

**CROSSROADS METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**CROSSROADS METROPOLITAN DISTRICT NO. 1  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 1,673	\$ 15,559,273
REVENUES			
Property taxes	-	5,160	26,809
Specific ownership tax	-	518	2,681
Interest income	-	62,072	88,000
Developer advance	106,734	29,589	24,827
Intergovernmental revenues	-	5,360	32,145
Bond issuance	-	19,677,600	-
Total revenues	<u>106,734</u>	<u>19,780,299</u>	<u>174,462</u>
TRANSFERS IN	<u>-</u>	<u>5,892,778</u>	<u>-</u>
Total funds available	<u>106,734</u>	<u>25,674,750</u>	<u>15,733,735</u>
EXPENDITURES			
General Fund	105,061	41,900	35,000
Debt Service Fund	-	642,778	1,300,335
Capital Projects Fund	-	3,538,021	10,286,873
Total expenditures	<u>105,061</u>	<u>4,222,699</u>	<u>11,622,208</u>
TRANSFERS OUT	<u>-</u>	<u>5,892,778</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>105,061</u>	<u>10,115,477</u>	<u>11,622,208</u>
ENDING FUND BALANCES	<u>\$ 1,673</u>	<u>\$ 15,559,273</u>	<u>\$ 4,111,527</u>
EMERGENCY RESERVE	\$ -	\$ 400	\$ 400
RESERVE FUND	-	2,000,000	2,000,000
CAPITALIZED INTEREST	-	3,283,414	1,983,414
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 5,283,814</u>	<u>\$ 3,983,814</u>

No assurance is provided. See summary of significant assumptions.

**CROSSROADS METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Vacant land	\$ -	\$ 516,040	\$ 446,810
Certified Assessed Value	<u>\$ -</u>	<u>\$ 516,040</u>	<u>\$ 446,810</u>
<b>MILL LEVY</b>			
General	0.000	10.000	10.000
Debt Service	0.000	0.000	50.000
Total mill levy	<u>0.000</u>	<u>10.000</u>	<u>60.000</u>
<b>PROPERTY TAXES</b>			
General	\$ -	\$ 5,160	\$ 4,468
Debt Service	-	-	22,341
Levied property taxes	<u>-</u>	<u>5,160</u>	<u>26,809</u>
Budgeted property taxes	<u>\$ -</u>	<u>\$ 5,160</u>	<u>\$ 26,809</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ -	\$ 5,160	\$ 4,468
Debt Service	-	-	22,341
	<u>\$ -</u>	<u>\$ 5,160</u>	<u>\$ 26,809</u>

No assurance is provided. See summary of significant assumptions.

**CROSSROADS METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 1,673	\$ 400
<b>REVENUES</b>			
Property taxes	-	5,160	4,468
Specific ownership tax	-	518	447
Developer advance	106,734	29,589	24,827
Intergovernmental revenues	-	5,360	5,358
Total revenues	106,734	40,627	35,100
Total funds available	106,734	42,300	35,500
<b>EXPENDITURES</b>			
General and administrative			
Accounting	6,866	15,000	17,250
County Treasurer's fee	-	79	67
Directors' fees	-	2,400	2,000
Dues and licenses	397	467	800
Insurance and bonds	1,060	4,276	4,500
District management	-	-	-
Legal services	29,949	15,000	1,650
Miscellaneous	30	100	530
Banking fees	85	50	50
Payroll taxes	-	184	153
Election expense	-	2,500	5,000
Organization Costs	66,674	-	-
Contingency	-	1,844	3,000
Total expenditures	105,061	41,900	35,000
Total expenditures and transfers out requiring appropriation	105,061	41,900	35,000
ENDING FUND BALANCE	\$ 1,673	\$ 400	\$ 500
EMERGENCY RESERVE	\$ -	\$ 400	\$ 400
TOTAL RESERVE	\$ 1,673	\$ 400	\$ 400

No assurance is provided. See summary of significant assumptions.

**CROSSROADS METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 5,290,000
REVENUES			
Property taxes	-	-	22,341
Specific ownership tax	-	-	2,234
Interest income	-	40,000	70,000
Intergovernmental revenues	-	-	26,787
Total revenues	<u>-</u>	<u>40,000</u>	<u>121,362</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>5,892,778</u>	<u>-</u>
Total funds available	<u>-</u>	<u>5,932,778</u>	<u>5,411,362</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	-	-	335
Bond interest Senior Bonds	-	642,778	1,300,000
Total expenditures	<u>-</u>	<u>642,778</u>	<u>1,300,335</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>642,778</u>	<u>1,300,335</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 5,290,000</u>	<u>\$ 4,111,027</u>
RESERVE FUND	\$ -	\$ 2,000,000	\$ 2,000,000
CAPITALIZED INTEREST	-	3,283,414	1,983,414
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 5,283,414</u>	<u>\$ 3,983,414</u>

No assurance is provided. See summary of significant assumptions.

**CROSSROADS METROPOLITAN DISTRICT NO. 1  
 CAPITAL PROJECTS FUND  
 2023 BUDGET  
 WITH 2021 ACTUAL AND 2022 ESTIMATED  
 For the Years Ended and Ending December 31,**

12/6/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 10,268,873
REVENUES			
Interest income	-	22,072	18,000
Bond issuance	-	19,677,600	-
Total revenues	<u>-</u>	<u>19,699,672</u>	<u>18,000</u>
Total funds available	<u>-</u>	<u>19,699,672</u>	<u>10,286,873</u>
EXPENDITURES			
General and Administrative			
Accounting	-	1,000	10,000
Capital Projects			
Capital outlay	-	3,000,000	10,276,873
Costs of Issuance	-	537,021	-
Insurance and bonds	-	-	-
Total expenditures	<u>-</u>	<u>3,538,021</u>	<u>10,286,873</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>5,892,778</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>9,430,799</u>	<u>10,286,873</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 10,268,873</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**Crossroads Metropolitan District No. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Crossroads Metropolitan District No. 1 (“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 the City of Colorado Springs, El Paso County, Colorado on January 4, 2021, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized to provide for the planning, design, acquisition, construction, installation, relocation, and redevelopment of public improvements. The District serves as the Operating District which will pay all vendors of and receive reimbursement/contributions from Crossroads Metropolitan District No. 2, which will levy ad valorem taxes on taxable properties within each District and assess fees, rates and other charges as authorized by law. The District’s service area is located entirely within the City of Colorado Springs, El Paso County, Colorado.

Pursuant to the District’s Operating Plan filed with the City, the maximum debt mill levy is 50 mills, and the maximum operating mill levy for the payment of administrative, operations and maintenance expense is 10 mills.

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 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 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.

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

**Crossroads Metropolitan District No. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes – (continued)**

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 10% of the property taxes collected.

**Developer Advance**

Since the District is in the development stage, operational and capital expenditures are anticipated to be funded by the Developer. Developer advances are to be recorded as revenues for budget purposes and may be repaid to the Developer from unpledged revenue in future years.

**Intergovernmental Revenue – Crossroads Metropolitan District No. 2**

Property taxes generated from the 10.000 mills levied by the Crossroads Metropolitan District No. 2 for operations and maintenance, net of fees, are expected to be transferred to the District, which pays all administrative expenditures of the Crossroads Metropolitan District No. 2. Property Taxes generated from the 50.000 mills levied by Crossroads Metropolitan District No. 2 for Debt Service, net of fees, are expected to be transferred to the District, which holds the bonds.

**Bond Issuance**

On June 3, 2022, the District issued \$20,000,000 in Series 2022 Limited Tax General Obligation and Special Revenue Bonds. The proceeds were used to pay for bond issuance costs and to pay Project Costs.

The Series 2022 bonds bear interest at a rate of 6.50%, payable annually on December 1, beginning December 1, 2022. The Series 2022 bonds mature in 2051.



**Crossroads Metropolitan District No. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative Expenses**

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance and other administrative expenses.

**County Treasurer's Fees**

County Treasurer's Fees have been computed at 1.5% of property tax collections.

**Capital Outlay**

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

**Debt and Leases**

**Developer Advances**

The District has entered into Developer Funding Agreement with the Developer as follows:

**Developer Funding Agreement**

The District has entered into a Reimbursement and Facilities and Funding Acquisition Agreements with the Equity Group, LLC (Developer) pursuant to which the District agrees to reimburse the Developer for the advances made to or on behalf of the District plus interest of 8% annually for costs related to the construction of public improvements subject to the limitations set for in the Operating Plan.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserves**

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.**