

**INSPIRATION METROPOLITAN
DISTRICT**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**INSPIRATION METROPOLITAN DISTRICT
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	\$ 2,358,953	\$ 3,705,814	\$ 3,780,508
REVENUES			
Property taxes	3,275,981	4,071,307	4,563,571
Property taxes- Regional ARI	54,538	67,778	75,973
Specific ownership tax	282,991	406,368	371,163
Interest income	20,351	4,310	2,350
Operating assessments	1,152,967	1,425,606	1,787,520
Operating fees - builders	207,123	179,928	147,000
Late fees and interest	3,708	10,000	10,000
Legal - collections fees	9,570	12,600	12,000
Billing adjustments	-	34,691	20,000
Developer contributions	-	56,000	-
System development fees	1,414,000	987,000	633,500
Transfer fees	133,000	180,500	182,500
Debt forgiveness	-	69,071	-
Loan issue proceeds - 2021A-1 Loan	-	60,180,000	-
Loan issue proceeds - 2021A-2 Loan	-	13,045,000	-
Bond issue proceeds - 2021B Sub Bonds	-	3,255,000	-
Reimbursed expenditures	2,280	-	-
Violations and fees	-	500	-
Event Revenue	960	-	-
Adopt-A-Tree sponsorship	26,238	-	-
Miscellaneous income	3,812	21,600	13,750
Total revenues	<u>6,587,519</u>	<u>84,007,259</u>	<u>7,819,327</u>
TRANSFERS IN	<u>350,615</u>	<u>2,500,000</u>	<u>1,035,000</u>
Total funds available	<u>9,297,087</u>	<u>90,213,073</u>	<u>12,634,835</u>
EXPENDITURES			
General Fund	317,764	225,000	306,451
Operations Fund	1,216,793	1,824,619	2,433,588
Debt Service Fund	3,162,799	81,720,000	3,699,994
Capital Projects Fund	543,302	162,946	786,991
Total expenditures	<u>5,240,658</u>	<u>83,932,565</u>	<u>7,227,024</u>
TRANSFERS OUT	<u>350,615</u>	<u>2,500,000</u>	<u>1,035,000</u>
Total expenditures and transfers out requiring appropriation	<u>5,591,273</u>	<u>86,432,565</u>	<u>8,262,024</u>
ENDING FUND BALANCES	<u>\$ 3,705,814</u>	<u>\$ 3,780,508</u>	<u>\$ 4,372,811</u>
EMERGENCY RESERVE - TABOR	\$ 64,300	\$ 80,300	\$ 102,700
AVAILABLE FOR OPERATIONS	387,873	471,480	665,062
OPERATING RESERVE	420,774	635,852	760,852
COMMITTED FOR REIMBURSED EXPENSES	6,502	6,502	-
DEBT SERVICE RESERVE	2,716,028	261,205	885,046
CAPITAL PROJECTS RESERVE	110,337	2,325,169	1,959,151
TOTAL RESERVE	<u>\$ 3,705,814</u>	<u>\$ 3,780,508</u>	<u>\$ 4,372,811</u>

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
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			
Residential	\$ 32,499,890	\$ 41,161,690	\$ 51,793,040
Commercial	-	560,880	579,120
Agricultural	1,220	120	40
State assessed	100	2,500	5,000
Vacant land	15,508,130	18,395,120	14,962,550
Personal property	301,390	829,940	980,150
Other	1,110	1,110	1,110
Certified Assessed Value	<u>\$ 48,311,840</u>	<u>\$ 60,951,360</u>	<u>\$ 68,321,010</u>
MILL LEVY			
General	11.132	11.132	16.796
Debt Service	55.664	55.664	50.000
Contractual Obligations	1.112	1.112	1.112
Total mill levy	<u>67.908</u>	<u>67.908</u>	<u>67.908</u>
PROPERTY TAXES			
General	\$ 537,807	\$ 678,510	\$ 1,147,520
Debt Service	2,689,230	3,392,797	3,416,051
ARI	53,723	67,778	75,973
Levied property taxes	<u>3,280,760</u>	<u>4,139,085</u>	<u>4,639,544</u>
Adjustments to actual/rounding	49,759	-	-
Refunds and abatements	-	-	-
Budgeted property taxes	<u>\$ 3,330,519</u>	<u>\$ 4,139,085</u>	<u>\$ 4,639,544</u>
BUDGETED PROPERTY TAXES			
General	\$ 545,964	\$ 678,510	\$ 1,147,520
Debt Service	2,730,017	3,392,797	3,416,051
ARI	54,538	67,778	75,973
	<u>\$ 3,330,519</u>	<u>\$ 4,139,085</u>	<u>\$ 4,639,544</u>

