

**CIELO METROPOLITAN DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**CIELO METROPOLITAN DISTRICT
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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cielo Metropolitan District
Douglas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Cielo Metropolitan District ("District") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 26, 2024

BASIC FINANCIAL STATEMENTS

**CIELO METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 152,213
Cash and Investments - Restricted	17,152
Accounts Receivable	884
Prepaid Insurance	450
Property Tax Receivable	614,030
Receivable from County Treasurer	1,758
Capital Assets:	
Capital Assets Not Being Depreciated	<u>18,807,410</u>
Total Assets	<u>19,593,897</u>
LIABILITIES	
Accounts Payable	24,052
Prepaid Owner Fees	4,025
Due to Stone Creek Metro District	40,284
Noncurrent Liabilities:	
Due in More Than One Year	<u>21,906,221</u>
Total Liabilities	<u>21,974,582</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	<u>614,030</u>
Total Deferred Inflows of Resources	<u>614,030</u>
NET POSITION	
Restricted for:	
Emergency Reserve	5,200
Debt Service	3,567
Unrestricted	<u>(3,003,482)</u>
Total Net Position	<u>\$ (2,994,715)</u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	\$ 297,599	\$ 118,940	\$ -	\$ (178,659)
Interest on Long-Term Debt and Related Costs	1,015,768	-	-	(1,015,768)
Total Governmental Activities	<u>\$ 1,313,367</u>	<u>\$ 118,940</u>	<u>\$ -</u>	<u>(1,194,427)</u>
GENERAL REVENUES				
Property taxes				293,047
Specific ownership taxes				27,175
Interest Income				6,744
Late fees/penalties				815
Total General Revenues				<u>327,781</u>
CHANGES IN NET POSITION				(866,646)
Net Position - Beginning of Year				<u>(2,128,069)</u>
NET POSITION - END OF YEAR				<u>\$ (2,994,715)</u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	General	Operation Fee	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 45,980	\$ 106,233	\$ -	\$ -	\$ 152,213
Cash and Investments - Restricted	1,600	3,600	2,102	9,850	17,152
Receivable from County Treasurer	293	-	1,465	-	1,758
Accounts Receivable	-	884	-	-	884
Prepaid Insurance	450	-	-	-	450
Property Tax Receivable	102,335	-	511,695	-	614,030
	<u>\$ 150,658</u>	<u>\$ 110,717</u>	<u>\$ 515,262</u>	<u>\$ 9,850</u>	<u>\$ 786,487</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 13,506	\$ 696	\$ -	\$ 9,850	\$ 24,052
Prepaid Owner Fees	-	4,025	-	-	4,025
Due to Stone Creek Metro District	40,284	-	-	-	40,284
Total Liabilities	<u>53,790</u>	<u>4,721</u>	<u>-</u>	<u>9,850</u>	<u>68,361</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax	102,335	-	511,695	-	614,030
Total Deferred Inflows of Resources	<u>102,335</u>	<u>-</u>	<u>511,695</u>	<u>-</u>	<u>614,030</u>
FUND BALANCES					
Nonspendable:					
Prepaid Expense	450	-	-	-	450
Restricted for:					
Emergency Reserves	1,600	3,600	-	-	5,200
Debt Service	-	-	3,567	-	3,567
Committed:					
Operations	-	102,396	-	-	102,396
Unassigned	(7,517)	-	-	-	(7,517)
Total Fund Balances	<u>(5,467)</u>	<u>105,996</u>	<u>3,567</u>	<u>-</u>	<u>104,096</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 150,658</u>	<u>\$ 110,717</u>	<u>\$ 515,262</u>	<u>\$ 9,850</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

18,807,410

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest

(2,237,633)

Bonds Payable

(17,942,000)

Developer Advance Payable

(1,726,588)

Net Position of Governmental Activities

\$ (2,994,715)

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023**

	General	Operation Fee	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
Property taxes	\$ 48,841	\$ -	\$ 244,206	\$ -	\$ 293,047
Specific ownership taxes	4,529	-	22,646	-	27,175
Interest Income	-	120	6,624	-	6,744
Operation Fee - Recurring (Homeowner fees)	-	54,000	-	-	54,000
Operation Fee - Transfer (Metro fee)	-	49,500	-	-	49,500
Operation Fee - Association Specific	-	15,000	-	-	15,000
Operation Fee - Collection fees	-	440	-	-	440
Late fees/penalties	-	815	-	-	815
Total Revenues	<u>53,370</u>	<u>119,875</u>	<u>273,476</u>	<u>-</u>	<u>446,721</u>
EXPENDITURES					
Current:					
Accounting	38,619	-	-	3,914	42,533
Auditing	5,190	-	-	-	5,190
Banking fees	-	50	-	-	50
County Treasurer's Fee	733	-	3,663	-	4,396
Dues and Membership	405	-	-	-	405
Election	1,311	-	-	-	1,311
Engineering	-	-	-	19,728	19,728
Insurance	5,391	-	-	-	5,391
Legal	23,386	-	-	470	23,856
Miscellaneous	650	609	-	-	1,259
Community Management	-	14,944	-	-	14,944
Payment Processing Fee	-	282	-	-	282
Additional Management Services	-	12,560	-	-	12,560
Copies	-	289	-	-	289
Postage	-	145	-	-	145
Transfer to Stone Creek Metro District	67,060	-	-	-	67,060
Debt Service:					
Bond interest	-	-	268,737	-	268,737
Paying agent fees	-	-	4,000	-	4,000
Total Expenditures	<u>142,745</u>	<u>28,879</u>	<u>276,400</u>	<u>24,112</u>	<u>472,136</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(89,375)	90,996	(2,924)	(24,112)	(25,415)
OTHER FINANCING SOURCES (USES)					
Transfers in/(out)	(59,982)	24,495	-	35,487	-
Total Other Financing Sources (Uses)	<u>(59,982)</u>	<u>24,495</u>	<u>-</u>	<u>35,487</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(149,357)	115,491	(2,924)	11,375	(25,415)
Fund Balances - Beginning of Year	<u>143,890</u>	<u>(9,495)</u>	<u>6,491</u>	<u>(11,375)</u>	<u>129,511</u>
FUND BALANCES - END OF YEAR	<u>\$ (5,467)</u>	<u>\$ 105,996</u>	<u>\$ 3,567</u>	<u>\$ -</u>	<u>\$ 104,096</u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ (25,415)
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Amounts reported for governmental activities in the statement of activities are different because:

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability	(747,031)
Accrued Interest Payable Developer Advance - Change in Liability	<u>(94,200)</u>

Changes in Net Position of Governmental Activities	<u><u>\$ (866,646)</u></u>
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**CIELO METROPOLITAN DISTRICT
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 48,841	\$ 48,841	\$ -
Specific ownership taxes	4,396	4,529	133
Total Revenues	<u>53,237</u>	<u>53,370</u>	<u>133</u>
EXPENDITURES			
Accounting	35,000	38,619	(3,619)
Auditing	-	5,190	(5,190)
Contingency	13,844	-	13,844
County Treasurer's Fee	733	733	-
Dues and Membership	500	405	95
Election	2,000	1,311	689
Insurance	5,000	5,391	(391)
Legal	35,000	23,386	11,614
Miscellaneous	1,500	650	850
Transfer to Stone Creek Metro District	68,487	67,060	1,427
Website	-	-	-
Total Expenditures	<u>162,064</u>	<u>142,745</u>	<u>19,319</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(108,827)	(89,375)	19,452
OTHER FINANCING SOURCES (USES)			
Developer advance	35,000	-	(35,000)
Transfers to other fund	(70,000)	(59,982)	10,018
Total Other Financing Uses	<u>(35,000)</u>	<u>(59,982)</u>	<u>(24,982)</u>
NET CHANGE IN FUND BALANCE	(143,827)	(149,357)	(5,530)
Fund Balance - Beginning of Year	<u>145,427</u>	<u>143,890</u>	<u>(1,537)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,600</u>	<u>\$ (5,467)</u>	<u>\$ (7,067)</u>

See accompanying Notes to Basic Financial Statements.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF REPORTING ENTITY

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 30, 2016, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District serves 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.

