, insurance, utilities, landscaping, facilities management, snow plowing, and other expenses.

County Treasurer's Fees

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

**INSPIRATION METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt Service

Principal and interest payments are provided based on the attached debt amortization schedules for the Notes and Bonds (defined below).

Debt and Leases

The District issued **Taxable (Convertible to Tax Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Notes, Series 2021A-1** (the “2021A-1 Senior Notes”) and **Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Notes, Series 2021A-2** (the “2021A-2 Senior Notes”, and together with the 2021A-1 Senior Notes, the “Notes”), on November 9, 2021, in the respective amounts of \$60,180,000 and \$13,045,000. The District issued **Subordinate Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2021B** (the “Bonds”) on December 7, 2021, in the amount of \$3,250,000.

Details of the Notes

The 2021A-1 Senior Notes were issued at the Taxable Rate of 3.91% per annum. On the Tax-Exempt Reissuance Date, which occurred on December 2, 2023, the 2021A-1 Senior Notes bear interest at the Base Rate of 3.13% until maturity.

The 2021A-2 Senior Notes bear interest at the Base Rate of 3.13% from the date of issuance until maturity.

The Notes mature on December 1, 2036.

Interest on the Notes is payable semiannually on June 1 and December 1, beginning on December 1, 2021. The Notes are subject to annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2022.

To the extent principal of any Note is not paid when due, such principal shall remain outstanding until paid, but in no event beyond the Discharge Date (defined below) and will continue to bear interest at the rate then borne by the Notes. To the extent interest on any Note is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the interest rate then borne by the Notes.

Discharge Date of the Notes

In the event that any amount of principal or interest on the Notes remains unpaid after the application of all Pledged Revenue available therefor on December 1, 2051 (the “Discharge Date”), the Notes and the lien of the Indenture securing payment thereof will be deemed discharged.

Optional Redemption of the Notes

The Notes are subject to redemption prior to maturity, at the option of the District, on any date, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
November 4, 2025, and thereafter	0.00

**INSPIRATION METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Notes Pledged Revenue

The Notes are secured by and payable solely from and to the extent of Pledged Revenue, which means the moneys derived by the District from the following sources:

- (a) all Property Tax Revenues derived from imposition by the District of the Required Mill Levy and any other debt service mill levy;
- (b) the portion of the Specific Ownership Tax Revenues which is collected as a result of imposition of the Required Mill Levy;
- (c) all Development Fee Revenues; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Note Fund.

Required Mill Levy

The District has covenanted to levy the “Required Mill Levy,” generally meaning:

- (a) prior to the Conversion Date of the Notes, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Property Tax Revenues which would be sufficient to pay the Annual Debt Requirements for the next Fiscal Year but not in excess of 50 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2004).
- (b) on and after the Conversion Date of the Notes, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Property Tax Revenues which would be sufficient to pay the principal of, premium if any, and interest on the Notes as the same become due and payable.

Conversion Date of the Notes

The “Conversion Date”, as it relates to the Notes is the first date on which all of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less; and (b) no amounts of principal or interest on the Notes are due but unpaid.

Details of the Bonds

The Bonds bear interest at 5.00%, payable annually on December 15, beginning on December 15, 2022. The Bonds are subject to annual mandatory sinking fund principal payments due on December 15, beginning on December 15, 2022, and maturing on December 15, 2036.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid, but in no event beyond the Discharge Date of the Bonds (defined below) and will continue to bear interest at the rate then borne by the Bonds. To the extent interest on any Bond is not paid when due, such unpaid interest shall compound annually on each December 15 at the interest rate then borne by the Bonds.

**INSPIRATION METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Discharge Date of the Bonds

In the event that any amount of principal or interest on the Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2051 (the “Discharge Date of the Bonds”), the Bonds and the lien of the Indenture securing payment thereof will be deemed discharged.

Optional Redemption of the Bonds

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2026, to December 14, 2027	3.00%
December 15, 2027, to December 14, 2028	2.00
December 15, 2028, to December 14, 2029	1.00
December 15, 2029, and thereafter	0.00

Subordinate Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, which means the moneys derived by the District from the following sources:

- (a) all Subordinate Property Tax Revenues derived from imposition by the District of the Subordinate Required Mill Levy;
- (b) the portion of the Subordinate Specific Ownership Tax Revenues which is collected as a result of imposition of the Subordinate Required Mill Levy;
- (c) all Development Fee Revenues; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate Required Mill Levy

The District has covenanted to levy the “Subordinate Required Mill Levy,” generally meaning:

- (a) prior to the Conversion Date of the Bonds, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Subordinate Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and to replenish the Subordinate Reserve Fund to the Subordinate Reserve Requirement, but not in excess of 50 mills, as adjusted, less the Senior Obligation Mill Levy;

**INSPIRATION METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Subordinate Required Mill Levy (Continued)

(a) on and after the Conversion Date, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Subordinate Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and to replenish the Subordinate Reserve Fund to the Subordinate Reserve Requirement.