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
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 BALANCE	\$ 14,382	\$ 27,870	\$ 55,549
REVENUES			
Property taxes	545,964	678,510	1,147,520
Specific ownership tax	51,024	73,269	97,879
Interest income	4,234	800	600
Miscellaneous income	30	100	-
Total revenues	<u>601,252</u>	<u>752,679</u>	<u>1,245,999</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>615,634</u>	<u>780,549</u>	<u>1,301,548</u>
EXPENDITURES			
General and administrative			
Accounting	106,538	100,200	102,000
Audit	5,150	5,150	5,700
Bond issuance costs	-	-	-
Contingency	-	2,383	9,338
County Treasurer's fee	8,194	10,178	17,213
Dues and licenses	-	1,238	1,500
Election expense	33,135	-	47,000
Insurance and bonds	31,612	9,851	8,700
Legal services	132,475	95,000	114,000
Miscellaneous	660	1,000	1,000
Total expenditures	<u>317,764</u>	<u>225,000</u>	<u>306,451</u>
TRANSFERS OUT			
Transfers to other fund	<u>270,000</u>	<u>500,000</u>	<u>940,000</u>
Total expenditures and transfers out requiring appropriation	<u>587,764</u>	<u>725,000</u>	<u>1,246,451</u>
ENDING FUND BALANCE	<u>\$ 27,870</u>	<u>\$ 55,549</u>	<u>\$ 55,097</u>
EMERGENCY RESERVE - TABOR	\$ 18,100	\$ 22,600	\$ 37,400
AVAILABLE FOR OPERATIONS	9,770	32,949	17,697
TOTAL RESERVE	<u>\$ 27,870</u>	<u>\$ 55,549</u>	<u>\$ 55,097</u>

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
OPERATIONS 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 BALANCE	\$ 607,159	\$ 851,579	\$ 1,138,585
REVENUES			
Operating assessments	1,152,967	1,425,606	1,787,520
Operating fees - builders	207,123	179,928	147,000
Transfer fees	133,000	180,500	182,500
Adopt-A-Tree sponsorship	26,238	-	-
Late fees and interest	3,708	10,000	10,000
Legal - collections fees	9,570	12,600	12,000
Billing adjustments	-	34,691	20,000
Developer contributions	-	56,000	-
Interest income	2,200	300	750
Reimbursed expenditures	2,280	-	-
Violations and fees	-	500	-
Event Revenue	960	-	-
Miscellaneous income	3,782	21,500	13,750
Total revenues	<u>1,541,828</u>	<u>1,921,625</u>	<u>2,173,520</u>
TRANSFERS IN			
Transfers from other funds	-	190,000	690,000
Total funds available	<u>2,148,987</u>	<u>2,963,204</u>	<u>4,002,105</u>
EXPENDITURES			
Administrative			
Bad debt exepense	6,291	1,000	5,610
Billing statements postage/mailing	449	7,000	10,000
Billing/collection	-	145,758	151,784
Governance mailing	514	500	510
Insurance and bonds	100	23,900	29,303
Legal - covenant enforcement	19,682	-	-
Legal- liens & collections	6,237	2,000	10,800
Legal services - other	-	18,830	-
Lockbox services	-	1,500	3,060
Management fee	262,309	315,213	552,300
Property management covenant enforcement	-	38,400	54,000
Reserve study	2,400	500	-
Storage	3,787	1,167	1,835
Telephone	-	709	900
Uniforms	-	240	300
Web hosting	-	1,200	214
Total Administrative	<u>301,769</u>	<u>557,917</u>	<u>820,616</u>