The District follows the Governmental Accounting Standards Board (GASB) pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Operation Fee Fund is used to account for revenues earned and expenditures incurred in connection with reoccurring residential fees to provide for the common good and for the prosperity and general welfare of the property owners, taxpayers, and residents within the District.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable governmental activities' column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation on property that will remain assets of the District is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2023.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred, and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

Deficit

The General Fund report a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated with the receipt of tax revenues in 2024.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operations Fee

On September 7, 2022, the District adopted a resolution concerning the imposition of an operations fee, effective October 1, 2022. This resolution, recorded on September 20, 2022, under reference number 2022062069, establishes an operations fee to fund the costs associated with the upkeep, repair, replacement, improvement, reconstruction, operation, and maintenance of district facilities and services. The operations fee consists of a recurring monthly payment of \$100 per residential unit, increasing annually by 3% until December 31, 2027, and by 5% annually thereafter. Additionally, a transfer payment of \$500 is imposed upon the transfer of a residential unit to an end user. Late fees and interest apply to unpaid fees, and the district may foreclose on properties for unpaid fees. The resolution ensures that the operations fee revenue is used solely for the specified operational costs and not for general administrative expenses.

Collection of Delinquent Fees and Charges

On April 27, 2022, the District adopted a resolution establishing guidelines for the processing and collection of delinquent fees and charges. This resolution outlines the procedures for managing unpaid and delinquent fees, including the imposition of late fees, interest, penalties, and costs of collection. The resolution ensures that all delinquent fees and charges constitute a perpetual lien on the property served by the district, which may be foreclosed in accordance with Colorado law. The resolution also details the responsibilities of the district's manager and general counsel in the collection process, including sending reminder and warning letters, filing statements of lien, and potentially initiating foreclosure actions. The resolution allows for the waiver or reduction of late fees and interest under certain conditions and authorizes the establishment of payment plans for delinquent accounts. This resolution supersedes all prior resolutions addressing the collection of delinquent fees and charges.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 152,213
Cash and Investments - Restricted	17,152
Total Cash and Investments	<u>\$ 169,365</u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 169,237
Investments	128
Total Cash and Investments	<u>\$ 169,365</u>

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank balance and a carrying balance of \$47,580.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 128
		<u>\$ 128</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 18,807,410	\$ -	\$ -	\$ 18,807,410
Total Capital Assets, Not Being Depreciated	<u>\$ 18,807,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,807,410</u>

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable					
Limited Tax General Obligation Bonds Series 2021 (3)	\$ 17,942,000	\$ -	\$ -	\$ 17,942,000	\$ -
Accrued Interest Series 2021 (3)	1,490,602	1,015,768	268,737	2,237,633	-
Subtotal Bonds Payable	19,432,602	1,015,768	268,737	20,179,633	-
Other Debts					
Developer Advance - Operating	85,981	-	-	85,981	-
Developer Advance - Capital	1,484,009	-	-	1,484,009	-
Accrued Interest on:					
Developer Advance - Operating	16,189	5,159	-	21,348	-
Developer Advance - Capital	46,209	89,041	-	135,250	-
Subtotal Other Debts	1,632,388	94,200	-	1,726,588	-
Total Long-Term Obligations	<u>\$ 21,064,990</u>	<u>\$ 1,109,968</u>	<u>\$ 268,737</u>	<u>\$ 21,906,221</u>	<u>\$ -</u>

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's general obligation bonds outstanding during 2023 are as follows:

Limited Tax General Obligation Bonds, Series 2021(3) (the Bonds)

Bond Proceeds

The District issued the Bonds on April 28, 2021, in the par amount of \$17,942,000. Proceeds from the sale of the Bonds were used to: (i) finance the costs of constructing public improvements related to the development; and (ii) pay the costs of issuing the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 5.250% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2050 and are subject to mandatory redemption 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, such amounts shall be extinguished and no longer due and outstanding.

Optional Redemption

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

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) all Property Tax Revenues; (b) all Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. "Property Tax Revenues" means all moneys derived from imposition by the District of the Required Mill Levy and does not include specific ownership taxes. Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. "Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of its Required Mill Levy.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2021(3) (the Bonds) (Continued)

Required Mill Levy

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 equal to 50 mills (subject to adjustment for changes in the method of calculating assessed valuation that occur on or after January 1, 2015) or such lesser amount that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Bonds Fund, will pay the Bonds in full in the year such levy is collected.

Bonds Debt Service

The annual debt service requirements of the Bonds are not currently determinable since they are payable only from available Pledged Revenue.

Events of Default

The District's outstanding Bonds related to governmental activities contain a provision that if any event of Default is to have occurred and if requested by the Owners of 25% in aggregate principal amount of the Bonds then outstanding. Events of Default occurs if the District does not impose the Required Mill levy, defaults in the performance or observance of the Indenture or the Bond Resolution, and files a petition under bankruptcy laws.

