

CIELO METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2025

**CIELO METROPOLITAN DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/12/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 129,511	\$ 104,096	\$ 203,822
REVENUES			
Property taxes	293,047	614,030	906,858
Specific ownership taxes	27,175	45,422	81,617
Interest Income	6,744	10,300	19,947
Developer advance	-	7,709,234	5,000,000
Other Revenue	-	4,323	8,262
Operation Fee - Recurring (Homeowner fees)	54,000	184,600	434,750
Operation Fee - Transfer (Metro fee)	49,500	40,000	46,500
Operation Fee - Association Specific	15,000	-	-
Operation Fee - Collection fees	440	1,000	-
Late fees/penalties	815	2,000	1,000
Total revenues	<u>446,721</u>	<u>8,610,909</u>	<u>6,498,934</u>
TRANSFERS IN	<u>59,982</u>	<u>67,784</u>	<u>25,000</u>
Total funds available	<u>636,214</u>	<u>8,782,789</u>	<u>6,727,756</u>
EXPENDITURES			
General Fund	142,745	96,635	120,000
Debt Service Fund	276,400	561,814	850,000
Capital Projects Fund	24,112	7,736,734	5,025,000
Operation Fee Fund	28,879	116,000	505,210
Total expenditures	<u>472,136</u>	<u>8,511,183</u>	<u>6,500,210</u>
TRANSFERS OUT	<u>59,982</u>	<u>67,784</u>	<u>25,000</u>
Total expenditures and transfers out requiring appropriation	<u>532,118</u>	<u>8,578,967</u>	<u>6,525,210</u>
ENDING FUND BALANCES	<u>\$ 104,096</u>	<u>\$ 203,822</u>	<u>\$ 202,546</u>
EMERGENCY RESERVE	\$ 1,700	\$ 10,400	\$ 19,600
AVAILABLE FOR OPERATIONS	(7,167)	14,210	26,694
OPERATIONS RESERVE	-	-	25,261
TOTAL RESERVE	<u>\$ (5,467)</u>	<u>\$ 24,610</u>	<u>\$ 71,555</u>

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/12/24

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

ASSESSED VALUATION

Residential	\$ 65,850	\$ 1,389,040	\$ 7,715,980
State assessed	-	500	500
Vacant land	4,817,640	7,736,690	4,721,200
Personal property	500	209,110	208,390
Natural Resources	120	110	110
Certified Assessed Value	\$ 4,884,110	\$ 9,335,450	\$ 12,646,180

MILL LEVY

General	10.000	10.962	11.951
Debt Service	50.000	54.812	59.759
Total mill levy	60.000	65.774	71.710

PROPERTY TAXES

General	\$ 48,841	\$ 102,335	\$ 151,135
Debt Service	244,206	511,695	755,723
Levied property taxes	293,047	614,030	906,858
Budgeted property taxes	\$ 293,047	\$ 614,030	\$ 906,858

BUDGETED PROPERTY TAXES

General	\$ 48,841	\$ 102,335	\$ 151,135
Debt Service	244,206	511,695	755,723
	\$ 293,047	\$ 614,030	\$ 906,858

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/12/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 143,890	\$ (5,467)	\$ 24,610
REVENUES			
Property taxes	48,841	102,335	151,135
Specific ownership taxes	4,529	7,570	13,602
Interest Income	-	1,200	1,947
Other Revenue	-	2,823	-
Total revenues	<u>53,370</u>	<u>113,928</u>	<u>166,684</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>40,284</u>	<u>-</u>
Total funds available	<u>197,260</u>	<u>148,745</u>	<u>191,294</u>
EXPENDITURES			
General and administrative			
Accounting	38,619	38,500	40,000
Auditing	5,190	5,500	6,000
County Treasurer's Fee	733	1,535	2,267
Dues and Membership	405	450	500
Insurance	5,391	5,550	6,000
Legal	23,386	44,000	45,000
Miscellaneous	650	-	-
Election	1,311	500	2,000
Contingency	-	-	16,733
Website	-	600	1,500
Operations and maintenance			
Transfer to Stone Creek Metro District	67,060	-	-
Total expenditures	<u>142,745</u>	<u>96,635</u>	<u>120,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>59,982</u>	<u>27,500</u>	<u>25,000</u>
Total expenditures and transfers out requiring appropriation	<u>202,727</u>	<u>124,135</u>	<u>145,000</u>
ENDING FUND BALANCES	<u>\$ (5,467)</u>	<u>\$ 24,610</u>	<u>\$ 46,294</u>
EMERGENCY RESERVE	\$ 1,700	\$ 10,400	\$ 19,600
AVAILABLE FOR OPERATIONS	(7,167)	14,210	26,694
TOTAL RESERVE	<u>\$ (5,467)</u>	<u>\$ 24,610</u>	<u>\$ 46,294</u>

