

RESOLUTION NO. 2022-12-06
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE STONE CREEK METROPOLITAN DISTRICT
TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Stone Creek Metropolitan District (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 8, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.


NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Stone Creek Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Stone Creek Metropolitan District for the 2023 fiscal year.

2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 8th day of December, 2022.


Secretary

STONE CREEK METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**STONE CREEK METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	1,173,342	\$ 1,062,712 *	\$ 1,156,643
REVENUES			
Property taxes	436,282	558,190	762,686
Specific ownership taxes	42,561	50,400	68,642
Interest income	200	16,822	37,000
Developer advance	75,736	-	-
Builder advances - 2021 costs	-	56,043	-
Builder advances - 2022 costs	-	80,000	-
Other revenue	870	64,652	62,153
O&M fee	104,570	199,499	276,360
Administrative fee	17,400	8,500	5,000
Cielo cost share	5,560	39,331	68,487
Total revenues	683,179	1,073,437	1,280,328
TRANSFERS IN	-	10,414	-
Total funds available	1,856,521	2,146,563	2,436,971
EXPENDITURES			
General and administrative	127,186	155,179	134,352
Operations and maintenance	179,101	248,106	277,712
Clubhouse facility	10,902	77,120	134,288
Debt service	477,408	488,601	580,000
Capital outlay	18,062	10,500	9,085
Total expenditures	812,659	979,506	1,135,436
TRANSFERS OUT	-	10,414	-
Total expenditures and transfers out requiring appropriation	812,659	989,920	1,135,436
ENDING FUND BALANCES	\$ 1,043,862	\$ 1,156,643	\$ 1,301,534
EMERGENCY RESERVE	\$ 2,400	\$ 5,600	\$ 4,200
DEBT SERVICE RESERVE FUND	350,016	350,000	350,000
SURPLUS FUND	762,157	780,737	930,513
TOTAL RESERVE	\$ 1,114,573	\$ 1,153,158	\$ 1,301,534

* As adjusted

No assurance provided. See summary of significant assumptions.

**STONE CREEK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Residential - Single-Family	\$ 261,190	\$ 4,842,610	\$ 10,642,240
Commercial	51,620	-	-
Vacant land	6,293,900	3,582,570	437,070
Personal property	-	115,460	85,270
Natural Resources	330	330	330
Certified Assessed Value	<u>\$ 6,607,040</u>	<u>\$ 8,540,970</u>	<u>\$ 11,164,910</u>

MILL LEVY

General	11.132	11.132	11.385
Debt Service	55.664	55.664	56.926
Total mill levy	<u>66.796</u>	<u>66.796</u>	<u>68.311</u>

PROPERTY TAXES

General	\$ 73,550	\$ 95,078	\$ 127,112
Debt Service	367,774	475,425	635,574
Levied property taxes	441,324	570,503	762,686
Adjustments to actual/rounding	2,252	-	-
Refunds and abatements	(7,294)	(12,313)	-
Budgeted property taxes	<u>\$ 436,282</u>	<u>\$ 558,190</u>	<u>\$ 762,686</u>

BUDGETED PROPERTY TAXES

General	\$ 72,710	\$ 93,026	\$ 127,112
Debt Service	363,572	465,164	635,574
	<u>\$ 436,283</u>	<u>\$ 558,190</u>	<u>\$ 762,686</u>

**STONE CREEK METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (29,677)	\$ (30,639)	\$ -
REVENUES			
Property taxes	72,710	93,026	127,112
Specific ownership taxes	7,093	8,400	11,440
Interest income	15	-	-
Developer advance	46,406	-	-
Builder advances - 2021 costs	-	34,392	-
Builder advances - 2022 costs	-	50,000	-
Total revenues	126,224	185,818	138,552
Total funds available	96,547	155,179	138,552
EXPENDITURES			
General and administrative			
Accounting	33,290	39,000	39,000
Audit	4,250	4,400	5,500
County Treasurer's fee	1,091	1,426	1,907
Dues	581	382	400
Insurance	8,509	5,871	6,165
District management	22,975	33,500	30,000
Legal	55,693	67,500	45,000
Miscellaneous	797	536	1,000
Election	-	2,564	2,615
Contingency	-	-	2,765
Total expenditures	127,186	155,179	134,352
Total expenditures and transfers out requiring appropriation	127,186	155,179	134,352
ENDING FUND BALANCE	\$ (30,639)	\$ -	\$ 4,200
EMERGENCY RESERVE	\$ 2,400	\$ 5,600	\$ 4,200
TOTAL RESERVE	\$ 2,400	\$ 5,600	\$ 4,200

No assurance provided. See summary of significant assumptions.

**STONE CREEK METROPOLITAN DISTRICT
FEE REVENUE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 45,583	\$ 2,830 *	\$ -
REVENUES			
O&M Fee	104,570	199,499	276,360
Administrative fee	17,400	8,500	5,000
Cielo cost share	5,560	39,331	68,487
Other revenue	870	64,652	62,153
Total revenues	128,400	311,982	412,000
TRANSFERS IN			
Transfers from other funds	-	10,414	-
Total funds available	173,983	325,226	412,000
EXPENDITURES			
Operations and Maintenance			
Billing & Collection	1,196	3,000	-
Community management	33,386	55,000	37,000
Fence Maintenance	-	-	2,500
Gas/electricity	-	-	2,000
Insurance	-	12,606	22,728
Irrigation repairs	-	6,500	2,500
Landscape contract	96,918	60,000	75,000
Legal	9,185	12,000	12,000
Lighting	-	-	1,000
Native area maintenance	-	6,500	5,000
Prairie dog mitigation	-	-	2,500
Snow removal	1,796	15,000	15,000
Social Activities	-	-	3,000
Trash removal	27,930	62,500	65,000
Water	8,690	15,000	25,000
Contingency	-	-	7,484
Clubhouse Facility			
Clubhouse repairs	-	-	2,500
Cleaning supplies	-	3,000	3,000
Cleaning contract	-	3,200	8,000
Fitness equipment lease	10,569	18,120	18,120
Gas/ Electric	-	5,500	18,000
Grounds improvements	-	-	2,500
Insurance	333	5,000	5,000
Legal	-	-	1,000
Lighting maintenance	-	-	750
Management	-	-	5,000
Phone/IT	-	1,800	2,400
Pool chemicals	-	4,000	5,000
Pool maintenance	-	13,000	20,000
Pool lighting	-	-	1,000
Pool repairs	-	-	2,500
Pool supplies	-	-	5,000
Trash removal	-	1,500	3,000
Snow removal	-	2,000	5,000
Water and sewer	-	20,000	20,000
Reserves	-	-	6,518
Total expenditures	190,003	325,226	412,000
Total expenditures and transfers out requiring appropriation	190,003	325,226	412,000
ENDING FUND BALANCE	\$ (16,020)	\$ -	\$ -

* As adjusted

No assurance provided. See summary of significant assumptions.

**STONE CREEK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,190,356	\$ 1,112,173	\$ 1,147,558
REVENUES			
Property taxes	363,572	465,164	635,574
Specific ownership taxes	35,468	42,000	57,202
Interest income	185	16,822	37,000
Total revenues	399,225	523,986	729,776
Total funds available	1,589,581	1,636,159	1,877,334
EXPENDITURES			
Debt Service			
Bond interest	465,469	465,469	464,906
Bond principal	-	10,000	95,000
County Treasurer's fee	5,455	7,132	9,534
Paying agent fees	6,000	6,000	6,000
Miscellaneous	484	-	-
Contingency	-	-	4,560
Total expenditures	477,408	488,601	580,000
Total expenditures and transfers out requiring appropriation	477,408	488,601	580,000
ENDING FUND BALANCE	\$ 1,112,173	\$ 1,147,558	\$ 1,297,334
Debt Service Reserve Fund (Required: \$350,000)	\$ 350,016	\$ 350,000	\$ 350,000
Surplus Fund (Maximum: \$1,241,250)	762,157	780,737	930,513
TOTAL RESERVE	\$ 1,112,173	\$ 1,147,558	\$ 1,297,334

No assurance provided. See summary of significant assumptions.

**STONE CREEK METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (32,920)	\$ (21,652)	\$ 9,085
REVENUES			
Builder Advances - 2021 Costs	-	21,651	-
Builder Advances - 2022 Costs	-	30,000	-
Developer advance	29,330	-	-
Total revenues	29,330	51,651	-
Total funds available	(3,590)	29,999	9,085
EXPENDITURES			
Capital Outlay			
Construction Oversight / Administration	18,062	10,500	9,085
Total expenditures	18,062	10,500	9,085
TRANSFERS OUT			
Transfers to other funds	-	10,414	-
Total expenditures and transfers out requiring appropriation	18,062	20,914	9,085
ENDING FUND BALANCE	\$ (21,652)	\$ 9,085	\$ -

No assurance provided. See summary of significant assumptions.

**STONE CREEK METROPOLITAN DISTRICT
2023 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
2023 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 6.95%. Due to this ratio change, the District's debt service mill levy was increased to 56.926 mills and the general mill levy was increased to 11.385 mills.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.00%.

**STONE CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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.

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.

Builder advances – 2021 and 2022 costs

Under the Shortfall Funding Agreement, the Builders agreed to advance funds necessary to fund the District's Total Operations Shortfall and the Total Capital Soft Costs Shortfall, which amounts were based upon the Builders' respective percentage of platted lots (collectively, the Builder Advances). The Builder Advances were a one-time advance, and the Builders were not obligated to fund additional costs outside of the Builder Advances contemplated in the Shortfall Funding Agreement. The District agreed to return any unused portion of the Anticipated Operations Shortfall Advance to the Builders no later than March 31, 2023, and to return any unused portion of the Anticipated Capital Soft Costs Advance to the Builders no later than March 31, 2024.

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.

**STONE CREEK METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

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 2023, 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
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>\$ 8,265,000</u>	<u>\$ 7,944,754</u>	<u>\$ 16,209,754</u>

No assurance provided. See summary of significant assumptions.

I, Shannon Torgerson, hereby certify that I am the duly appointed Secretary of the Stone Creek Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Stone Creek Metropolitan District held on December 8, 2022.

By: Shannon Torgerson
Secretary