

CIELO METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2024

**CIELO METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 7,283,725	\$ 129,511	\$ 91,211
REVENUES			
Property taxes	147,229	293,047	614,030
Specific ownership taxes	13,020	27,168	55,263
Operation Fee - Recurring	-	17,000	-
Operation Fee - Transfer	-	21,500	231,720
Interest income	8,930	1,806	14,000
Developer advance	8,565,637	13,252	100,155
Other revenue	-	-	10,213
Late fees / penalties	-	600	-
Homeowner fees	-	-	49,000
Total revenues	<u>8,734,816</u>	<u>374,373</u>	<u>1,074,381</u>
TRANSFERS IN	<u>-</u>	<u>70,000</u>	<u>-</u>
Total funds available	<u>16,018,541</u>	<u>573,884</u>	<u>1,165,592</u>
EXPENDITURES			
General Fund	86,665	127,236	210,000
Debt Service Fund	128,424	275,137	581,961
Capital Projects Fund	15,664,446	200	-
Special Revenue Fund	9,495	10,100	285,000
Total expenditures	<u>15,889,030</u>	<u>412,673</u>	<u>1,076,961</u>
TRANSFERS OUT	<u>-</u>	<u>70,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>15,889,030</u>	<u>482,673</u>	<u>1,076,961</u>
ENDING FUND BALANCES	<u>\$ 129,511</u>	<u>\$ 91,211</u>	<u>\$ 88,631</u>
EMERGENCY RESERVE	\$ 900	\$ 2,900	\$ 11,900
AVAILABLE FOR OPERATIONS	133,495	88,311	76,731
TOTAL RESERVE	<u>\$ 124,900</u>	<u>\$ 180,722</u>	<u>\$ 88,631</u>

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$ -	\$ 65,850	\$ 1,389,040
State assessed	-	-	500
Vacant land	2,204,030	4,817,640	7,736,690
Personal property	-	500	209,110
Natural Resources	120	120	110
	2,204,150	4,884,110	9,335,450
Certified Assessed Value	\$ 2,204,150	\$ 4,884,110	\$ 9,335,450

MILL LEVY

General	11.132	10.000	10.962
Debt Service	55.664	50.000	54.812
Total mill levy	66.796	60.000	65.774

PROPERTY TAXES

General	\$ 24,537	\$ 48,841	\$ 102,335
Debt Service	122,692	244,206	511,695
Levied property taxes	147,229	293,047	614,030
Budgeted property taxes	\$ 147,229	\$ 293,047	\$ 614,030

BUDGETED PROPERTY TAXES

General	\$ 24,537	\$ 48,841	\$ 102,335
Debt Service	122,692	244,206	511,695
	\$ 147,229	\$ 293,047	\$ 614,030

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 203,848	\$ 143,890	\$ 1,700
REVENUES			
Property taxes	24,537	48,841	102,335
Specific ownership taxes	2,170	4,528	9,210
Developer advance	-	1,677	100,155
Total revenues	<u>26,707</u>	<u>55,046</u>	<u>211,700</u>
Total funds available	<u>230,555</u>	<u>198,936</u>	<u>213,400</u>
EXPENDITURES			
General and administrative			
Accounting	26,191	37,000	38,500
County Treasurer's fee	368	733	1,535
Dues and membership	371	405	550
Insurance	2,968	2,988	5,500
Legal	28,047	16,000	38,500
Miscellaneous	850	350	1,650
Election	1,800	1,273	-
Contingency	-	-	18,689
Transfer to Stone Creek Metro District	26,070	68,487	105,076
Operations and maintenance			
Total expenditures	<u>86,665</u>	<u>127,236</u>	<u>210,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>70,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>86,665</u>	<u>197,236</u>	<u>210,000</u>
ENDING FUND BALANCES	<u>\$ 143,890</u>	<u>\$ 1,700</u>	<u>\$ 3,400</u>
EMERGENCY RESERVE	\$ 900	\$ 1,700	\$ 3,400
AVAILABLE FOR OPERATIONS	142,990	-	-
TOTAL RESERVE	<u>\$ 143,890</u>	<u>\$ 1,700</u>	<u>\$ 3,400</u>

