

STONE CREEK METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

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

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	1,385,958	\$ 1,173,342	\$ 1,141,221
REVENUES			
Property taxes	339,627	441,325	570,503
Specific ownership taxes	30,048	43,200	45,640
Interest income	4,465	230	100
Developer advance	35,414	154,347	64,916
O&M fee	28,274	125,207	236,950
Administrative fee	7,500	16,100	10,200
Cielo cost share	-	5,560	53,365
Total revenues	445,328	785,969	981,674
Total funds available	1,831,495	1,959,311	2,122,895
EXPENDITURES			
General and administrative	98,717	150,000	137,000
Operations and maintenance	48,403	160,200	217,224
Clubhouse facility	-	10,903	104,638
Debt service	475,714	476,987	490,000
Capital outlay	35,110	20,000	30,000
Total expenditures	657,944	818,090	978,862
Total expenditures and transfers out requiring appropriation	658,153	818,090	978,862
ENDING FUND BALANCES	\$ 1,173,342	\$ 1,141,221	\$ 1,144,033
EMERGENCY RESERVE	\$ 1,900	\$ 2,500	\$ 3,100
RESERVE FOR FACILITY REPAIRS & MAINTENANCE	5,000	5,000	-
CAPITALIZED INTEREST FUND	477,191	11,722	-
DEBT SERVICE RESERVE FUND	350,000	350,000	350,000
SURPLUS FUND	363,165	755,652	790,933
TOTAL RESERVE	\$ 1,197,256	\$ 1,124,874	\$ 1,144,033

No assurance provided. See summary of significant assumptions.

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

1/31/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Residential	\$ 42,260	\$ 261,190	\$ 4,842,610
Commercial	-	51,620	-
Vacant land	5,172,450	6,293,900	3,582,570
Personal property	-	-	115,460
Natural Resources	330	330	330
Certified Assessed Value	<u>\$ 5,215,040</u>	<u>\$ 6,607,040</u>	<u>\$ 8,540,970</u>

MILL LEVY

General	11.132	11.132	11.132
Debt Service	55.664	55.664	55.664
Total mill levy	<u>66.796</u>	<u>66.796</u>	<u>66.796</u>

PROPERTY TAXES

General	\$ 58,054	\$ 73,550	\$ 95,078
Debt Service	290,290	367,774	475,425
Levied property taxes	<u>348,344</u>	<u>441,324</u>	<u>570,503</u>
Adjustments to actual/rounding	-	1	-
Refunds and abatements	(8,717)	-	-
Budgeted property taxes	<u>\$ 339,627</u>	<u>\$ 441,325</u>	<u>\$ 570,503</u>

BUDGETED PROPERTY TAXES

General	\$ 56,601	\$ 73,550	\$ 95,078
Debt Service	283,026	367,775	475,425
	<u>\$ 339,627</u>	<u>\$ 441,325</u>	<u>\$ 570,503</u>

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

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (11,917)	\$ (29,677)	\$ 2,500
REVENUES			
Property taxes	56,601	73,550	95,078
Specific ownership taxes	5,008	7,200	7,606
Developer advance	19,348	101,427	34,916
Total revenues	80,957	182,177	137,600
Total funds available	69,040	152,500	140,100
EXPENDITURES			
General and administrative			
Accounting	32,617	35,000	37,000
Audit	4,250	4,250	4,500
County Treasurer's fee	849	1,103	1,426
Dues	465	581	610
Insurance	4,801	5,169	6,000
District management	18,511	22,000	23,000
Legal	35,260	75,000	52,500
Miscellaneous	721	800	1,000
Election	1,243	-	3,500
Contingency	-	6,097	7,464
Total expenditures	98,717	150,000	137,000
Total expenditures and transfers out requiring appropriation	98,717	150,000	137,000
ENDING FUND BALANCE	\$ (29,677)	\$ 2,500	\$ 3,100
EMERGENCY RESERVE	\$ 1,900	\$ 2,500	\$ 3,100
TOTAL RESERVE	\$ 1,900	\$ 2,500	\$ 3,100

No assurance provided. See summary of significant assumptions.