The Senior Bonds are collateralized by Pledged Revenue which means the Required Mill Levy; the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Authorized Debt

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.

At December 31, 2023, with the issuance of the Bonds, the District had authorized but unissued indebtedness remaining in the amount of \$182,058,000 for Public Improvements and \$220,000,000 for refunding.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt on behalf of the District for purposes of providing public improvements to support development as it occurs within the District's service areas. The Amended Service Plan for the District limits the aggregate amount of debt that it may issue together with any debt issued by the District to \$25,000,000 (excluding refundings).

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2023, as follows:

Restricted Net Position:	
Emergencies	\$ 5,200
Debt Service Reserve	3,567
Total Restricted Net Position	<u>\$ 8,767</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, of which a significant portion of these improvements will be conveyed to other governmental entities and which costs will be removed from the District's financial records.

NOTE 7 AGREEMENTS

Infrastructure Acquisition and Reimbursement Agreement with Toll Southwest, LLC

On January 30, 2020, the District entered into the Infrastructure Acquisition and Reimbursement Agreement (the Agreement) with Toll Southwest, LLC (the Developer), pursuant to which the Developer agrees to make advances to the District the purpose of the acquisition, financing, construction, and installation of the Public Infrastructure in connection with development within the boundaries of the District. The District, upon the execution of the Agreement, agrees to acquire certain public infrastructure constructed or caused to be constructed by the Developer to be owned by the District or other governmental entities. The District agrees to repay these advances and reimburse the developer for the certified District eligible costs, together with accrued simple interest at the rate of 6% per annum from the date of payment or the date of the related acceptance resolution. The District's obligations under this Agreement shall terminate at the earlier of the repayment in full of the Developer advances or 20 years from the execution date. In the event of a breach or default of the Agreement, the nondefaulting party shall be entitled to exercise all remedies available.

As of December 31, 2023, the total amount outstanding under this agreement is \$1,619,259, including accrued interest of \$135,250.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 7 AGREEMENTS (CONTINUED)

Funding and Reimbursement Agreement (Operations and Maintenance) with Toll Southwest, LLC

On January 30, 2020, the District entered into the Funding and Reimbursement Agreement (Operations and Maintenance) (the O&M Agreement) with Toll Southwest, LLC. Pursuant to the O&M Agreement, the Developer agrees to advance funds to the District, for operation and maintenance expenses, one or more sums of money, not to exceed the aggregate of \$50,000 per annum for two years. The maximum amount to be advanced for Operations and Maintenance Expenses pursuant to this agreement is one hundred thousand dollars (\$100,000). The District agrees to repay these advances together with accrued interest at the rate of 6% per annum accruing from the date any such advance is made. The term of repayment under the O&M Agreement shall not extend beyond 20 years from the date of the O&M Agreement.

On October 19, 2022, the District entered into the First Amendment to Funding and Reimbursement Agreement, effective as of December 31, 2021, to extend the Loan Obligation Termination Date to December 31, 2023.

On November 9, 2023, the District entered into the Second Amendment to the Funding and Reimbursement Agreement, to extend the Loan Obligation Date to December 31, 2024 and to increase the maximum loan amount from \$50,000 to \$150,000 per annum.

As of December 31, 2023, the total amount outstanding under this agreement is \$107,329, including accrued interest of \$21,348.

Clubhouse Joint Use and Operations Cost Sharing Agreement with Stone Creek Metropolitan District

On August 25, 2021, the District entered into the Clubhouse Joint Use and Operations Cost Sharing Agreement (the Operation Agreement) with Stone Creek Metropolitan District (Stone Creek MD). Stone Creek MD and the District have determined that for reasons of economic efficiency and timeliness, it is in the best interest of the residents, property owners, and taxpayers of both Districts to enter into the Operations Agreement wherein both Stone Creek MD and the District will share in the management of the Clubhouse Improvements and pay their respective proportionate share of annual budgeted and approved operations and maintenance costs, inclusive of all legal costs, management costs, accountant costs, and other consulting fees (the Clubhouse O&M Costs). Stone Creek MD and the District agree the Clubhouse O&M Costs shall be allocated in proportion to the benefits the Clubhouse Improvements will provide to each District at full buildout (Stone Creek MD has up to 331 units; Cielo MD has up to 343 units). The District shall pay 51% of the Clubhouse O&M Costs.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 RELATED PARTIES

The Developer of the property within the District is Toll Southwest, LLC. The Developer has advanced funds to the District. The members of the Board of Directors of the District hold direct or indirect ownership interests in the Toll Southwest, LLC or are otherwise associated with Toll Southwest, LLC and may have conflicts of interest in dealing with the District. As and when required by law, each affected Board member files a written disclosure of any potential conflicts of interest with the District and the Colorado Secretary of State, and they refrain from voting on affected matters unless allowed by law.