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ (9,495)	\$ 89,511
REVENUES			
Operation Fee - Recurring	-	17,000	-
Operation Fee - Transfer	-	21,500	231,720
Interest income	-	6	-
Homeowner fees	-	-	49,000
Late fees / penalties	-	600	-
Total revenues	-	39,106	280,720
TRANSFERS IN			
Transfers from other funds	-	70,000	-
Total funds available	-	99,611	370,231
EXPENDITURES			
General and administrative			
Community Management	9,495	10,000	37,569
Administrative Expenses	-	-	2,730
Dues and membership	-	-	400
Legal	-	-	2,400
Miscellaneous	-	100	4,460
Banking fees	-	-	440
Operations and maintenance			
Street maintenance	-	-	6,000
Underdrain maintenance	-	-	7,000
Parks and Recreation	-	-	8,100
Snow removal	-	-	50,000
Operation Costs Reserve	-	-	15,000
Water	-	-	13,579
Electricity	-	-	5,000
Website	-	-	1,000
Social Events	-	-	8,000
Reserve Study	-	-	1,495
Repairs and maintenance	-	-	89,000
Trash Collection	-	-	32,827
Total expenditures	9,495	10,100	285,000
Total expenditures and transfers out requiring appropriation	9,495	10,100	285,000
ENDING FUND BALANCES	\$ (9,495)	\$ 89,511	\$ 85,231
EMERGENCY RESERVE	\$ -	\$ 1,200	\$ 8,500
AVAILABLE FOR OPERATIONS	(9,495)	88,311	76,731
TOTAL RESERVE	\$ (9,495)	\$ 89,511	\$ 85,231

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ 6,491	\$ -
REVENUES			
Property taxes	122,692	244,206	511,695
Specific ownership taxes	10,850	22,640	46,053
Interest income	1,373	1,800	14,000
Other revenue	-	-	10,213
Total revenues	134,915	268,646	581,961
Total funds available	134,915	275,137	581,961
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,841	3,663	7,675
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	10,213
Debt Service			
Bond interest	122,583	267,474	560,073
Total expenditures	128,424	275,137	581,961
Total expenditures and transfers out requiring appropriation	128,424	275,137	581,961
ENDING FUND BALANCES	\$ 6,491	\$ -	\$ -

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 7,079,877	\$ (11,375)	\$ -
REVENUES			
Interest income	7,557	-	-
Developer advance	8,565,637	11,575	-
Total revenues	<u>8,573,194</u>	<u>11,575</u>	<u>-</u>
Total funds available	<u>15,653,071</u>	<u>200</u>	<u>-</u>
EXPENDITURES			
General and Administrative			
Accounting	1,414	-	-
Legal	774	200	-
Capital Projects			
Repay developer advance	7,081,628	-	-
Engineering	14,993	-	-
Capital outlay	8,565,637	-	-
Total expenditures	<u>15,664,446</u>	<u>200</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>15,664,446</u>	<u>200</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ (11,375)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
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 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
2024 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.

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.

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

Category	Rate		Category	Rate	Actual Value Reduction	Amount
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%		

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 9% of the property taxes collected.

Operations Fee

The District imposes Operations Fee for funding the Operations Costs, which is necessary to provide for the common good and for the prosperity and general welfare of the property owners, taxpayers, and residents within the District. Operations Fee shall consist of a recurring payment (the “Recurring Payment”) and a separate payment imposed on the Transfer of a Residential Unit to an End User (the “Transfer Payment”). The Recurring Payment, payable on the 1st day of each month, is equal to \$100 per month per Residential Unit for the first year, and increased annually by 3% until December 31, 2027, and by 5% commencing on January1, 2028. The Transfer Payment is \$500 per transfer and is due upon which the transfer occurs.

**CIELO METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Developer Advance

The District is in the development state. the operating and administrative expenditures will be mainly funded by the Developer. The capital expenditures are also 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 5%.

Expenditures

County Treasurer's Fees

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

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.

Operations and Maintenance

Estimated expenditures related to operations and maintenance of the grounds within the District (e.g. landscaping maintenance, security, snow removal, etc.) were included the Operations Fee Fund budget.

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.

**CIELO METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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

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).

**CIELO METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The following is an analysis of the anticipated changes in the District’s long-term obligations for the year ended December 31, 2023 and 2024.

	Balance December 31, 2022	Additions	Deletions	Anticipated Balance December 31, 2023
Series 2021 Bonds				
Principal	\$ 17,942,000	\$ -	\$ -	\$ 17,942,000
Accrued Interest	1,490,602	1,019,041	267,474	2,242,169
Developer Advances -Capital				
Principal	2,936,566	11,575	-	2,948,141
Accrued Interest	60,774	176,541	-	237,315
Developer Advances - Operations				
Operations	85,981	1,677	-	87,658
Accrued Interest	16,189	5,209	-	21,398
Total	<u>\$ 22,532,112</u>	<u>\$ 1,214,044</u>	<u>\$ 267,474</u>	<u>\$ 23,478,682</u>
	Anticipated Balance December 31, 2023	Additions	Deletions	Anticipated Balance December 31, 2024
Series 2021 Bonds				
Principal	\$ 17,942,000	\$ -	\$ -	\$ 17,942,000
Accrued Interest	2,242,169	1,057,219	560,073	2,739,315
Developer Advances -Capital				
Principal	2,948,141	-	-	2,948,141
Accrued Interest	237,315	176,888	-	414,204
Developer Advances - Operations				
Operations	87,658	100,155	-	187,813
Accrued Interest	21,398	8,264	-	29,662
Total	<u>\$ 23,478,682</u>	<u>\$ 1,342,526</u>	<u>\$ 560,073</u>	<u>\$ 24,261,135</u>

The District has no operating and capital leases.

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.