

RESOLUTION NO. 2019 - 11 - 02

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CIELO METROPOLITAN DISTRICT  
TO ADOPT THE 2020 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Cielo Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2020 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2019, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 19, 2019, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cielo Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Cielo Metropolitan District for the 2020 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 19th day of November, 2019.

  
Secretary

EXHIBIT A  
(Budget)



CliftonLarsonAllen LLP  
www.CLAconnect.com

## Accountant's Compilation Report

Board of Directors  
Cielo Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Cielo Metropolitan District 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 Cielo Metropolitan District.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 13, 2019

**CIELO METROPOLITAN DISTRICT  
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 BALANCE	\$ (1,111)	\$ (2,104)	\$ 100
<b>REVENUES</b>			
Property Taxes	418	237	146,901
Specific Ownership Taxes	44	23	13,221
Developer Advance	3,735	41,342	-
Total revenues	4,356	41,602	160,122
Total funds available	3,245	39,498	160,222
<b>EXPENDITURES</b>			
General and Administrative			
Accounting	5,186	7,000	15,000
County Treasurer's Fee	6	4	2,204
Dues	-	294	500
District Management	-	12,000	15,000
Insurance	-	-	5,000
Legal	-	20,000	20,000
Election	-	-	1,000
Miscellaneous	157	100	-
Contingency	-	-	3,296
Total expenditures	5,349	39,398	62,000
Total expenditures and transfers out requiring appropriation	5,349	39,398	62,000
ENDING FUND BALANCE	\$ (2,104)	\$ 100	\$ 98,222
EMERGENCY RESERVE	\$ 100	\$ 100	\$ 4,900
TOTAL RESERVE	\$ 100	\$ 100	\$ 4,900

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

**CIELO METROPOLITAN DISTRICT  
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
<b>ASSESSED VALUATION</b>			
Agricultural	\$ 2,840	\$ 2,840	\$ -
State assessed	3,000	-	-
Vacant land	460	740	2,199,210
Certified Assessed Value	<u>\$ 6,300</u>	<u>\$ 3,580</u>	<u>\$ 2,199,210</u>
<b>MILL LEVY</b>			
General	66.333	66.333	66.797
Total mill levy	<u>66.333</u>	<u>66.333</u>	<u>66.797</u>
<b>PROPERTY TAXES</b>			
General	\$ 418	\$ 237	\$ 146,901
Budgeted property taxes	<u>\$ 418</u>	<u>\$ 237</u>	<u>\$ 146,901</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 418	\$ 237	\$ 146,901
	<u>\$ 418</u>	<u>\$ 237</u>	<u>\$ 146,901</u>

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

**CIELO METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized on March 30, 2016, to provide financing for the design, acquisition, construction, installation, relocation, operation and maintenance of essential public-purpose facilities such as water, sanitation, streets, safety protection, park and recreation, mosquito control, and covenant control. The District will serve 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.

Under the Service Plan, the District will provide essential public improvements and services for a new residential community located entirely within Douglas County. The District may, with agreement by the County, engage in other activities. The property in the District is anticipated to be developed consistent with the terms, requirements and provisions of a Development Agreement.

On November 3, 2015, the electorate authorized general obligation debt in the amount of \$11,280,000. The total authorized debt limit per the Service Plan is \$11,280,000. The initial debt service mill levy will be 50 mills, with a maximum debt service mill levy of 50 mills. The initial operations and maintenance mill levy will be 60 mills as adjusted which is also the maximum total mill levy for the District.

The District anticipates receiving Developer advances to help fund initial operating and administrative expenditures until other revenues are available to the District. The current construction of District improvements is expected to be financed by Developer advances until bonded debt is issued to repay the Developer.

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, 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.

**CIELO METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

Under the Service Plan, the District is limited to the imposition of a mill levy in an amount not to exceed 60 mills; provided, however, that in the event the method of calculating assessed valuation is changed after the date of approval of the Service Plan, the mill levy limitation provided for the District will be automatically increased or decreased to reflect such changes, so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. After September 8, 2015, the date of the approval of the Service Plan, the ratio of actual valuation to assessed valuation for residential property was 7.96% and currently the ratio is at 7.15%. Due to this ratio change, the District's mill levy was adjusted to 66.797 mills.

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

**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 9% of the property taxes collected.

**Expenditures**

**County Treasurer's Fees**

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

**General and Administrative**

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants of costs of services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, meeting expense, and other administrative expenses.

**Debt and Leases**

The District has no debt, or operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

**This information is an integral part of the accompanying budget.**



I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Cielo Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2020, duly adopted at a meeting of the Board of Directors of the Cielo Metropolitan District held on November 19, 2019.

By: \_\_\_\_\_  
  
Secretary

RESOLUTION NO. 2019 - 11 - 03

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CIELO METROPOLITAN DISTRICT  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Cielo Metropolitan District ("District") has adopted the 2020 annual budget in accordance with the Local Government Budget Law on November 19, 2019; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2020 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cielo Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2020 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
2. That for the purposes of meeting all debt service fund expenses of the District during the 2020 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District's Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 19th day of November, 2019.

  
Secretary

**EXHIBIT A**  
(Certification of Tax Levies)

**Robin Navant**

**From:** Douglas County Budget Office <budget@douglas.co.us>  
**Sent:** Monday, December 9, 2019 6:06 PM  
**To:** Soendker, Janece  
**Cc:** DistrictMLCert@douglas.co.us; jhenry@specialdistrictlaw.com; Superchi, Brittany  
**Subject:** [External] Douglas County Tax Authority Certification

*Think Security!* This email originated from an external source.

4581 :: County Tax Entity Code

DOLA LGID/SID :: 66710

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** The County Commissioners of Douglas County, Colorado  
**On behalf of the Cielo Metro District**  
**the Board of Directors**  
**of the Cielo Metropolitan District**

**Hereby** officially certifies the following mills  
to be levied against the taxing entity's GROSS  
assessed valuation of:

**GROSS** assessed valuation: \$2,199,210.00

**Note:** If the assessor certified a NET assessed valuation  
(AV) different than the GROSS AV due to a Tax  
Increment Financing (TIF) Area the tax levies must be

**NET** assessed valuation: \$2,199,210.00

calculated using the NET AV. The taxing entity's total  
property tax revenue will be derived from the mill levy  
multiplied against the NET assessed valuation of:

**Submitted:** Janece Soendker for budget/fiscal year 2020

<b>PURPOSE</b>	<b>LEVY</b>	<b>REVENUE</b>
1. General Operating Expenses	66.797 mills	\$ 146,901.00
2. <Minus> Temporary General Property Tax Credit	- 0.000 mills	\$ - 00.00
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>66.797 mills</b>	<b>\$ 146,901.00</b>
3. General Obligation Bonds and Interest	0.000 mills	\$ 00.00
4. Contractual Obligations	0.000 mills	\$ 00.00
5. Capital Expenditures	0.000 mills	\$ 00.00
6. Refunds/Abatements	0.000 mills	\$ 00.00
7. Other	0.000 mills	\$ 00.00
<b>TOTAL:</b>	<b>66.797 mills</b>	<b>\$ 146,901.00</b>

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS:**

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**CONTRACTS:**

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**OTHER:**

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Explanation of Change: