

CIELO METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2022

**CIELO METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ (8,373)	\$ 111,613	\$ 7,271,580
REVENUES			
Property taxes	146,902	147,161	147,229
Specific ownership tax	12,667	14,440	11,778
Interest Income	3	1,720	3,600
Bond Proceeds	-	17,942,000	-
Developer advance	40,183	10,212,244	7,040,890
Other revenue	-	-	10,000
Total revenues	<u>199,755</u>	<u>28,317,565</u>	<u>7,213,497</u>
Total funds available	<u>191,382</u>	<u>28,429,178</u>	<u>14,485,077</u>
EXPENDITURES			
General Fund	79,769	73,944	126,000
Debt Service Fund	-	-	142,507
Capital Projects Fund	-	21,083,654	14,116,780
Total expenditures	<u>79,769</u>	<u>21,157,598</u>	<u>14,385,287</u>
Total expenditures and transfers out requiring appropriation	<u>79,769</u>	<u>21,157,598</u>	<u>14,385,287</u>
ENDING FUND BALANCES	<u>\$ 111,613</u>	<u>\$ 7,271,580</u>	<u>\$ 99,790</u>
EMERGENCY RESERVE	<u>\$ 4,800</u>	<u>\$ 4,900</u>	<u>\$ 800</u>
TOTAL RESERVE	<u>\$ 4,800</u>	<u>\$ 4,900</u>	<u>\$ 800</u>

**CIELO METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Personal property	\$ -	\$ 2,500	\$ -
Vacant land	2,199,210	2,199,210	2,204,030
Natural Resources	-	120	120
Certified Assessed Value	<u>\$ 2,199,210</u>	<u>\$ 2,201,830</u>	<u>\$ 2,204,150</u>
MILL LEVY			
General	66.797	66.797	11.132
Debt Service	0.000	0.000	55.664
Total mill levy	<u>66.797</u>	<u>66.797</u>	<u>66.796</u>
PROPERTY TAXES			
General	146,901	147,076	24,537
Debt Service	-	-	122,692
Levied property taxes	<u>\$ 146,901</u>	<u>\$ 147,076</u>	<u>\$ 147,229</u>
Adjustments to actual/rounding	1	24	-
Refunds and abatements	-	61	-
Budgeted property taxes	<u>\$ 146,902</u>	<u>\$ 147,161</u>	<u>\$ 147,229</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 146,902</u>	<u>\$ 147,161</u>	<u>\$ 24,537</u>
Debt Service	<u>-</u>	<u>-</u>	<u>122,692</u>
	<u>\$ 146,902</u>	<u>\$ 147,161</u>	<u>\$ 147,229</u>

**CIELO METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (8,373)	\$ 111,613	\$ 199,290
REVENUES			
Property taxes	146,902	147,161	24,537
Specific ownership tax	12,667	14,440	1,963
Interest income	3	20	-
Developer advance	40,183	-	-
Total revenues	<u>199,755</u>	<u>161,621</u>	<u>26,500</u>
Total funds available	<u>191,382</u>	<u>273,234</u>	<u>225,790</u>
EXPENDITURES			
General and Administrative			
Accounting	11,857	15,000	16,500
County Treasurer's fee	2,204	2,207	368
Dues and licenses	311	305	500
District management	6,417	-	-
Insurance and bonds	3,290	3,218	5,000
Legal	25,552	45,000	35,000
Election	9,125	-	10,000
Engineering	21,013	-	-
Miscellaneous	-	950	-
Transfer to Stone Creek Metro District	-	7,264	53,365
Contingency	-	-	5,267
Total expenditures	<u>79,769</u>	<u>73,944</u>	<u>126,000</u>
Total expenditures and transfers out requiring appropriation	<u>79,769</u>	<u>73,944</u>	<u>126,000</u>
ENDING FUND BALANCE	<u>\$ 111,613</u>	<u>\$ 199,290</u>	<u>\$ 99,790</u>
EMERGENCY RESERVE	<u>\$ 4,800</u>	<u>\$ 4,900</u>	<u>\$ 800</u>
TOTAL RESERVE	<u>\$ 4,800</u>	<u>\$ 4,900</u>	<u>\$ 800</u>

**CIELO METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATE
For the Years Ended and Ending December 31,**

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	122,692
Specific ownership tax	-	-	9,815
Other revenue	-	-	10,000
Total revenues	<u>-</u>	<u>-</u>	<u>142,507</u>
Total funds available	<u>-</u>	<u>-</u>	<u>142,507</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	-	1,840
Paying agent fees	-	-	4,000
Contingency	-	-	10,000
Debt Service			
Bond Interest	-	-	126,667
Total expenditures	<u>-</u>	<u>-</u>	<u>142,507</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>142,507</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CIELO METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATE
For the Years Ended and Ending December 31,**

1/17/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 7,072,290
REVENUES			
Interest income	-	1,700	3,600
Developer advance	-	10,212,244	7,040,890
Bond Proceeds	-	17,942,000	-
Total revenues	-	28,155,944	7,044,490
Total funds available	-	28,155,944	14,116,780
EXPENDITURES			
General and Administrative			
Accounting	-	5,000	5,000
Legal services	-	5,000	5,000
Capital Projects			
Repay developer advance	-	10,212,244	7,040,890
Engineering	-	15,000	25,000
Bond issue costs	-	634,166	-
Capital outlay	-	10,212,244	7,040,890
Total expenditures	-	21,083,654	14,116,780
Total expenditures and transfers out requiring appropriation	-	21,083,654	14,116,780
ENDING FUND BALANCE	\$ -	\$ 7,072,290	\$ -

**CIELO METROPOLITAN DISTRICT
2022 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 District court for Douglas County on March 29, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District will serve the public improvement needs of a development generally located east of Chambers Road, north of Scott Avenue, and south of Pinery Parkway in Douglas County, Colorado.

Pursuant to the amended Service Plan, the District is authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, and operation and maintenance of all public improvements, including water, sanitation, streets, stormwater, park and recreation, traffic and safety control and mosquito control improvements.

On May 5, 2020, the District's qualified electors approved indebtedness of \$200,000,000 for certain categories of Public Improvements, such as streets, park and recreation, water, sanitation/sewer, transportation, mosquito control, safety protection, fire protection, TV relay and translation and security and \$220,000,000 for refunding.

The amended Service Plan imposes a debt limitation on the District in the aggregate amount of \$25,000,000 (excluding refundings). 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 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**CIELO METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

Under the Service Plan, the District is limited to the imposition of a mill levy in an amount not to exceed 60 mills; provided, however, that in the event the method of calculating assessed valuation is changed after the date of approval of the Service Plan, the mill levy limitation provided for the District will be automatically increased or decreased to reflect such changes, so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. After September 8, 2015, the date of the approval of the Service Plan, the ratio of actual valuation to assessed valuation for residential property was 7.96% and currently the ratio is at 7.15%. Due to this ratio change, the District's Operation mill levy was adjusted to 11.132 from 10.000 mills, and Debt Service mill levy was adjusted from 50 to 55.664 mills.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the Budget at the mill levy adopted by the District.

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 8% of the property taxes collected.

Developer Advance

The District is in the development state. As such, the capital expenditures are expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Investment Income

Interest earned on the Districts available funds has been estimates based upon an average interest rate of approximately 0.1%.

Expenditures

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

County Treasurer's Fees

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

**CIELO METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

General and Administrative

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants of costs of services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, meeting expense, and other administrative expenses.

Transfer to Stone Creek Metro District

Pursuant to Clubhouse Joint Use and Operations Cost Sharing Agreement, the District will share in the management of Clubhouse Improvements with Stone Creek Metro District, and pay 51% of annual budgeted and approved operations and maintenance costs, inclusive of all legal costs, management costs, accountant costs, and other consulting fees, to Stone Creek Metro District.

Debt Service

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1.

Debt and Leases

On April 28, 2021, the District issued \$17,942,000 of Limited Tax General Obligation Bonds, Series 2021. The Bonds bear interest at the rate of 5.25% per annum and payable annually on December 1, but only to the extent of available Pledged Revenue. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 1, 2060 (the "Discharge Date"), such amounts shall be extinguished and no longer be due and outstanding.

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 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>
June 1, 2026, to May 31, 2027	3.00%
June 1, 2027, to May 31, 2028	2.00
June 1, 2028, to May 31, 2029	1.00
June 1, 2029, and thereafter	0.00

**CIELO METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Series 2021 Bonds are secured by and payable solely from and to the extent of Pledged Revenue which means:

- (a) the Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Pursuant to the Indenture, the District has covenanted to impose a Required Mill Levy on all taxable property of the District each year in an amount sufficient to pay the Bonds when due, but not in excess of 50.000 mills (subject to adjustment for changes in the method of calculating assessed valuation that occur on or after January 1, 2015).

The following is an analysis of the anticipated changes in the District's long-term obligations for the year ended December 31, 2021 and 2022.

	Balance December 31, 2020	Additions	Deletions	Anticipated Balance December 31, 2021
Series 2021 Bonds				
Principal	\$ -	\$ 17,942,000	\$ -	\$ 17,942,000
Accrued Interest	-	638,258	-	638,258
Developer Advances -Capital				-
Principal	-	10,212,244	10,212,244	-
Developer Advances - Operations				
Operations	85,980	-	-	85,980
Accrued Interest	7,272	6,879	-	14,151
Total	<u>\$ 93,252</u>	<u>\$ 28,799,381</u>	<u>\$ 10,212,244</u>	<u>\$ 18,680,389</u>
	Anticipated Balance December 31, 2021	Additions	Deletions	Anticipated Balance December 31, 2022
Series 2021 Bonds				
Principal	\$ 17,942,000	\$ -	\$ -	\$ 17,942,000
Accrued Interest	638,258	974,909	126,667	1,486,500
Developer Advances -Capital				-
Principal	-	7,040,890	7,040,890	-
Developer Advances - Operations				
Operations	85,980	-	-	85,980
Accrued Interest	14,151	6,878	-	21,029
Total	<u>\$ 18,680,389</u>	<u>\$ 8,022,677</u>	<u>\$ 7,167,557</u>	<u>\$ 19,535,509</u>

The District has no operating and capital leases.

**CIELO METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.