Conversion Date of the Bonds

The "Conversion Date", as it relates to the Bonds, is the first date on which all of the following conditions are met: (a) the Debt to Assessed Ratio is 50% or less; (b) no amounts of principal or interest on the Bonds are due but unpaid; and (c) the amount on deposit in the Subordinate Reserve Fund is not less than the Subordinate Reserve Requirement.

The District has no operating or capital leases.

	Balance at December 31, 2024	Additions	Reductions	Balance at December 31, 2025
Governmental Activities:				
Notes/Loans/Bonds from Direct Borrowings and Direct Placements				
Series 2021A-1 Loan	\$ 58,170,000	\$ -	\$ 1,180,000	\$ 56,990,000
Series 2021A-2 Loan	12,390,000	-	255,000	12,135,000
Series 2021B Bonds	2,805,000	-	165,000	2,640,000
Subtotal Notes/Loans/Bonds from Direct Borrowings and Direct Placements	<u>73,365,000</u>	<u>-</u>	<u>1,600,000</u>	<u>71,765,000</u>
Total Long-Term Obligations	<u>\$ 73,365,000</u>	<u>\$ -</u>	<u>\$ 1,600,000</u>	<u>\$ 71,765,000</u>

	Balance at December 31, 2025	Additions	Reductions	Balance at December 31, 2026
Governmental Activities:				
Notes/Loans/Bonds from Direct Borrowings and Direct Placements				
Series 2021A-1 Loan	\$ 56,990,000	\$ -	\$ 1,265,000	\$ 55,725,000
Series 2021A-2 Loan	12,135,000	-	275,000	11,860,000
Series 2021B Bonds	2,640,000	-	175,000	2,465,000
Subtotal Notes/Loans/Bonds from Direct Borrowings and Direct Placements	<u>71,765,000</u>	<u>-</u>	<u>1,715,000</u>	<u>70,050,000</u>
Total Long-Term Obligations	<u>\$ 71,765,000</u>	<u>\$ -</u>	<u>\$ 1,715,000</u>	<u>\$ 70,050,000</u>

**INSPIRATION METROPOLITAN DISTRICT
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Operations Reserve

The Board is accumulating an operating reserve for future repairs and replacements of District owned public facilities.

Subordinate Reserve Fund

The Subordinate Reserve Fund was funded from proceeds of the Bonds in the amount of the Subordinate Reserve Requirement of \$154,500.

Amounts on deposit in the Subordinate Reserve Fund on the final maturity date of the Bonds will be applied to the payment of the Bonds on such date.

Subordinate Surplus Fund

The Bonds are additionally secured by the Subordinate Surplus Fund which will be funded by Subordinate Pledged Revenue that is not needed to pay debt service on the Bonds in any year and is deposited to and held in the Subordinate Surplus Fund, up to the Maximum Subordinate Surplus Amount of \$162,500.

Any amounts on deposit in the Subordinate Surplus Fund on the final maturity date of the Bonds will be applied to the payment of the Bonds on such date.

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3.0% of the fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2025

\$60,180,000

Taxable (Convertible to Tax Exempt) Limited Tax
(Convertible to Unlimited) General Obligation Refunding Notes
Series 2021A-1, Interest Rate 3.13% - 4.50%
Payable June 1 and December 1
Principal due December 1

Year Ending December 31,	Principal	Interest	Total
2026	\$ 1,265,000	\$ 1,783,787	\$ 3,048,787
2027	1,305,000	1,744,193	3,049,193
2028	1,395,000	1,703,346	3,098,346
2029	1,435,000	1,659,683	3,094,683
2030	1,530,000	1,614,767	3,144,767
2031	1,580,000	1,566,878	3,146,878
2032	1,680,000	1,517,424	3,197,424
2033	1,730,000	1,464,840	3,194,840
2034	1,835,000	1,410,691	3,245,691
2035	1,890,000	1,353,256	3,243,256
2036	2,145,000	1,294,099	3,439,099
2037	1,680,000	1,764,000	3,444,000
2038	1,815,000	1,688,400	3,503,400
2039	1,895,000	1,606,725	3,501,725
2040	2,045,000	1,521,450	3,566,450
2041	2,135,000	1,429,425	3,564,425
2042	2,295,000	1,333,350	3,628,350
2043	2,395,000	1,230,075	3,625,075
2044	2,565,000	1,122,300	3,687,300
2045	2,685,000	1,006,875	3,691,875
2046	2,870,000	886,050	3,756,050
2047	3,000,000	756,900	3,756,900
2048	3,200,000	621,900	3,821,900
2049	3,340,000	477,900	3,817,900
2050	3,560,000	327,600	3,887,600
2051	3,720,000	167,400	3,887,400
	<u>\$ 56,990,000</u>	<u>\$ 33,053,312</u>	<u>\$ 90,043,312</u>

