CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2027

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
SUMMARY
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31, 2027

	Actual 2025	Budget 2026	Actual 9-30-2026	Estimated 2026	Budget 2027
Beginning Fund Balances	$ 396,746	$ 439,044	$ 407,726	$ 407,726	$ 173,486
Revenues					
Property Taxes	312,837	288,570	287,025	288,570	305,181
Specific Ownership Taxes	22,517	20,200	15,490	17,600	21,363
Gate Controls	100	100	50	50	-
HOA Flowers/Holiday Lights	-	3,000	2,300	2,300	3,000
Interest Income	19,457	18,300	12,348	14,500	16,600
Late Fees/Legal	-	-	2,433	2,433	-
Other Revenue	432	-	553	555	68,560
Owner Well Reimbursement	-	-	7,457	7,457	-
Senior/Veteran Exempt	-	1,050	-	-	-
Water Fees	-	21,500	22,545	22,545	23,000
Total Revenues	355,343	352,720	350,201	356,010	437,704
Transfers In	-	144,380	222,029	563,683	192,562
Total Funds Available	752,089	936,144	979,956	1,327,419	803,752
Expenditures					
General Fund	195,959	147,885	59,429	136,317	162,938
Capital Projects Fund	61,740	189,424	46,471	369,414	100,000
Debt Service Fund	86,664	85,500	9,798	84,519	100,000
Total Expenditures	344,363	422,809	115,698	590,250	362,938
Transfers Out	-	144,380	222,029	563,683	192,562
Total Expenditures and Transfers Out requiring appropriation	344,363	567,189	337,727	1,153,933	555,500
Ending Fund Balances	$ 407,726	$ 368,955	$ 642,229	$ 173,486	$ 248,252
Emergency Reserve	$ 8,600	$ 3,237	$ 7,400	$ 7,500	$ 8,500
Capital Reserves	-	275,000	-	-	149,500
Debt Service Reserve	79,896	90,540	90,540	90,540	90,100
Total Reserve	$ 88,496	$ 368,777	$ 97,940	$ 98,040	$ 248,100

No assurance provided. See summary of significant assumptions.

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31, 2027

	Actual 2025	Budget 2026	Actual 9-30-2026	Estimated 2026	Budget 2027
Assessed Valuation					
Residential	$ 5,811,160	$ 5,282,750	$ 5,282,750	$ 5,282,750	$ 5,566,760
State Assessed	400	300	300	300	300
Vacant	437,330	488,650	488,650	488,650	470,560
Personal Property	69,500	64,600	64,600	64,600	66,000
	$ 6,318,390	$ 5,836,300	$ 5,836,300	$ 5,836,300	$ 6,103,620
Mill Levy					
General	39.890	37.808	37.808	37.808	37.540
Debt Service	10.110	11.636	11.636	11.636	12.460
Total Mill Levy	50.000	49.444	49.444	49.444	50.000
Property Taxes					
General	$ 252,041	$ 220,656	$ 220,656	$ 220,656	$ 229,130
Debt Service	63,879	67,914	67,914	67,914	76,051
Adjustments	(3,083)	-	(1,545)	-	-
Budgeted Property Taxes	$ 312,837	$ 288,570	$ 287,025	$ 288,570	$ 305,181
Budgeted Property Taxes					
General	**$ 249,581**	**$ 220,656**	**$ 219,459**	**$ 220,656**	**$ 229,130**
Debt Service	**63,256**	**67,914**	**67,566**	**67,914**	**76,051**
	$ 312,837	**$ 288,570**	**$ 287,025**	**$ 288,570**	**$ 305,181**

No assurance provided. See summary of significant assumptions.

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
GENERAL FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31, 2027