**STONE CREEK METROPOLITAN DISTRICT
FEE REVENUE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 58,212	\$ 45,583	\$ 21,347
REVENUES			
O&M Fee	28,274	125,207	236,950
Administrative fee	7,500	16,100	10,200
Cielo cost share	-	5,560	53,365
Total revenues	35,774	146,867	300,515
Total funds available	93,986	192,450	321,862
EXPENDITURES			
Operations and Maintenance			
Billing & Collection	200	1,200	3,000
Community management	9,947	32,000	32,000
Fence Maintenance	-	-	2,500
Gas/electricity	-	-	1,000
Grounds Maintenance	24,675	-	-
Irrigation repairs	-	-	2,500
Landscape contract	-	75,000	75,000
Legal	3,590	12,000	12,000
Lighting	-	-	1,000
Native area maintenance	-	-	5,000
Prairie dog mitigation	-	-	2,500
Shared amenity fee	-	-	22,133
Snow removal	2,028	5,000	5,000
Social Activities	-	-	6,000
Trash removal	3,307	24,000	24,000
Water	4,656	11,000	20,000
Contingency	-	-	3,591
Clubhouse Facility			
Clubhouse repairs	-	-	2,500
Cleaning supplies	-	-	2,500
Cleaning contract	-	-	5,000
Fitness equipment lease	-	10,570	18,120
Gas/ Electric	-	-	4,000
Grounds improvements	-	-	2,500
Insurance	-	333	5,000
Legal	-	-	1,000
Lighting maintenance	-	-	750
Management	-	-	5,000
Phone/IT	-	-	2,250
Pool maintenance and chemicals	-	-	15,000
Pool lighting	-	-	1,000
Pool repairs	-	-	2,500
Pool supplies	-	-	5,000
Trash removal	-	-	1,000
Snow removal	-	-	5,000
Water and sewer	-	-	20,000
Reserves	-	-	6,518
Total expenditures	48,403	171,103	321,862
Total expenditures and transfers out requiring appropriation	48,403	171,103	321,862
ENDING FUND BALANCE	\$ 45,583	\$ 21,347	\$ -
RESERVE FOR FACILITY REPAIRS & MAINTENANCE	\$ 5,000	\$ 5,000	\$ -
TOTAL RESERVE	\$ 5,000	\$ 5,000	\$ -

No assurance provided. See summary of significant assumptions.

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

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,353,330	\$ 1,190,356	\$ 1,117,374
REVENUES			
Property taxes	283,026	367,775	475,425
Specific ownership taxes	25,040	36,000	38,034
Interest income	4,465	230	100
Total revenues	312,531	404,005	513,559
Total funds available	1,666,070	1,594,361	1,630,933
EXPENDITURES			
Debt Service			
Bond interest	465,469	465,469	465,469
Bond principal	-	-	10,000
County Treasurer's fee	4,245	5,518	7,131
Paying agent fees	6,000	6,000	6,000
Contingency	-	-	1,400
Total expenditures	475,714	476,987	490,000
Total expenditures and transfers out requiring appropriation	475,714	476,987	490,000
ENDING FUND BALANCE	\$ 1,190,356	\$ 1,117,374	\$ 1,140,933
Capitalized Interest Fund	\$ 477,191	\$ 11,722	\$ -
Debt Service Reserve Fund (Required: \$350,000)	350,000	350,000	350,000
Surplus Fund (Maximum: \$1,241,250)	363,165	755,652	790,933
TOTAL RESERVE	\$ 1,190,356	\$ 1,117,374	\$ 1,140,933

No assurance provided. See summary of significant assumptions.

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

1/31/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (13,667)	\$ (32,920)	\$ -
REVENUES			
Developer advance	16,066	52,920	30,000
Total revenues	16,066	52,920	30,000
Total funds available	2,399	20,000	30,000
EXPENDITURES			
Capital Outlay			
Construction Oversight / Administration	35,110	20,000	30,000
Total expenditures	35,110	20,000	30,000
Total expenditures and transfers out requiring appropriation	35,319	20,000	30,000
ENDING FUND BALANCE	\$ (32,920)	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**STONE CREEK METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized on December 15, 2014 to provide financing for the design, acquisition, construction, installation, relocation, operation and maintenance of essential public-purpose facilities such as water, sanitation, streets, safety protection, park and recreation, transportation, mosquito control, and covenant control. The District will serve the public improvement needs of Stone Creek Ranch which is generally located at Scott Road and State Highway 83 (Parker Road) in Douglas County, Colorado.

Under the Service Plan, the District will provide essential public improvements and services for a new residential community located entirely within Douglas County. The District may, with agreement by the County, engage in other activities. The property in the District is anticipated to be developed consistent with the terms, requirements, and provisions of a Development Agreement.

On November 4, 2014, the District's electorate authorized general obligation debt in the total amount of \$234,000,000. The District's Service Plan limits the amount of debt issuance to \$18,000,000. A maximum total mill levy of 60 mills as adjusted is authorized to support debt service and operations and maintenance. A maximum debt mill levy of 50 mills as adjusted is authorized to support debt service, subject to the limitation of the maximum total mill levy. The maximum operations and maintenance mill levy of 10 mills as adjusted is anticipated to initially support the District's operating costs.

The District anticipates to receive Developer advances to fund initial operating and administrative expenditures until other revenues are available to the District. Construction of certain public improvements within the boundaries of the District is expected to be financed by Developer advances until bonded debt is issued.

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.

**STONE CREEK METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

Under the Service Plan, the District is limited to the imposition of a mill levy in an amount not to exceed 60 mills, 10 mills for operations and maintenance and 50 mills for debt services; 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 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. On September 23, 2014, the date the Service Plan was approved, 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 debt service mill levy was increased to 55.664 mills and the general mill levy was increased to 11.132 mills.

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.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

District Fees

To pay for costs associated with operating and maintaining District improvements, and to meet the costs of providing essential services, the District has determined that it is necessary to impose District Fees in the form of an Operation and Maintenance Fee (O&M Fee) and Administrative Fee on each lot and/or single family residential dwelling unit. The amount of District Fee is anticipated to be (i) based upon the completion of two neighborhood parks and the clubhouse facility, (ii) charged monthly, and (iii) payable quarterly.

**STONE CREEK METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Developer Advances

The District is in the development stage. As such, a significant portion of the District's capital, operating, and administrative expenditures will 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 (if applicable) and other legally available revenues.

Cielo Cost Share

Pursuant to Clubhouse Joint Use and Operations Cost Sharing Agreement, between the District and Cielo Metropolitan District's ("Cielo"), and to compensate for Cielo's use of the clubhouse, Cielo will pay for 51% of the annual operations and maintenance costs of the clubhouse.

Expenditures

County Treasurer's Fees

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

General, Administrative, Operations and Maintenance

General and administrative 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 such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses. The Fee Revenue Fund budget also include budgeted expenditures for the operations and maintenance of the grounds within the District (e.g. utilities, snow removal, repairs, trash, etc.)

Capital Outlay

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

Debt and Leases

The District issued the General Obligation Limited Tax Bonds Series 2018A ("Senior Bonds") and the Subordinate General Obligation Limited Tax Bonds Series 2018B ("Subordinate Bonds") (collectively, the "Bonds") on March 6, 2018, in the amounts of \$8,275,000 and \$1,195,000, respectively. Proceeds from the sale of the Bonds were used to: (i) fund and reimburse a portion of the costs of acquiring, constructing, and installing certain public improvements and paying other costs in connection with the Bonds, and (ii) with respect to proceeds of the Senior Bonds only: (a) fund the Senior Reserve Fund; (b) fund capitalized interest on the Senior Bonds; and, (c) make a deposit to the Surplus Fund.

The Senior Bonds bear interest at 5.625% and are payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2022. The Senior Bonds mature on December 1, 2047.

**STONE CREEK METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Subordinate Bonds were issued at the rate of 7.875% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2047. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. All of the Subordinate Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 16, 2057 (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date.

The Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund and in the Surplus Fund. The Senior Reserve Fund was funded from Senior Bond proceeds in the amount of \$350,000. The Surplus Fund was funded from an initial deposit of \$350,000 from Senior Bonds proceeds and from available Senior Pledged Revenue, if any, in accordance with the Senior Indenture up to the Maximum Surplus Amount of \$1,241,250.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2022, as defined under TABOR.

This information is an integral part of the accompanying budget.

**STONE CREEK METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	\$8,275,000 General Obligation Bonds Limited Tax Series 2018A Interest Rate of 5.625% Payable December 1 Principal Due December 1		
	Principal	Interest	Total
2022	\$ 10,000	\$ 465,469	\$ 475,469
2023	95,000	464,906	559,906
2024	110,000	459,563	569,563
2025	115,000	453,375	568,375
2026	135,000	446,906	581,906
2027	140,000	439,313	579,313
2028	160,000	431,438	591,438
2029	170,000	422,438	592,438
2030	195,000	412,875	607,875
2031	205,000	401,906	606,906
2032	225,000	390,375	615,375
2033	240,000	377,719	617,719
2034	265,000	364,219	629,219
2035	280,000	349,313	629,313
2036	310,000	333,563	643,563
2037	325,000	316,125	641,125
2038	360,000	297,844	657,844
2039	380,000	277,594	657,594
2040	410,000	256,219	666,219
2041	435,000	233,156	668,156
2042	475,000	208,688	683,688
2043	500,000	181,969	681,969
2044	540,000	153,844	693,844
2045	570,000	123,469	693,469
2046	620,000	91,406	711,406
2047	1,005,000	56,531	1,061,531
	<u>\$ 8,275,000</u>	<u>\$ 8,410,223</u>	<u>\$ 16,685,223</u>

No assurance provided. See summary of significant assumptions.