

**RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

(2020)

The Board of Directors of Big Sky Metropolitan District No. 1 (the “Board”), City of Lakewood, Jefferson County, Colorado (the “District”) held a regular meeting at 9033 E. Easter Place, Centennial, Colorado, on Thursday, November 14, 2019, at the hour of 10:00 A.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2020 BUDGET

The Denver Post, LLC

PUBLISHER'S AFFIDAVIT

City and County of Denver)
State of Colorado)
)

The undersigned Nicole Maestas being first duly sworn under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of The Denver Post, LLC, publisher of *The Denver Post* and *Your Hub*.
2. *The Denver Post* and *Your Hub* are newspapers of general circulation that have been published continuously and without interruption for at least fifty-two weeks in Denver County and meet the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in *Your Hub* for Lakewood (including the counties of Jefferson and Denver) on the following date(s):

November 7, 2019

Nicole Maestas
Signature

Subscribed and sworn to before me this 6 day of November, 2019.

[Signature]
Notary Public

Jamie Lynn Kittelson
Notary Public
State of Colorado
Notary ID 20054026395
My Commission Expires July 6, 2021

(SEAL)

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2020 BUDGET AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2019 BUDGET

NOTICE IS HEREBY GIVEN that a proposed 2020 budget has been submitted to the Board of Directors (the "Board") of the BIG SKY METROPOLITAN DISTRICT NO. 1 (the "District"). A copy of the proposed budget is on file in the office of CliftonLarsonAllen LLP, 8390 E Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same is open for public inspection.

NOTICE IS FURTHER GIVEN that an amendment to the 2019 budget has been submitted to the District. A copy of the proposed amended budget is on file in the office of CliftonLarsonAllen LLP, 8390 E Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same is open for public inspection.

Such proposed budget and amended budget will be considered at a public hearing during a meeting of the District to be held at 9033 E. Easter Place, Centennial, Colorado, on Thursday, November 14, 2019 at 3:00 P.M. Any interested elector of the District may file any objections to the proposed budget or amended budget at any time prior to final adoption of the budget and amended budget by the governing body of the District.

BY ORDER OF THE BOARD OF DIRECTORS:
BIG SKY METROPOLITAN DISTRICT NO. 1

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Publisher: *Lakewood County Your Hub*
Published: November 7, 2019

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 14, 2019, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2020. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2020 budget year, there is hereby levied a tax of 0.000

mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2020 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Jefferson County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

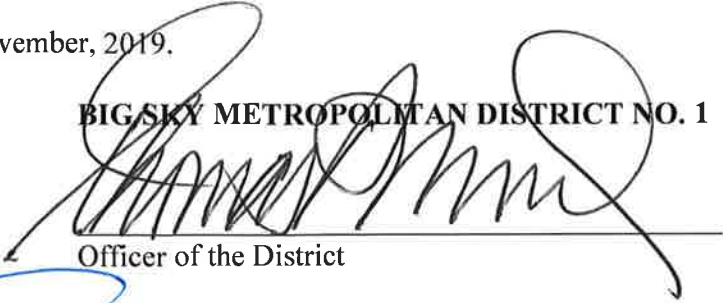
Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of page intentionally left blank.]

ADOPTED this 14th day of November, 2019.

BIG SKY METROPOLITAN DISTRICT NO. 1



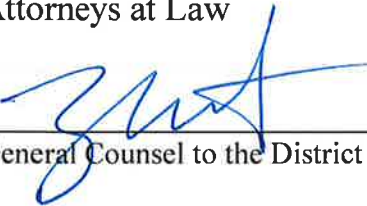
Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



STATE OF COLORADO
COUNTY OF ARAPAHOE
BIG SLY METROPOLITAN DISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held on Thursday, November 14, 2019, at 9033 E. Easter Place, Centennial, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 14th day of November, 2019.



EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Big Sky Metropolitan District No. 1

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Big Sky Metropolitan District No. 1 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Big Sky Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 13, 2019

