

CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/22

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|----------------------|----------------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ 65,731,028 |
| REVENUES | | | |
| Property taxes | - | - | 131 |
| Property taxes - Infrastructure Capital | - | - | 12 |
| Property taxes - Town Capital and Maintenance | - | - | 12 |
| Specific ownership taxes | - | - | 10 |
| Specific ownership taxes - Infrastructure Capital | - | - | 1 |
| Specific ownership taxes - Town Capital and Maintenance | - | - | 1 |
| Developer advance | - | - | - |
| Transfers from CCSMD No. 6 | - | - | 105 |
| Bond Issuance - Series 2021(3) | - | 68,549,000 | - |
| Total revenues | <u>-</u> | <u>68,549,000</u> | <u>272</u> |
| TRANSFERS IN | <u>-</u> | <u>-</u> | <u>4,000</u> |
| Total funds available | <u>-</u> | <u>68,549,000</u> | <u>65,735,300</u> |
| EXPENDITURES | | | |
| General Fund | - | - | - |
| Debt Service Fund | - | - | 4,015 |
| Capital Projects Fund | - | 2,817,972 | 32,295,000 |
| Total expenditures | <u>-</u> | <u>2,817,972</u> | <u>32,299,015</u> |
| TRANSFERS OUT | <u>-</u> | <u>-</u> | <u>4,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>2,817,972</u> | <u>32,303,015</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ 65,731,028</u> | <u>\$ 33,432,285</u> |

No assurance provided. See summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/22

| ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|----------------|-------------------|----------------|
|----------------|-------------------|----------------|

ASSESSED VALUATION

| | | | |
|--------------------------|--------|----------|----------|
| Agricultural | \$ 430 | \$ 2,210 | \$ 2,290 |
| Certified Assessed Value | \$ 430 | \$ 2,210 | \$ 2,290 |

MILL LEVY

| | | | |
|---|-------|-------|--------|
| Debt Service | 0.000 | 0.000 | 57.398 |
| Contractual Obligation - Infrastructure Capital | 0.000 | 0.000 | 5.034 |
| Contractual Obligation - Town Capital and Maintenance | 0.000 | 0.000 | 5.034 |
| Total mill levy | 0.000 | 0.000 | 67.466 |

PROPERTY TAXES

| | | | |
|---|------|------|--------|
| Debt Service | \$ - | \$ - | \$ 131 |
| Contractual Obligation - Infrastructure Capital | - | - | 12 |
| Contractual Obligation - Town Capital and Maintenance | - | - | 12 |
| Budgeted property taxes | \$ - | \$ - | \$ 155 |

BUDGETED PROPERTY TAXES

| | | | |
|---|------|------|--------|
| Debt Service | - | - | 131 |
| Contractual Obligation - Infrastructure Capital | - | - | 12 |
| Contractual Obligation - Town Capital and Maintenance | - | - | 12 |
| Budgeted property taxes | \$ - | \$ - | \$ 155 |

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/22

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Developer advance | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funds available | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | - | - | - |
| Dues | - | - | - |
| Insurance | - | - | - |
| Legal | - | - | - |
| Contingency | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>-</u> | <u>-</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/22

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | - | - | 131 |
| Property taxes - Infrastructure Capital | - | - | 12 |
| Property taxes - Town Capital and Maintenance | - | - | 12 |
| Specific ownership taxes | - | - | 10 |
| Specific ownership taxes - Infrastructure Capital | - | - | 1 |
| Specific ownership taxes - Town Capital and Maintenance | - | - | 1 |
| Transfers from CCSMD No. 6 | - | - | 105 |
| Total revenues | <u>-</u> | <u>-</u> | <u>272</u> |
| TRANSFERS IN | | | |
| Transfers from other funds | <u>-</u> | <u>-</u> | <u>4,000</u> |
| Total funds available | <u>-</u> | <u>-</u> | <u>4,272</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | - | - | 2 |
| Transfers to Town of Parker | - | - | 13 |
| Paying agent fees | - | - | 4,000 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>4,015</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>-</u> | <u>4,015</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 257</u> |