	Actual 2025	Budget 2026	Actual 9-30-2026	Estimated 2026	Budget 2027
Beginning Fund Balances	$ 445,934	$ 41,500	$ 533,471	$ 533,471	$ 83,382
Revenues					
Property Taxes	249,581	220,656	219,459	220,656	229,130
Specific Ownership Taxes	17,895	15,446	11,843	13,000	16,039
Gate Controls	100	100	50	50	-
HOA Flowers/Holiday Lights	-	3,000	2,300	2,300	3,000
Interest Income	15,488	14,000	9,447	11,000	12,000
Late Fees/Legal	-	-	2,433	2,433	-
Other Revenue	432	-	472	472	20,601
Senior/Veteran Exempt	-	800	-	-	-
Total Revenues	283,496	254,002	246,004	249,911	280,770
Total Funds Available	729,430	295,502	779,475	783,382	364,152
Expenditures					
General and Administrative					
Accounting	1,050	1,200	-	1,200	9,000
Contingency	-	39,973	-	39,903	20,601
County Treasurer's Fees	3,752	4,500	3,299	3,310	3,437
CRE Directory and Guide	480	-	-	-	-
Insurance	7,339	8,000	797	8,500	9,500
Legal	14,230	17,000	14,167	17,000	30,000
Management	13,200	13,500	9,900	13,200	13,000
Other	5,338	500	-	-	500
SDA Membership	448	550	461	461	550
Social Events	-	1,200	-	-	1,200
Surplus	107,793	-	-	-	-
Website	1,680	2,000	1,849	1,849	2,000
Landscape Maintenance					
Beauty Bands	3,240	3,600	1,300	2,200	3,600
Fertilizer and Aeration	396	600	149	600	600
Flower Beds and Shrub Maintenance	4,200	6,000	3,200	4,000	6,000
Flowers	2,300	2,500	3,100	3,100	2,500
Improvements	-	500	-	-	500
Irrigation Repairs	2,172	2,500	801	1,000	2,500
Mowing	-	2,000	300	1,420	2,000
Other	-	500	-	-	500
Pest Control	300	500	-	500	500
Snow Removal	1,199	10,000	920	5,000	10,000
Tree Maintenance	-	400	-	1,800	400
Weed Control	5,260	5,000	1,269	2,600	5,000
Grounds					
Gate	207	1,000	1,385	1,385	1,000
Holiday Lights	525	500	-	525	500
Lighting	1,024	1,000	232	232	1,000
Monuments	276	500	-	-	500
Other	-	500	-	1,800	11,500
Signs	-	100	72	72	100
Utilities					
Cellular Water Meter Data	-	492	497	497	500
CORE	2,751	3,200	1,718	2,373	3,200
Internet	649	720	531	708	750
Septic Inspection	7,600	7,850	-	7,600	8,000
Septic Maintenance and Pumping	8,550	9,500	13,482	13,482	12,000
Total Expenditures	195,959	147,885	59,429	136,317	162,938
Transfers Out					
Transfers to Other Fund	-	144,380	222,029	563,683	192,562
Total Expenditures and Transfers Out requiring appropriation	195,959	292,265	281,458	700,000	355,500
Ending Fund Balances	$ 533,471	$ 3,237	$ 498,017	$ 83,382	$ 8,652
Emergency Reserve	$ 8,600	$ 3,237	$ 7,400	$ 7,500	$ 8,500
Total Emergency Reserve	$ 8,600	$ 3,237	$ 7,400	$ 7,500	$ 8,500

No assurance provided. See summary of significant assumptions.

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31, 2027

	Actual 2025	Budget 2026	Actual 9-30-2026	Estimated 2026	Budget 2027
Beginning Fund Balances	$ (143,901)	$ 298,544	$ (205,641)	$ (205,641)	$ -
Revenues					
Other Revenue	-	-	81	83	35,000
Owner Well Reimbursement	-	-	7,457	7,457	-
Water Fees	-	21,500	22,545	22,545	23,000
Total Revenues	-	21,500	30,083	30,085	58,000
Transfers In					
Transfers from Other Funds	-	144,380	222,029	544,970	191,500
Total Funds Available	(143,901)	464,424	46,471	369,414	249,500
Expenditures					
Contingency	-	-	-	-	35,000
Entry Wall Rebuild	17,500	-	-	-	5,000
General Repairs, Paint, Stain etc.	17,294	10,000	14,629	14,629	5,000
Other	644	-	-	-	5,000
Road Repairs	17,500	90,000	-	322,386	20,000
Surplus	-	62,424	9,059	9,059	-
Well Maintenance	8,802	27,000	22,783	23,340	30,000
Total Expenditures	61,740	189,424	46,471	369,414	100,000
Total Expenditures and Transfers Out requiring appropriation	61,740	189,424	46,471	369,414	100,000
Ending Fund Balances	$ (205,641)	$ 275,000	$ -	$ -	$ 149,500
Capital Reserves					
General Repairs	$ -	$ 20,000	$ -	$ -	$ 20,000
Portico	-	10,000	-	-	10,000
Lights	-	5,000	-	-	3,000
Security Gates	-	10,000	-	-	10,000
Grounds, Mulch, Trees	-	20,000	-	-	10,000
Water Fees for Well Maintenance	-	85,000	-	-	60,000
Road Repairs	-	100,000	-	-	26,500
Storm Drainage Repairs	-	25,000	-	-	10,000
Total Capital Reserves	$ -	$ 275,000	$ -	$ -	$ 149,500

No assurance provided. See summary of significant assumptions.

