

CIELO METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2026

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

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 104,096	\$ 171,512	\$ 210,623
REVENUES			
Property taxes	614,031	906,858	1,389,170
Specific ownership taxes	45,993	57,242	104,188
Interest Income	19,020	17,310	27,000
Developer advance	7,709,234	13,964	5,000,000
Transfer from Allison Ranch HOA	-	31,808	-
Other Revenue	4,788	981	7,528
Homeowner fees	189,000	436,100	529,935
Transfer fees	61,000	46,500	46,500
Late fees/penalties	3,402	1,000	1,000
Total revenues	<u>8,646,468</u>	<u>1,511,763</u>	<u>7,105,321</u>
TRANSFERS IN	<u>39,493</u>	<u>25,228</u>	<u>25,000</u>
Total funds available	<u>8,790,057</u>	<u>1,708,503</u>	<u>7,340,944</u>
EXPENDITURES			
General Fund	107,526	99,259	110,000
Debt Service Fund	566,977	818,087	1,272,000
Capital Projects Fund	7,748,687	11,264	5,025,000
Operation Fee Fund	155,862	544,042	581,000
Total expenditures	<u>8,579,052</u>	<u>1,472,652</u>	<u>6,988,000</u>
TRANSFERS OUT	<u>39,493</u>	<u>25,228</u>	<u>25,000</u>
Total expenditures and transfers out requiring appropriation	<u>8,618,545</u>	<u>1,497,880</u>	<u>7,013,000</u>
ENDING FUND BALANCES	<u>\$ 171,512</u>	<u>\$ 210,623</u>	<u>\$ 327,944</u>
EMERGENCY RESERVE	\$ 11,200	\$ 20,600	\$ 25,100
AVAILABLE FOR OPERATIONS	(40,653)	9,723	122,909
OPERATIONS RESERVE	198,303	180,300	179,935
TOTAL RESERVE	<u>\$ 168,850</u>	<u>\$ 210,623</u>	<u>\$ 327,944</u>

See Summary of Significant Assumptions

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

1/20/26

ACTUAL	ESTIMATED	BUDGET
2024	2025	2026

ASSESSED VALUATION

Residential	\$ 1,389,040	\$ 7,715,980	\$ 16,247,970
State assessed	500	500	900
Vacant land	7,736,690	4,721,200	2,049,520
Personal property	209,110	208,390	239,590
Natural Resources	110	110	110
Certified Assessed Value	\$ 9,335,450	\$ 12,646,180	\$ 18,538,090

MILL LEVY

General	10.962	11.951	12.489
Debt Service	54.812	59.759	62.447
Total mill levy	65.774	71.710	74.936

PROPERTY TAXES

General	\$ 102,335	\$ 151,135	\$ 231,522
Debt Service	511,696	755,723	1,157,648
Levied property taxes	614,031	906,858	1,389,170
Budgeted property taxes	\$ 614,031	\$ 906,858	\$ 1,389,170

BUDGETED PROPERTY TAXES

General	\$ 102,335	\$ 151,135	\$ 231,522
Debt Service	511,696	755,723	1,157,648
	\$ 614,031	\$ 906,858	\$ 1,389,170

**CIELO METROPOLITAN DISTRICT
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ (5,467)	\$ (37,153)	\$ 14,623
REVENUES			
Property taxes	102,335	151,135	231,522
Specific ownership taxes	7,665	9,540	17,364
Interest Income	2,490	1,624	2,000
Developer advance	-	13,964	-
Other Revenue	2,823	-	-
Total revenues	<u>115,313</u>	<u>176,263</u>	<u>250,886</u>
Total funds available	<u>109,846</u>	<u>139,110</u>	<u>265,509</u>
EXPENDITURES			
General and administrative			
Accounting	36,456	44,866	45,000
Auditing	5,650	6,000	7,600
County Treasurer's Fee	1,543	2,267	3,473
Dues and Membership	450	366	500
Insurance	1,295	7,170	8,000
Legal	59,601	35,290	40,000
Election	344	2,500	-
Website	600	800	1,000
Contingency	1,587	-	4,427
Total expenditures	<u>107,526</u>	<u>99,259</u>	<u>110,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>39,473</u>	<u>25,228</u>	<u>25,000</u>
Total expenditures and transfers out requiring appropriation	<u>146,999</u>	<u>124,487</u>	<u>135,000</u>
ENDING FUND BALANCES	<u>\$ (37,153)</u>	<u>\$ 14,623</u>	<u>\$ 130,509</u>
EMERGENCY RESERVE	\$ 3,500	\$ 4,900	\$ 7,600
AVAILABLE FOR OPERATIONS	(40,653)	9,723	122,909
TOTAL RESERVE	<u>\$ (37,153)</u>	<u>\$ 14,623</u>	<u>\$ 130,509</u>