**BIG SKY METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ (28,215)	\$ 234
REVENUES			
Developer advance	1,102,603	530,500	503,000
Cost sharing reimbursements	50,000	-	-
Total revenues	<u>1,152,603</u>	<u>530,500</u>	<u>503,000</u>
Total funds available	<u>1,152,603</u>	<u>502,285</u>	<u>503,234</u>
EXPENDITURES			
General and administrative			
Accounting	9,543	35,000	35,000
Auditing	-	4,700	-
Dues and licenses	1,445	301	500
Insurance and bonds	6,040	-	3,000
District management	3,520	-	-
Legal services	59,286	60,000	60,000
General Administrative	-	50	100
Contingency	2,055	-	4,400
Capital Outlay			
Streets	205,599	50,000	50,000
Storm drainage	182,782	100,000	100,000
Sewer	649,985	250,000	250,000
Water	10,261	-	-
Organizational costs	50,302	2,000	-
Total expenditures	<u>1,180,818</u>	<u>502,051</u>	<u>503,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,180,818</u>	<u>502,051</u>	<u>503,000</u>
ENDING FUND BALANCES	<u>\$ (28,215)</u>	<u>\$ 234</u>	<u>\$ 234</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**BIG SKY METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Agricultural	\$ 27	\$ 27	\$ 28
Certified Assessed Value	\$ 27	\$ 27	\$ 28
MILL LEVY			
General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000
PROPERTY TAXES			
General	\$ -	\$ -	\$ -
Budgeted property taxes	\$ -	\$ -	\$ -
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**BIG SKY METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by court order on January 13, 2015 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Lakewood (the "City"), in Jefferson County, Colorado. The District shall not be authorized to design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities, television, relay and translation, nor golf courses without the City's approval or Service Plan amendment.

Big Sky Metropolitan District No. 1 (the "District") was established to plan for, design, acquire, construct, install, relocate, redevelop and finance public improvements including street improvements, parks and recreation, water, sanitation/storm sewer, transportation, mosquito control, safety protection, and security. The District shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Development Plan and other rules and regulation of the City and applicable provisions of the City Code. The District anticipates receiving initial funding for both capital and ongoing administrative requirements from developer advances until other revenue is available to the District. The District will impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided for in C.R.S. § 32-1-1001(1), as amended. Under its Service Plan, the District was organized in conjunction with six other related Districts: Big Sky Metropolitan District No. 2, Big Sky Metropolitan District No. 3, Big Sky Metropolitan District No. 4, Big Sky Metropolitan District No. 5, Big Sky Metropolitan District No. 6, and Big Sky Metropolitan District No. 7. It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District shall be clarified in an intergovernmental agreement between and among the Districts.

At its formation election held on November 4, 2014, District voters approved authorization to increase property taxes annually, as necessary, up to \$10,000,000 for operations, administration, and maintenance mill levy – ad valorem taxes, up to \$10,000,000 for capital costs – ad valorem taxes, up to \$10,000,000 for operations, administration and maintenance – fees, up to \$40,000,000 for multiple fiscal year intergovernmental agreement mill levy, and up to \$40,000,000 for multiple fiscal year private agreement mill levy. The election approved indebtedness of \$40,000,000 for street improvements, \$40,000,000 for parks and recreation, \$40,000,000 for water, \$40,000,000 for sanitation/storm sewer, \$40,000,000 for transportation, \$40,000,000 for mosquito control, \$40,000,000 for safety protection, \$40,000,000 for fire protection, \$40,000,000 for television relay and translation, \$40,000,000 for security, \$40,000,000 for operations and maintenance debt, \$40,000,000 for refunding debt, \$40,000,000 for District Intergovernmental Agreements as debt, \$40,000,000 for District Private Agreements as debt, and \$40,000,000 for In-District Special Assessment Debt.

The Service Plan for District No.'s 1 - 7 limits the aggregate amount of debt that they may issue to \$30,000,000. In addition, the Districts shall not impose a levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds forty (40) years after the year of the initial imposition of such mill levy, unless a majority of the Board of Directors of the District imposing the mill levy are residents of such District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings.

**BIG SKY METROPOLITAN DISTRICT NO. 1
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided (Continued)

The Maximum Debt Mill Levy the District is permitted to impose is as follows: For the portion of any aggregate Debt which exceeds fifty percent (50%) of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 50.000 mills less the number of mills necessary to pay the unlimited mill levy Debt. If on or after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes. Such changes are to be determined by the Board, in good faith, so that to the extent possible the actual tax revenues generated by the mill levy are neither diminished nor enhanced as a result of such changes.

For the portion of any aggregate debt which is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

The Maximum Debt Mill Levy for the repayment of Debt shall not apply to the District's ability to increase their mill levy as necessary for provision of operation and maintenance services to their taxpayers and service users.

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

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

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. A mill levy was not certified for collection in 2020. Therefore, no property taxes will be collected in 2020.

**BIG SKY METROPOLITAN DISTRICT NO. 1
2020 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 6% of the property taxes collected. A mill levy was not certified for collection in 2020. Therefore, no specific ownership taxes will be collected in 2020.

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as accounting, legal, insurance, membership dues and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees are computed at 1.25% of property tax collections.

Capital Projects

The District anticipates capital outlay as outlined in the Capital Outlay section of the General Fund.

Debt and Leases

The District does not have any outstanding debt 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. The District's primary revenue source is developer advances, which are not considered TABOR fiscal year spending, and therefore an Emergency Reserve has not been provided.

This information is an integral part of the accompanying budget.