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
DEBT SERVICE FUND
2027 BUDGET
WITH 2025 ACTUAL AND 2026 ESTIMATED
For the Years Ended and Ending December 31, 2027

	Actual 2025	Budget 2026	Actual 9-30-2026	Estimated 2026	Budget 2027
Beginning Fund Balances	$ 94,713	$ 99,000	$ 79,896	$ 79,896	$ 90,104
Revenues					
Property taxes	63,256	67,914	67,566	67,914	76,051
Specific Ownership Taxes	4,622	4,754	3,647	4,600	5,324
Interest Income	3,969	4,300	2,901	3,500	4,600
Other Revenue	-	-	-	-	12,959
Senior/Veteran Exempt	-	250	-	-	-
Total Revenues	71,847	77,218	74,114	76,014	98,934
Transfers In					
Transfers from other funds	-	-	-	18,713	1,062
Total Funds Available	166,560	176,218	154,010	174,623	190,100
Expenditures					
Bond Interest - Series 2012	20,350	18,000	8,782	18,000	15,400
Bond Principal - Series 2012	65,000	65,000	-	65,000	70,000
Contingency	-	-	-	-	12,959
County Treasurer's fees	814	2,000	1,016	1,019	1,141
Paying Agent Fees	500	500	-	500	500
Total Expenditures	86,664	85,500	9,798	84,519	100,000
Total Expenditures and Transfers Out requiring appropriation	86,664	85,500	9,798	84,519	100,000
Ending Fund Balances	$ 79,896	$ 90,718	$ 144,212	$ 90,104	$ 90,100
Debt Service Reserve	$ 79,896	$ 90,540	$ 90,540	$ 90,540	$ 90,100
Total Debt Service Reserve	$ 79,896	$ 90,540	$ 90,540	$ 90,540	$ 90,100

No assurance provided. See summary of significant assumptions.

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
2027 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District is a quasi-municipal corporation and a political subdivision of the State of Colorado (the "State") organized in November of 2002 pursuant to Title 32, Article 1, C.R.S. (the "Special District Act"), for the purpose of providing streets, traffic and safety controls, water, sanitation, parks and recreation, public transportation, telecommunications and mosquito and pest control facilities and services in connection with the development of a residential community known as "Cherokee Ridge Estates" located in the southwestern Denver metropolitan area in an unincorporated portion of Douglas County. Cherokee Ridge Estates encompasses approximately 277 acres and consists of 42 large acreage residential lots, all of which are privately owned, plus approximately 113 acres designated for common open space.

The District was established to provide financing for the design, acquisition, installation, construction and completion of certain public improvements as well as to provide ongoing operational services to the residential community within the boundaries of the District. The District is governed by a five-member Board of Directors who are eligible electors of the District. Directors serve alternating four-year terms, and elections are held in May of odd-numbered years.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of §29-1-105, C.R.S. 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. For financial statements reporting under generally accepted accounting principles (GAAP), the District uses the full accrual basis of accounting. Consequently, the terminology of "Funds Available" is used in the budget to distinguish the difference from GAAP accounting for Fund Balance. Funds Available represents each fund's current assets less its current liabilities except for the current portion of long-term debt. In addition, the budget separates individual funds, which are included as one entity in the GAAP presentation.

The budget provides for three funds, a General Fund, a Capital Projects Fund, and a Debt Service Fund.

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
2027 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 paid 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 information page of the budget.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, and are primarily paid via 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 7% of the property taxes collected.

Water Fees

Water fee revenue is based on 42 residential homes assessed a water fee of $500 per home per year for water usage up to and including 225,000 gallons. Additional water fees of $6 per 1,000 gallons are assessed on usage from 226,000 up to and including 326,000 gallons, $18 per 1,000 gallons are assessed on usage from 327,000 up to and including 400,000 gallons and $36 per gallon for usage exceeding 400,000 gallons. It is estimated annual revenue of $23,000 will be received for 2027.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
2027 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary for the general operation of the District including legal, accounting, management, insurance, membership dues, election and other administrative expenditures. These expenditures are detailed within the General and Administrative section of the General Fund page of the budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections and reflected as expenditures within the General Fund section of the budget.