NOTE 9 INTERFUND TRANSFERS

The transfers from the General Fund to both the Operation Fee Fund and Capital Projects Fund was to cover payables.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

**CIELO METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On May 5, 2020, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**CIELO METROPOLITAN DISTRICT
OPERATING FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ -	\$ 120	\$ 120
Operation Fee - Recurring (Homeowner fees)	98,880	54,000	(44,880)
Operation Fee - Transfer (Metro fee)	-	49,500	49,500
Operation Fee - Association Specific	-	15,000	15,000
Operation Fee - Collection fees	-	440	440
Late fees/penalties	-	815	815
Total Revenues	<u>98,880</u>	<u>119,875</u>	<u>20,995</u>
EXPENDITURES			
Banking fees	-	50	(50)
Community Management	-	14,944	(14,944)
Payment Processing Fee	-	282	(282)
Additional Management Services	-	12,560	(12,560)
Copies	-	289	(289)
Postage	-	145	(145)
Landscaping	50,000	-	50,000
Miscellaneous	-	609	(609)
Security	50,000	-	50,000
Snow removal	50,000	-	50,000
Operation Costs Reserve	10,000	-	10,000
Total Expenditures	<u>160,000</u>	<u>28,879</u>	<u>131,121</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(61,120)	90,996	152,116
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	70,000	24,495	(45,505)
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>24,495</u>	<u>(45,505)</u>
NET CHANGE IN FUND BALANCE	8,880	115,491	106,611
Fund Balance - Beginning of Year	<u>-</u>	<u>(9,495)</u>	<u>(9,495)</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,880</u>	<u>\$ 105,996</u>	<u>\$ 97,116</u>

**CIELO METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 244,206	\$ 244,206	\$ -
Specific ownership taxes	21,979	22,646	667
Interest Income	1,500	6,624	5,124
Other Revenue	10,000	-	(10,000)
Total Revenues	<u>277,685</u>	<u>273,476</u>	<u>(4,209)</u>
EXPENDITURES			
County Treasurer's Fee	3,663	3,663	-
Paying agent fees	4,000	4,000	-
Bond interest	266,591	268,737	(2,146)
Contingency	10,000	-	10,000
Total Expenditures	<u>284,254</u>	<u>276,400</u>	<u>7,854</u>
NET CHANGE IN FUND BALANCE	(6,569)	(2,924)	3,645
Fund Balance - Beginning of Year	<u>6,569</u>	<u>6,491</u>	<u>(78)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 3,567</u>	<u>\$ 3,567</u>

**CIELO METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Accounting	5,000	3,914	1,086
Engineering	25,000	19,728	5,272
Legal	5,000	470	4,530
Capital outlay	10,000,000	-	10,000,000
Total Expenditures	<u>10,035,000</u>	<u>24,112</u>	<u>10,010,888</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,035,000)	(24,112)	10,010,888
OTHER FINANCING SOURCES (USES)			
Developer advance	10,035,000	-	(10,035,000)
Transfers from other funds	-	35,487	35,487
Total Other Financing Sources (Uses)	<u>10,035,000</u>	<u>35,487</u>	<u>(9,999,513)</u>
NET CHANGE IN FUND BALANCE	-	11,375	11,375
Fund Balance - Beginning of Year	-	(11,375)	(11,375)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**CIELO METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Levied	Collected	
2019	\$ 3,580	-43%	66.333	-	\$ 237	\$ 237	99.80 %
2020	2,199,210	61330%	66.797	-	146,901	146,902	100.00 %
2021	2,201,830	0%	66.797	-	147,076	147,161	100.06 %
2022	2,204,150	0%	11.132	55.664	147,228	147,229	100.00 %
2023	4,884,110	122%	10.000	50.000	293,047	293,047	100.00 %
Estimated for Year Ending December 31, 2024	\$ 9,335,450	91.1%	10.962	54.812	614,030	614,030	

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Douglas County Assessor and Treasurer.