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
OPERATIONS 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
Utilities			
Electric - landscape & facilities	5,958	7,787	6,273
Gas	3,109	6,000	6,120
Trash collection	132,670	167,819	207,024
Water & sewer	205,816	238,152	328,000
Total Utilities	347,553	419,758	547,417
Landscaping			
Annual review backflow preventers	-	3,250	3,060
Adopt-A-Tree Purchase	26,994	3,518	-
Irrigation system	43,814	110,974	105,600
Landscape contracts other services	62,668	-	-
Landscape maintenance contract	238,668	261,321	298,232
Landscape tree replacement	28,074	-	-
Pond maintenance & certification	-	-	40,000
Seasonal color	6,311	8,356	6,873
Tract turnover	-	-	200,000
Tree maintenance	35,201	45,515	44,271
Tree removal & replacement	737	174,078	76,500
Winter water	12,000	31,000	31,000
Total Landscaping	454,467	638,012	805,536
Community Engagement			
Community wide program	19,069	34,630	40,000
Total Community Engagement	19,069	34,630	40,000
Facility Maintenance			
Building maintenance & repairs	5,816	17,750	16,500
Facility security access system	283	5,259	3,500
Fence / walls	8,606	24,000	40,000
Holiday lights	2,726	5,443	6,300
Internet	4,282	3,246	3,600
Janitorial	4,031	3,486	4,900
Lighting & electric	1,890	-	-
Maintenance - general community	703	-	-
Pest control	-	1,000	1,020
Pool maintenance	36,720	58,000	61,000
Pool monitors	-	-	-
Pool repairs	1,375	8,300	5,200
Pool supplies	2,990	4,314	3,500
Snow removal	14,059	29,299	43,000
Vandalism	2,985	3,966	1,500
Waste services	1,083	1,344	595
Total Facility Maintenance	87,549	165,407	190,615

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
OPERATIONS 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
Communications			
Digital tools & support	5,147	900	3,300
Website communication tools & development	-	7,995	2,004
Total Communications	<u>5,147</u>	<u>8,895</u>	<u>5,304</u>
Other Expense			
Contingency	1,239	-	24,100
Total Other Expense	<u>1,239</u>	<u>-</u>	<u>24,100</u>
Total expenditures	<u>1,216,793</u>	<u>1,824,619</u>	<u>2,433,588</u>
TRANSFERS OUT			
Transfers to other fund	<u>80,615</u>	<u>-</u>	<u>95,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,297,408</u>	<u>1,824,619</u>	<u>2,528,588</u>
ENDING FUND BALANCE	<u>\$ 851,579</u>	<u>\$ 1,138,585</u>	<u>\$ 1,473,517</u>
EMERGENCY RESERVE - TABOR	\$ 46,200	\$ 57,700	\$ 65,300
OPERATING RESERVE	420,774	635,852	760,852
COMMITTED - REIMBURSEMENT EXPENSES	6,502	6,502	-
AVAILABLE FOR OPERATIONS	<u>378,103</u>	<u>438,531</u>	<u>647,365</u>
TOTAL FUND BALANCE	<u>\$ 851,579</u>	<u>\$ 1,138,585</u>	<u>\$ 1,473,517</u>

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
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 BALANCE	\$ 1,488,988	\$ 2,716,028	\$ 261,205
REVENUES			
Property taxes	2,730,017	3,392,797	3,416,051
Specific ownership tax	231,967	333,099	273,284
System development fees	1,414,000	987,000	633,500
Interest income	13,855	3,210	1,000
Debt forgiveness	-	69,071	-
Loan issue proceeds - 2021A-1 Loan	-	60,180,000	-
Loan issue proceeds - 2021A-2 Loan	-	13,045,000	-
Bond issue proceeds - 2021B Sub Bonds	-	3,255,000	-
Total revenues	4,389,839	81,265,177	4,323,835
Total funds available	5,878,827	83,981,205	4,585,040
EXPENDITURES			
General and administrative			
Accounting	-	-	3,000
Contingency	-	108,486	21,941
County Treasurer's fee	40,974	50,892	51,241
Paying agent fees	12,000	15,000	7,500
Debt Service			
2014A Bond Interest	1,424,700	712,350	-
2014B Bond interest	1,685,125	842,563	-
2017D Bond principal	-	9,949,000	-
2017D Bond Interest	-	3,149,828	-
2021A-1 Loan principal	-	-	365,000
2021A-1 Loan interest	-	143,797	2,353,038
2021A-2 Loan principal	-	-	175,000
2021A-2 Loan interest	-	24,952	408,309
2021B Sub Bond principal	-	-	125,000
2021B Sub Bonds interest	-	-	189,965
Repay O&M developer advance principal	-	53,970	-
Repay O&M developer advance interest	-	15,101	-
Repay capital developer advance principal	-	691,979	-
Repay capital developer advance interest	-	191,233	-
Payment to refunding agent	-	64,527,278	-
Debt issue costs	-	1,243,571	-
Total expenditures	3,162,799	81,720,000	3,699,994