Operating Expenditures

Operating expenditures are estimated costs of services necessary related to the primary operations of the District including snow removal, trash removal, landscaping, repair and maintenance of the District's infrastructure and systems, and other administrative services necessary for the operations of the District. These expenditures are detailed within the Landscape Maintenance, Grounds, and Utilities sections of the General Fund page of the budget.

Capital Outlay

The District anticipates capital project activity during 2027, primarily for maintenance and repair of public infrastructure improvements within the District. These expenditures are detailed within the Capital Project Fund page of the budget.

Debt Service

Principal and interest payments in 2027 are provided based on the amortization schedule from the $1,150,000, Series 2012, Limited Tax General Obligation Refunding Bonds (discussed under Debt and Leases). These expenditures are detailed within the Debt Service Fund page of the budget.

Debt and Leases

Series 2012 Bonds

The District issued Limited Tax General Obligation Refunding Bonds, Series 2012, on December 18, 2012, in the par amount of $1,150,000 (the "Bonds"). Proceeds of the Bonds were used to: (a) refund all of the outstanding limited tax general obligation indebtedness of the District in order to provide savings and other economies for the District, (b) fund a debt service reserve account for the Bonds, (c) and pay costs of issuance of the Bonds.

Details of the Bonds

The Bonds bear interest at rates ranging from 3.000% to 4.000% payable semi-annually on June 1 and December 1, beginning on December 1, 2013. The Bonds are subject to redemption prior to maturity at the option of the District, as a whole or in part by lot in integral multiples of $1,000 on December 1, 2022, and on any date thereafter upon payment of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, without redemption premium. The Bonds are subject to mandatory sinking fund redemption prior to maturity, in part, by lot, upon payment of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, without redemption premium.

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue which means the moneys derived by the District from the following sources, net of any costs of collection and any property tax refunds or abatements authorized by or on behalf of the County: (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. 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 and do not include Specific Ownership Tax Revenues.

"Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of imposition of the Required Mill Levy.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose an ad valorem mill levy on all taxable property of the District each year in an amount necessary to generate Property Tax Revenues sufficient to pay all of the principal of and interest on the Bonds in full, but not in excess of 40.000 mills (subject to adjustment for changes in the method of calculating assessed valuation that occur on or after December 18, 2012).

Debt and Leases (continued)

Series 2012 Bonds (continued)

Optional Redemption

The Series 2012 Bonds maturing on December 1, 2030, are subject to redemption prior to maturity, at the option of the District, as a whole or in part in integral multiples of $1,000, on December 1, 2022, and on any date thereafter, upon payment of the principal amount of the Series 2012 Bonds or portion thereof so redeemed plus accrued interest to the redemption date, without redemption premium.

Leases

The District has no capital or operating leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish an emergency reserve. This reserve must be at least 3% of fiscal year spending.

Capital Reserve

The District maintains a Capital Reserve to provide for the future replacement and major repair of District assets. The reserve amount is determined by the Board of Directors and is intended to ensure that sufficient resources are available when significant capital outlays become necessary.

Debt Service Reserve

The Series 2012 Bonds Reserve Account was fully funded upon issuance of the Series 2012 Bonds in the amount of $90,100 (the “Series 2012 Bonds Reserve Requirement”). The Series 2012 Bonds Reserve Account is pledged to and may be used solely to pay the principal and interest on, the Series 2012 Bonds, and may not be used to pay any other obligations of the District.

This information is an integral part of the accompanying budget.

CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE
REQUIREMENTS TO MATURITY

$1,150,000
Series 2012 Limited Tax General Obligation Refunding Bonds
4.00% Interest
Interest Payable June 1 and December 1
Principal Payable December 1

Year Ended December 31,	Principal Amount	Interest Amount	Annual Total
2027	$ 70,000	$ 15,400	$ 85,400
2028	70,000	12,600	82,600
2029	75,000	9,800	84,800
2030	170,000	6,800	176,800
Total	**$ 385,000**	**$ 44,600**	**$ 429,600**