No assurance provided. See summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/22

| | ACTUAL 2020 | ESTIMATED 2021 | BUDGET 2022 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ 65,731,028 |
| REVENUES | | | |
| Bond Issuance - Series 2021(3) | - | 68,549,000 | - |
| Total revenues | - | 68,549,000 | - |
| Total funds available | - | 68,549,000 | 65,731,028 |
| EXPENDITURES | | | |
| General and Administrative | | | |
| Bond Issue Costs | - | 1,762,809 | - |
| Capital Projects | | | |
| Transfers to CCSMD No. 4 | - | 1,055,163 | 32,295,000 |
| Total expenditures | - | 2,817,972 | 32,295,000 |
| TRANSFERS OUT | | | |
| Transfers to other fund | - | - | 4,000 |
| Total expenditures and transfers out requiring appropriation | - | 2,817,972 | 32,299,000 |
| ENDING FUND BALANCES | \$ - | \$ 65,731,028 | \$ 33,432,028 |

No assurance provided. See summary of significant assumptions.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Order and Decree of the District Court of Douglas County, Colorado on November 18, 2004, to provide financing for design, acquisition, construction and installation, relocation and redevelopment of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, sewer and drainage facilities, public transportation, and the operation and maintenance of the District. The District's service area is located entirely within the boundaries of the Town of Parker, Douglas County, Colorado.

At its organization election held on November 2, 2004, the voters approved general obligation indebtedness of \$37,560,000 for street improvements, \$37,560,000 for traffic safety, \$59,280,000 for parks and recreational facilities, \$14,280,000 for sanitary sewer system, \$8,880,000 for a complete potable and non-potable water system, \$130,000,000 for refunding District debt and \$10,000,000 for general operation and maintenance. District voters approved authorization to increase property tax up to \$1,000,000 annually to pay for the operations and maintenance expenditures of the District. Per the District's Service Plan, the Districts are limited to issuing a total of \$213,500,000, in the aggregate. Additionally, the election allows the District to collect, spend and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

The District has no employees and all administrative function are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the mill levy adopted by the District.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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 8.0% of the property taxes collected.

Amended and Restated Intergovernmental Agreement

On May 18, 2020, the District entered into an intergovernmental agreement with the Town of Parker to impose a property tax mill levy of 5.034 for the planning, design, construction of Regional Infrastructure. The District is permitted to retain the revenues for payment of debt service. Any revenues that are not needed to pay debt service in the current calendar year shall be remitted to the Town of Parker.

Expenditures

Transfers to Town of Parker

On May 18, 2020, the District entered into an intergovernmental agreement with the Town of Parker to impose a property tax mill levy of 5.034 for the planning, design, construction and/or maintenance of the Town infrastructure. The District is required to remit the revenues to the Town of Parker.

Transfers to Cherry Creek South Metropolitan District No. 4

Pursuant to the Infrastructure Acquisition and Project Fund Disbursement Agreement between the District, Cherry Creek South Metropolitan District No. 4 ("District No. 4") and Cherry Creek South Metropolitan District No. 6 ("District No. 6"), the Districts have agreed that District No. 4 will own, operate and maintain all public improvements benefitting all Districts. The costs of the public improvements anticipated to be paid by the District in 2022 are transferred to District No. 4.

County Treasurer's Fees

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

Capital Expenditures

Estimated capital expenditures for public improvements are transferred to District No. 4.

**CHERRY CREEK SOUTH METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debts and Leases

On November 23, 2021, the District issued Limited Tax General Obligation Bonds, Series 2021⁽³⁾ in the par amount of \$68,549,000 ("the Bonds"). Proceeds from the sale of the Bonds were used to finance or reimburse the costs of public improvements related to a residential development in the Town and to pay costs of issuance of the Bonds.

The Bonds bear interest at the rate of 6.000% per annum and are payable annually on December 1, beginning on December 1, 2022, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2051 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 prior to the maturity date. 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, 2061 after the application of all Pledged Revenue available therefor, such amounts shall be extinguished and no longer due and outstanding.

The District has no operating or capital leases.

Reserve Funds

The District has not provided for an emergency reserve equal to at least 3% of the fiscal year spending as defined under TABOR because there is no revenue anticipated in 2022.

This information is an integral part of the accompanying budget.