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
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
TRANSFERS OUT			
Transfers to other fund	-	2,000,000	-
Total expenditures and transfers out requiring appropriation	3,162,799	83,720,000	3,699,994
ENDING FUND BALANCE	\$ 2,716,028	\$ 261,205	\$ 885,046
SENIOR MAXIMUM SURPLUS AMOUNT	\$ 1,425,000	\$ -	\$ -
2014B MAXIMUM SURPLUS AMOUNT	1,690,000	-	-
2014C MAXIMUM SURPLUS AMOUNT	2,000,000	-	-
2021B RESERVE	-	154,500	154,500
2021B MAXIMUM SURPLUS AMOUNT	-	162,500	162,500
TOTAL RESERVE	\$ 5,115,000	\$ 317,000	\$ 317,000

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
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 BALANCE	\$ 248,424	\$ 110,337	\$ 2,325,169
REVENUES			
Property taxes- regional ARI	54,538	67,778	75,973
Interest income	62	-	-
Total revenues	<u>54,600</u>	<u>67,778</u>	<u>75,973</u>
TRANSFERS IN			
Transfers from other funds	<u>350,615</u>	<u>2,310,000</u>	<u>345,000</u>
Total funds available	<u>653,639</u>	<u>2,488,115</u>	<u>2,746,142</u>
EXPENDITURES			
Treasurer's Fee- regional ARI	818	1,017	1,140
Regional ARI expense	53,719	66,761	74,833
Capital Projects			
Channel settlement	455,336	-	-
Contingency	-	-	10,063
Equipment - Tool Cat machine	-	-	70,500
Equipment - Trailer 10 foot	-	-	3,500
Mailbox reconfiguration	30,004	-	-
Major ponds remediation	-	-	151,955
Multipurpose garage/office/storage	-	-	100,000
Playground and NAC	-	-	95,000
Regional trail connection	3,425	95,168	240,000
Water conservation - xeriscape	-	-	40,000
Total expenditures	<u>543,302</u>	<u>162,946</u>	<u>786,991</u>
Total expenditures and transfers out requiring appropriation	<u>543,302</u>	<u>162,946</u>	<u>786,991</u>
ENDING FUND BALANCE	<u>\$ 110,337</u>	<u>\$ 2,325,169</u>	<u>\$ 1,959,151</u>
AVAILABLE FOR DISTRICT IMPROVEMENTS	110,337	2,325,169	1,959,151
TOTAL RESERVE	<u>\$ 110,337</u>	<u>\$ 2,325,169</u>	<u>\$ 1,959,151</u>

No assurance provided. See summary of significant assumptions.

**INSPIRATION METROPOLITAN DISTRICT
2022 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 order and decree of the District Court for the City of Aurora on May 30, 2002 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). On February 10, 2017, the District formally changed its name from RockingHorse Metropolitan District No. 2 to Inspiration Metropolitan District. The District's service area is located in the City of Aurora (the "City") in Douglas County (the "County"). The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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.

Property Taxes – Regional ARI

Pursuant to the District's Service Plan, the District is required to impose the Aurora Regional Improvement (ARI) Mill Levy upon the District's residents. This mill levy is 1.000 mill for 20 years, which for this purpose begins the first year that the District certifies a debt service mill levy. The levy increases to 5.000 mills for years 21 through 40 or the date of repayment of the debt incurred for public improvements, other than regional improvements, whichever occurs first. For the 10 years subsequent to the period where the 5.000 mills is imposed, the ARI mill levy is the average of the debt service mill levy for the previous 10 years. The mill levies may be adjusted for changes in the method of calculating assessment valuation.

**INSPIRATION METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes – Regional ARI (Continued)

The District entered into the South Aurora Regional Improvement Authority (SARIA) Establishment Agreement (SARIA Agreement) with the City. SARIA was formed to provide functions and services necessary to acquire, construct, finance, maintain, and manage certain regional improvements that are identified and agreed upon by the City and the member districts.

In order to fund these projects, SARIA may issue revenue bonds secured by the pledged revenues of the ARI Mill Levies by each of the districts. The District remits the property taxes generated from the District imposed ARI mill levy, net of the cost of collections, to SARIA.

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% of all the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.1%.

System Development Fees

On October 20, 2015, the District established a one-time system development fee of \$3,500 per residential unit for the overall cost of providing amenities and facilities benefitting property and inhabitants within the District. The system development fee is calculated to defray the cost of funding Development Costs and reasonably distributes the burden in a manner based on the benefits received by persons paying and using the Facilities. The fees are payable by homebuilders at the time of issuance of a building permit.

Assessment Fees

The District adopted a Resolution Concerning the Imposition of an Operations Fee on October 20, 2015, which has been subsequently updated. The Board does not expect to raise the current Operations Fees for 2022. The Fee for each residential unit and each vacant lot is \$294 per quarter and \$147.00 per quarter, respectively. The District also imposes a Transfer Fee on each residential unit transfer and each vacant lot transfer of \$500.

**INSPIRATION METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability and operations and maintenance of the District owned public facilities such as legal, accounting, insurance, utilities, landscaping, facilities management, snow plowing, and other expenses.

County Treasurer's Fees

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

Debt Service

Principal and interest payments are provided based on the attached debt amortization schedules for the Notes and Bonds (defined below).

Debt and Leases

The District issued **Taxable (Convertible to Tax Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Notes, Series 2021A-1** (the "2021A-1 Senior Notes") and **Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Notes, Series 2021A-2** (the "2021A-2 Senior Notes", and together with the 2021A-1 Senior Notes, the "Notes"), on November 9, 2021, in the respective amounts of \$60,180,000 and \$13,045,000. The District issued **Subordinate Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2021B** (the "Bonds") on December 7, 2021, in the amount of \$3,250,000.

Proceeds of the Notes

The 2021A-1 Senior Notes were issued for the purposes of: (a) advance refunding the Refunded Bonds, and (b) paying the costs in connection with the issuance of the Notes.

The Refunded Bonds related to the 2021A-1 Senior Notes consist of the following then outstanding bonds:

- (1) Senior Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Refunding Bonds, Series 2014A;
- (2) Subordinate (Convertible to Senior) Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2014B; and
- (3) Junior Lien (Convertible to Senior) Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Bonds, Series 2014C.

The 2021A-2 Senior Notes were issued for the purposes of: (a) currently refunding the Fourth Tier Limited Tax General Obligation Bonds, Series 2017D, and (b) paying the costs in connection with the issuance of the Notes.

**INSPIRATION METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases, Continued

Details of the Notes

The 2021A-1 Senior Notes were issued at the Taxable Rate of 3.91% per annum. On the Tax-Exempt Reissuance Date, when Bond Counsel issues a Tax-Exempt Reissuance Opinion stating that interest on the 2021A-1 Senior Notes is excludable from the gross income of the recipients thereof for federal income tax purposes, the 2021A-1 Senior Notes will bear interest at the Base Rate of 3.13% until maturity.

The 2021A-2 Senior Notes bear interest at the Base Rate of 3.13% from the date of issuance until maturity.

The Notes mature on December 1, 2036. It is expected that upon maturity, the Notes will be refinanced until December 1, 2051 and will bear interest at the estimated rate of 4.50%.

Interest on the Notes is payable semiannually on June 1 and December 1, beginning on December 1, 2021. The Notes are subject to annual mandatory sinking fund principal payments due on December 1, beginning on December 1, 2022.

To the extent principal of any Note is not paid when due, such principal shall remain outstanding until paid, but in no event beyond the Discharge Date (defined below) and will continue to bear interest at the rate then borne by the Notes. To the extent interest on any Note is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the interest rate then borne by the Notes. The total repayment obligation of the District for the Notes cannot exceed the limitations of the Election and the amount permitted by law.

Discharge Date of the Notes

In the event that any amount of principal or interest on the Notes remains unpaid after the application of all Pledged Revenue available therefor on December 1, 2051 (the "Discharge Date"), the Notes and the lien of the Indenture securing payment thereof will be deemed discharged.