See summary of significant assumptions.

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2025

\$13,045,000

Limited Tax (Convertible to Unlimited Tax)

General Obligation Refunding Notes

Series 2021A-2, Interest Rate 3.13% - 4.50%

Payable June 1 and December 1

Principal due December 1

Year Ending December 31,	Principal	Interest	Total
2026	\$ 275,000	\$ 379,826	\$ 654,826
2027	280,000	371,218	651,218
2028	300,000	362,454	662,454
2029	310,000	353,064	663,064
2030	330,000	343,361	673,361
2031	340,000	333,032	673,032
2032	360,000	322,390	682,390
2033	370,000	311,122	681,122
2034	395,000	299,541	694,541
2035	410,000	287,178	697,178
2036	460,000	274,345	734,345
2037	355,000	373,725	728,725
2038	385,000	357,750	742,750
2039	405,000	340,425	745,425
2040	430,000	322,200	752,200
2041	455,000	302,850	757,850
2042	485,000	282,375	767,375
2043	510,000	260,550	770,550
2044	545,000	237,600	782,600
2045	565,000	213,075	778,075
2046	605,000	187,650	792,650
2047	635,000	160,425	795,425
2048	675,000	131,850	806,850
2049	710,000	101,475	811,475
2050	755,000	69,525	824,525
2051	790,000	35,550	825,550
	\$ 12,135,000	\$ 7,014,555	\$ 19,149,555

See summary of significant assumptions.

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2025

\$3,250,000

Subordinate Limited Tax (Convertible to
Unlimited Tax) General Obligation Bonds

Series 2021B, Interest Rate 5.00%

Payable December 15

Principal due December 15

Year Ending December 31,	Principal	Interest	Total
2026	\$ 175,000	\$ 132,000	\$ 307,000
2027	185,000	123,250	308,250
2028	195,000	114,000	309,000
2029	200,000	104,250	304,250
2030	210,000	94,250	304,250
2031	225,000	83,750	308,750
2032	235,000	72,500	307,500
2033	245,000	60,750	305,750
2034	260,000	48,500	308,500
2035	270,000	35,500	305,500
2036	440,000	22,000	462,000
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
	\$ 2,640,000	\$ 890,750	\$ 3,530,750

See summary of significant assumptions.

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2025

Year Ending December 31,	Total		
	Principal	Interest	Total
2026	\$ 1,715,000	\$ 2,295,613	\$ 4,010,613
2027	1,770,000	2,238,661	4,008,661
2028	1,890,000	2,179,800	4,069,800
2029	1,945,000	2,116,997	4,061,997
2030	2,070,000	2,052,378	4,122,378
2031	2,145,000	1,983,660	4,128,660
2032	2,275,000	1,912,314	4,187,314
2033	2,345,000	1,836,712	4,181,712
2034	2,490,000	1,758,732	4,248,732
2035	2,570,000	1,675,933	4,245,933
2036	3,045,000	1,590,443	4,635,443
2037	2,035,000	2,137,725	4,172,725
2038	2,200,000	2,046,150	4,246,150
2039	2,300,000	1,947,150	4,247,150
2040	2,475,000	1,843,650	4,318,650
2041	2,590,000	1,732,275	4,322,275
2042	2,780,000	1,615,725	4,395,725
2043	2,905,000	1,490,625	4,395,625
2044	3,110,000	1,359,900	4,469,900
2045	3,250,000	1,219,950	4,469,950
2046	3,475,000	1,073,700	4,548,700
2047	3,635,000	917,325	4,552,325
2048	3,875,000	753,750	4,628,750
2049	4,050,000	579,375	4,629,375
2050	4,315,000	397,125	4,712,125
2051	4,510,000	202,950	4,712,950
	<u>\$ 71,765,000</u>	<u>\$ 40,958,617</u>	<u>\$ 112,723,617</u>

See summary of significant assumptions.