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
OPERATION FEE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 105,996	\$ 206,003	\$ 196,000
REVENUES			
Homeowner fees	189,000	436,100	529,935
Transfer fees	61,000	46,500	46,500
Transfer from Allison Ranch HOA	-	31,808	-
Interest Income	502	3,686	5,000
Late fees/penalties	3,402	1,000	1,000
Other Revenue	1,965	981	-
Total revenues	255,869	520,075	582,435
TRANSFERS IN			
Transfers from other funds	-	13,964	-
Total funds available	361,865	740,042	778,435
EXPENDITURES			
General and administrative			
District management	4,983	49,200	51,000
Legal	-	2,727	4,200
Miscellaneous	519	5,030	14,820
Operations and maintenance			
Landscaping	21,778	100,000	70,000
Underdrain maintenance	-	5,250	5,250
Retaining Wall	-	1,575	1,575
Snow removal	31,808	50,000	51,500
Repairs and maintenance	828	75,000	150,000
Social Events	-	5,000	10,000
Water	8,865	50,000	50,000
Electricity	-	2,500	3,000
Decorations	-	4,760	5,000
Transfer to SCMD - O&M	87,081	105,000	93,535
Transfer to SCMD - Capital	-	26,000	6,120
Trash collection	-	62,000	65,000
Total expenditures	155,862	544,042	581,000
Total expenditures and transfers out requiring appropriation	155,862	544,042	581,000
ENDING FUND BALANCES	\$ 206,003	\$ 196,000	\$ 197,435
EMERGENCY RESERVE	\$ 7,700	\$ 15,700	\$ 17,500
OPERATIONS RESERVE	198,303	180,300	179,935
TOTAL RESERVE	\$ 206,003	\$ 196,000	\$ 197,435

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 3,567	\$ 2,662	\$ -
REVENUES			
Property taxes	511,696	755,723	1,157,648
Specific ownership taxes	38,328	47,702	86,824
Interest Income	16,028	12,000	20,000
Other Revenue	-	-	7,528
Total revenues	<u>566,052</u>	<u>815,425</u>	<u>1,272,000</u>
TRANSFERS IN			
Transfers from other funds	<u>20</u>	<u>-</u>	<u>-</u>
Total funds available	<u>569,639</u>	<u>818,087</u>	<u>1,272,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	7,717	11,336	17,365
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	7,528
Debt Service			
Bond interest	555,260	802,751	1,243,107
Total expenditures	<u>566,977</u>	<u>818,087</u>	<u>1,272,000</u>
Total expenditures and transfers out requiring appropriation	<u>566,977</u>	<u>818,087</u>	<u>1,272,000</u>
ENDING FUND BALANCES	<u>\$ 2,662</u>	<u>\$ -</u>	<u>\$ -</u>

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/26

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	7,709,234	-	5,000,000
Total revenues	<u>7,709,234</u>	<u>-</u>	<u>5,000,000</u>
TRANSFERS IN			
Transfers from other funds	<u>39,473</u>	<u>11,264</u>	<u>25,000</u>
Total funds available	<u>7,748,707</u>	<u>11,264</u>	<u>5,025,000</u>
EXPENDITURES			
General and Administrative			
Accounting	6,961	-	5,000
Legal	1,163	-	-
Capital Projects			
Engineering	31,329	11,264	20,000
Capital outlay	7,709,234	-	5,000,000
Total expenditures	<u>7,748,687</u>	<u>11,264</u>	<u>5,025,000</u>
Total expenditures and transfers out requiring appropriation	<u>7,748,707</u>	<u>11,264</u>	<u>5,025,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Summary of Significant Assumptions

**CIELO METROPOLITAN DISTRICT
2026 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
2026 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 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate
Single-Family Residential	6.25%
Multi-Family Residential	6.25%
Commercial	27.00%
Industrial	27.00%
Lodging	27.00%

Category	Rate
Agricultural Land	27.00%
Renewable Energy Land	27.00%
Vacant Land	27.00%
Personal Property	27.00%
State Assessed	27.00%
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 7.50% 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 \$129 per month per Residential Unit for 2026, 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
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Interest Income

Interest earned on the Districts available funds has been estimates based upon an average interest rate of approximately 4.00%.

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
2026 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
2026 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, 2025 and 2026.

	Balance - December 31, 2024	Additions*	Retirements/ Reductions	Balance - December 31, 2025*
Developer Advances:				
Operating	\$ 85,981	\$ 13,964	\$ -	\$ 99,945
Capital	9,193,243	-	-	9,193,243
Accrued Interest				
Operating	26,507	5,861	-	32,368
Capital	434,901	551,595	-	986,496
Total	<u>\$ 9,740,632</u>	<u>\$ 571,420</u>	<u>\$ -</u>	<u>\$ 10,312,052</u>
	Balance -	Additions*	Retirements/ Reductions	Balance -
	December 31,			December 31,
	2025			2026*
Developer Advances:				
Operating	\$ 99,945	\$ -	\$ -	\$ 99,945
Capital	9,193,243	5,000,000	-	14,193,243
Accrued Interest	-			
Operating	32,368	5,997	-	38,365
Capital	986,496	726,663	-	1,713,159
Total	<u>\$ 10,312,052</u>	<u>\$ 5,732,660</u>	<u>\$ -</u>	<u>\$ 16,044,711</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.