Optional Redemption of the Notes

The Notes are subject to redemption prior to maturity, at the option of the District, on any date, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
Date of issuance of the Notes to November 3, 2023	3.00%
November 4, 2023, to November 3, 2024	2.00
November 4, 2024, to November 3, 2025	1.00
November 4, 2025, and thereafter	0.00

**INSPIRATION METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases, Continued

Notes Pledged Revenue

The Notes 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:

- (a) all Property Tax Revenues;
- (b) the portion of the Specific Ownership Tax Revenues which is collected as a result of imposition of the Required Mill Levy;
- (c) all Development Fee Revenues; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Note Fund.

Property Tax Revenues

“Property Tax Revenues” means all moneys derived from imposition by the District of the Required Mill Levy and any other debt service 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.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to levy the “Required Mill Levy,” generally meaning:

- (a) prior to the Conversion Date of the Notes, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Property Tax Revenues which would be sufficient to pay the Annual Debt Requirements for the next Fiscal Year (less any amount thereof for which amounts are then on deposit in the Note Fund) but not in excess of 50 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2004). Furthermore, in accordance with the Service Plan, the maximum mill levy of 50 mills (adjusted) shall be reduced by the number of mills necessary to pay unlimited mill levy debt;
- (b) on and after the Conversion Date of the Notes, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Property Tax Revenues which would be sufficient to pay the principal of, premium if any, and interest on the Notes as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Note Fund).

Conversion Date of the Notes

The “Conversion Date”, as it relates to the Notes is the first date on which all of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less; and (b) no amounts of principal or interest on the Notes are due but unpaid.

**INSPIRATION METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases, Continued

Senior Debt to Assessed Ratio

“Senior Debt to Assessed Ratio” means, as of any date of calculation, the ratio derived by dividing the then-outstanding principal amount of Senior Debt by the most recent Final Assessed Valuation of the District.

Events of Default of the Notes

Events of default occur if the District fails to impose the Required Mill or to apply the Pledged Revenue as required by the Indenture, fails to pay principal and interest on the Notes when due, and does not comply with other customary terms and conditions with normal municipal financing as described in the Indenture.

Proceeds of the Bonds

The Bonds are being issued for the purpose of (a) paying Project Costs, (b) funding the Subordinate Reserve Fund to the Subordinate Reserve Requirement, and (c) paying other costs in connection with the issuance of the Bonds.

Project Costs represent costs properly attributable to the financing, reimbursement, acquisition, construction, and installation of the Public Improvements Project or any part thereof.

Details of the Bonds

The Bonds bear interest at 5.00%, payable annually on December 15, beginning on December 15, 2022. The Bonds are subject to annual mandatory sinking fund principal payments due on December 15, beginning on December 15, 2022 and maturing on December 15, 2036.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid, but in no event beyond the Discharge Date of the Bonds (defined below) and will continue to bear interest at the rate then borne by the Bonds. To the extent interest on any Bond is not paid when due, such unpaid interest shall compound annually on each December 15 at the interest rate then borne by the Bonds. The total repayment obligation of the District for the Bonds cannot exceed the limitations of the Election and the amount permitted by law.

Discharge Date of the Bonds

In the event that any amount of principal or interest on the Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2051 (the “Discharge Date of the Bonds”), the Bonds and the lien of the Indenture securing payment thereof will be deemed discharged.

**INSPIRATION METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases, Continued

Optional Redemption of the Bonds

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2026, to December 14, 2027	3.00%
December 15, 2027, to December 14, 2028	2.00
December 15, 2028, to December 14, 2029	1.00
December 15, 2029, and thereafter	0.00

Subordinate Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, which means the moneys derived by the District from the following sources:

- (a) all Subordinate Property Tax Revenues;
- (b) the portion of the Subordinate Specific Ownership Tax Revenues which is collected as a result of imposition of the Subordinate Required Mill Levy;
- (c) all Development Fee Revenues; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate Property Tax Revenues

“Subordinate Property Tax Revenues” means all moneys derived from imposition by the District of the Subordinate Required Mill Levy. Subordinate 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.

Subordinate Required Mill Levy

Pursuant to the Subordinate Bonds Indenture, the District has covenanted to levy the “Subordinate Required Mill Levy,” generally meaning:

- (a) prior to the Conversion Date of the Bonds, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary to generate Subordinate Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and to replenish the Subordinate Reserve Fund to the Subordinate Reserve Requirement, but not in excess of 50 mills less the Senior Obligation Mill Levy;

**INSPIRATION METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases, Continued

Subordinate Required Mill Levy, Continued

(b) on and after the Conversion Date, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Subordinate Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable and to replenish the Subordinate Reserve Fund to the Subordinate Reserve Requirement.

Conversion Date of the Bonds

The "Conversion Date", as it relates to the Bonds, is the first date on which all of the following conditions are met: (a) the Debt to Assessed Ratio is 50% or less; (b) no amounts of principal or interest on the Bonds are due but unpaid; and (c) the amount on deposit in the Subordinate Reserve Fund is not less than the Subordinate Reserve Requirement.

Debt to Assessed Ratio

"Debt to Assessed Ratio" means, as of any date of calculation, the ratio derived by dividing the then-outstanding principal amount of all general obligation indebtedness of the District by the most recent Final Assessed Valuation of the District.

Subordinate Reserve Fund

The Subordinate Reserve Fund was funded from proceeds of the Bonds in the amount of the Subordinate Reserve Requirement of \$154,500.

Amounts on deposit in the Subordinate Reserve Fund on the final maturity date of the Bonds will be applied to the payment of the Bonds on such date.

Subordinate Surplus Fund

The Bonds are additionally secured by the Subordinate Surplus Fund which will be funded by Subordinate Pledged Revenue that is not needed to pay debt service on the Bonds in any year and is deposited to and held in the Subordinate Surplus Fund, up to the Maximum Subordinate Surplus Amount of \$162,500.

Any amounts on deposit in the Subordinate Surplus Fund on the final maturity date of the Bonds will be applied to the payment of the Bonds on such date.

Events of Default on the Bonds

Events of default occur if the District fails to impose the Subordinate Required Mill or to apply the Subordinate Pledged Revenue as required by the Subordinate Indenture, fails to pay principal and interest on the Bonds when due, and does not comply with other customary terms and conditions with normal municipal financing as described in the Subordinate Indenture.

The District has no operating or capital leases.

**INSPIRATION METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Emergency Reserve

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

Operations Reserve

The Board is accumulating an operating reserve for future repairs and replacements of District owned public facilities.

This information is an integral part of the accompanying budget.

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2021

\$60,180,000

Taxable (Convertible to Tax Exempt) Limited Tax
(Convertible to Unlimited) General Obligation Refunding Notes
Series 2021A-1, Interest Rate 3.13% - 4.50%
Payable June 1 and December 1
Principal due December 1

Year Ending December 31,	Principal	Interest	Total
2021	\$ -	\$ 143,797	\$ 143,797
2022	365,000	2,353,038	2,718,038
2023	500,000	296,433	2,764,895
2024	1,145,000	1,856,560	3,001,560
2025	1,180,000	1,820,721	3,000,721
2026	1,265,000	1,783,787	3,048,787
2027	1,305,000	1,744,193	3,049,193
2028	1,395,000	1,703,346	3,098,346
2029	1,435,000	1,659,683	3,094,683
2030	1,530,000	1,614,767	3,144,767
2031	1,580,000	1,566,878	3,146,878
2032	1,680,000	1,517,424	3,197,424
2033	1,730,000	1,464,840	3,194,840
2034	1,835,000	1,410,691	3,245,691
2035	1,890,000	1,353,256	3,243,256
2036	2,145,000	1,294,099	3,439,099
2037	1,680,000	1,764,000	3,444,000
2038	1,815,000	1,688,400	3,503,400
2039	1,895,000	1,606,725	3,501,725
2040	2,045,000	1,521,450	3,566,450
2041	2,135,000	1,429,425	3,564,425
2042	2,295,000	1,333,350	3,628,350
2043	2,395,000	1,230,075	3,625,075
2044	2,565,000	1,122,300	3,687,300
2045	2,685,000	1,006,875	3,691,875
2046	2,870,000	886,050	3,756,050
2047	3,000,000	756,900	3,756,900
2048	3,200,000	621,900	3,821,900
2049	3,340,000	477,900	3,817,900
2050	3,560,000	327,600	3,887,600
2051	3,720,000	167,400	3,887,400
	<u>\$ 60,180,000</u>	<u>\$ 41,492,322</u>	<u>\$ 101,672,322</u>

No assurance provided. See summary of significant assumptions.