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
OPERATION FEE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/12/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (9,495)	\$ 105,996	\$ 179,212
REVENUES			
Operation Fee - Recurring (Homeowner fees)	54,000	184,600	434,750
Operation Fee - Transfer (Metro fee)	49,500	40,000	46,500
Operation Fee - Association Specific	15,000	-	-
Operation Fee - Collection fees	440	1,000	-
Interest Income	120	400	-
Late fees/penalties	815	2,000	1,000
Other Revenue	-	1,500	-
Total revenues	<u>119,875</u>	<u>229,500</u>	<u>482,250</u>
TRANSFERS IN			
Transfers from other funds	<u>24,495</u>	<u>-</u>	<u>-</u>
Total funds available	<u>134,875</u>	<u>335,496</u>	<u>661,462</u>
EXPENDITURES			
General and administrative			
Community Management	14,944	5,000	49,200
Payment Processing Fee	282	300	-
Additional Management Services	12,560	2,500	-
Copies	289	300	-
Postage	145	300	-
Miscellaneous	609	600	18,115
Banking fees	50	-	-
Operations and maintenance			
Underdrain maintenance	-	-	5,250
Retaining Wall	-	-	1,575
Social Events	-	-	8,000
Snow removal	-	25,000	50,000
Water	-	-	25,000
Electricity	-	-	2,500
Repairs and maintenance	-	-	20,000
Transfer to SCMD - O&M	-	82,000	105,000
Transfer to SCMD - Capital	-	-	45,000
Landscaping - Community	-	-	100,000
Landscaping - Baseball Field	-	-	20,570
Trash collection	-	-	55,000
Total expenditures	<u>28,879</u>	<u>116,000</u>	<u>505,210</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>40,284</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>28,879</u>	<u>156,284</u>	<u>505,210</u>
ENDING FUND BALANCES	<u>\$ 105,996</u>	<u>\$ 179,212</u>	<u>\$ 156,252</u>
OPERATIONS RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,261</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,261</u>

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/12/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 6,491	\$ 3,567	\$ -
REVENUES			
Property taxes	244,206	511,695	755,723
Specific ownership taxes	22,646	37,852	68,015
Interest Income	6,624	8,700	18,000
Other Revenue	-	-	8,262
Total revenues	273,476	558,247	850,000
Total funds available	279,967	561,814	850,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	3,663	7,675	11,336
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	8,262
Debt Service			
Bond interest	268,737	550,139	826,402
Total expenditures	276,400	561,814	850,000
Total expenditures and transfers out requiring appropriation	276,400	561,814	850,000
ENDING FUND BALANCES	\$ 3,567	\$ -	\$ -

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,**

12/12/24

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (11,375)	\$ -	\$ -
REVENUES			
Developer advance	-	7,709,234	5,000,000
Total revenues	<u>-</u>	<u>7,709,234</u>	<u>5,000,000</u>
TRANSFERS IN			
Transfers from other funds	<u>35,487</u>	<u>27,500</u>	<u>25,000</u>
Total funds available	<u>24,112</u>	<u>7,736,734</u>	<u>5,025,000</u>
EXPENDITURES			
General and Administrative			
Accounting	3,914	7,500	5,000
Legal	470	-	-
Capital Projects			
Engineering	19,728	20,000	20,000
Capital outlay	-	7,709,234	5,000,000
Total expenditures	<u>24,112</u>	<u>7,736,734</u>	<u>5,025,000</u>
Total expenditures and transfers out requiring appropriation	<u>24,112</u>	<u>7,736,734</u>	<u>5,025,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**CIELO METROPOLITAN DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Cielo 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 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
2025 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 2025, SB22-238, SB23B-001, SB 24-233 and HB24B-1001 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 \$125 per month per Residential Unit for 2025, and increased annually by 3% until December 31, 2027, and by 5% commencing on January 1, 2028. The Transfer Payment is \$500 per transfer and is due upon which the transfer occurs.

**CIELO METROPOLITAN DISTRICT
2025 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.

Interest 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
2025 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
2025 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, 2024 and 2025.

	Balance - December 31, 2023	Additions *	Retirements/ Reductions	Balance - December 31, 2024*
Developer Advances:				
Operating	\$ 85,981	\$ -	\$ -	\$ 85,981
Capital	1,484,009.00	7,709,234	-	9,193,243
Accrued Interest				
Operating	21,348	6,878	-	28,226
Capital	135,250	735,459	-	870,709
Total	<u>\$ 1,726,588</u>	<u>\$ 8,451,572</u>	<u>\$ -</u>	<u>\$ 10,178,160</u>
	Balance - December 31, 2024	Additions*	Retirements/ Reductions	Balance - December 31, 2025*
Developer Advances:				
Operating	\$ 85,981	\$ -	\$ -	\$ 85,981
Capital	9,193,243	5,000,000	-	14,193,243
Accrued Interest	-			
Operating	28,226	6,878	-	35,105
Capital	870,709	1,135,459	-	2,006,169
Total	<u>\$ 10,178,160</u>	<u>\$ 6,142,338</u>	<u>\$ -</u>	<u>\$ 16,320,498</u>

*Estimate

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.