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2021

\$13,045,000

Limited Tax (Convertible to Unlimited Tax)

General Obligation Refunding Notes

Series 2021A-2, Interest Rate 3.13% - 4.50%

Payable June 1 and December 1

Principal due December 1

Year Ending December 31,	Principal	Interest	Total
2021	\$ -	\$ 24,952	\$ 24,952
2022	175,000	408,309	583,309
2023	230,000	402,831	632,831
2024	250,000	395,632	645,632
2025	255,000	387,807	642,807
2026	275,000	379,826	654,826
2027	280,000	371,218	651,218
2028	300,000	362,454	662,454
2029	310,000	353,064	663,064
2030	330,000	343,361	673,361
2031	340,000	333,032	673,032
2032	360,000	322,390	682,390
2033	370,000	311,122	681,122
2034	395,000	299,541	694,541
2035	410,000	287,178	697,178
2036	460,000	274,345	734,345
2037	355,000	373,725	728,725
2038	385,000	357,750	742,750
2039	405,000	340,425	745,425
2040	430,000	322,200	752,200
2041	455,000	302,850	757,850
2042	485,000	282,375	767,375
2043	510,000	260,550	770,550
2044	545,000	237,600	782,600
2045	565,000	213,075	778,075
2046	605,000	187,650	792,650
2047	635,000	160,425	795,425
2048	675,000	131,850	806,850
2049	710,000	101,475	811,475
2050	755,000	69,525	824,525
2051	790,000	35,550	825,550
	<u>\$ 13,045,000</u>	<u>\$ 8,634,085</u>	<u>\$ 21,679,085</u>

No assurance provided. See summary of significant assumptions.

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2021

\$3,250,000

Subordinate Limited Tax (Convertible to
Unlimited Tax) General Obligation Bonds

Series 2021B, Interest Rate 5.50%

Payable December 15

Principal due December 15

Year Ending December 31,	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	135,000	166,111	301,111
2023	150,000	155,750	305,750
2024	160,000	148,250	308,250
2025	165,000	140,250	305,250
2026	175,000	132,000	307,000
2027	185,000	123,250	308,250
2028	195,000	114,000	309,000
2029	200,000	104,250	304,250
2030	210,000	94,250	304,250
2031	225,000	83,750	308,750
2032	235,000	72,500	307,500
2033	245,000	60,750	305,750
2034	260,000	48,500	308,500
2035	270,000	35,500	305,500
2036	440,000	22,000	462,000
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
	<u>\$ 3,250,000</u>	<u>\$ 1,501,111</u>	<u>\$ 4,751,111</u>

No assurance provided. See summary of significant assumptions.

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2021

Year Ending December 31,	Total		
	Principal	Interest	Total
2021	\$ -	\$ 168,749	\$ 168,749
2022	675,000	2,927,458	3,602,458
2023	880,000	855,014	3,703,476
2024	1,555,000	2,400,442	3,955,442
2025	1,600,000	2,348,778	3,948,778
2026	1,715,000	2,295,613	4,010,613
2027	1,770,000	2,238,661	4,008,661
2028	1,890,000	2,179,800	4,069,800
2029	1,945,000	2,116,997	4,061,997
2030	2,070,000	2,052,378	4,122,378
2031	2,145,000	1,983,660	4,128,660
2032	2,275,000	1,912,314	4,187,314
2033	2,345,000	1,836,712	4,181,712
2034	2,490,000	1,758,732	4,248,732
2035	2,570,000	1,675,933	4,245,933
2036	3,045,000	1,590,443	4,635,443
2037	2,035,000	2,137,725	4,172,725
2038	2,200,000	2,046,150	4,246,150
2039	2,300,000	1,947,150	4,247,150
2040	2,475,000	1,843,650	4,318,650
2041	2,590,000	1,732,275	4,322,275
2042	2,780,000	1,615,725	4,395,725
2043	2,905,000	1,490,625	4,395,625
2044	3,110,000	1,359,900	4,469,900
2045	3,250,000	1,219,950	4,469,950
2046	3,475,000	1,073,700	4,548,700
2047	3,635,000	917,325	4,552,325
2048	3,875,000	753,750	4,628,750
2049	4,050,000	579,375	4,629,375
2050	4,315,000	397,125	4,712,125
2051	4,510,000	202,950	4,712,950
	<u>\$ 76,475,000</u>	<u>\$ 51,627,519</u>	<u>\$ 128,102,519</u>

No assurance provided. See summary of significant assumptions.