

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS

(2018)

The Board of Directors of Inspiration Metropolitan District (the “**Board**”), City of Aurora, Douglas County, Colorado (the “**District**”) held a special meeting at 22298 E. Aurora Parkway, Aurora, Colorado, on November 13, 2017, at the hour of 5:30 P.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.

[Remainder of Page Intentionally Left Blank.]

NOTICE AS TO PROPOSED 2018 BUDGET

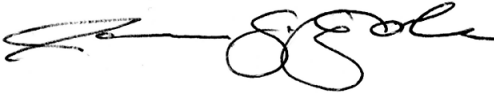
AURORA SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I JAMES S. GOLD, do solemnly swear that I am the PUBLISHER of the AURORA SENTINEL; that the same is a weekly newspaper published in the County of Arapahoe, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Arapahoe for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 consecutive insertion; and that the first publication of said notice was in the issue of said newspaper dated November 9 A.D. 2017 and that the last publication of said notice was in the issue of said newspaper dated November 9 A.D. 2017.

I witness whereof I have hereunto set my hand this 9 day of November A.D. 2017.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 9 day of November A.D. 2017.



Notary Public

MELANIE COKER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164022849
MY COMMISSION EXPIRES JUNE 15, 2020

**NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2018 BUDGET
AND NOTICE OF PUBLIC HEARING
ON THE AMENDED 2017 BUDGET**

NOTICE IS HEREBY GIVEN that a proposed 2018 budget has been submitted to the Board of Directors (the "Board") of the INSPIRATION METROPOLITAN DISTRICT (the "District"). A copy of the proposed budget is on file in the office of CliftonLarsonAllen, LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, where the same is open for public inspection.

NOTICE IS FURTHER GIVEN that an amendment to the 2017 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 500, 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 22298 E. Aurora Parkway, Aurora, Colorado, on Monday, November 13, 2017, at 5:30 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:
INSPIRATION
METROPOLITAN DISTRICT

/s/ White Bear Ankele
Tanaka & Waldron
Attorneys at Law

Publication: November 9, 2017
Aurora Sentinel

Thereupon, Director Curtiss introduced and moved the adoption of the following Resolution:

RESOLUTION

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 2018 AND ENDING ON THE LAST DAY OF DECEMBER 2018.

WHEREAS, the Board has authorized its treasurer, accountant and/or legal counsel 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 13, 2017, interested electors were given the opportunity to file or register any objections to said proposed budget and no written objections were filed prior to the public hearing; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-101, *et seq.*, C.R.S., as applicable, and Article X, § 20 of the Colorado Constitution.

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

Section 1. Summary of 2018 Revenues and 2018 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2018, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year

2018. 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 2 shall be deemed ratified by the Board.

Section 3. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2018 budget year, there is hereby levied a tax of eleven and fifty-five thousandths (11.055) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2018 budget year, there is hereby levied a tax of fifty-five and two hundred and seventy-seven thousandths (55.277) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2018 budget year, there is hereby levied a tax of one and one-hundred and five thousandths (1.105) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2018 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Douglas 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 8. Appropriations. The amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated for the purposes thereof and no other.

Section 9. 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 10. 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.

The foregoing Resolution was seconded by Director Thomas.

[Remainder of page intentionally left blank.]

ADOPTED THIS 13TH DAY OF NOVEMBER, 2017.

INSPIRATION METROPOLITAN DISTRICT



Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a District meeting held on November 13, 2017, at 22298 E. Aurora Parkway, Aurora, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 13th day of November, 2017.




EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Inspiration Metropolitan District
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Inspiration Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. 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 American Institute of Certified Public Accountants. 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.

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 Inspiration Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 24, 2018

**INSPIRATION METROPOLITAN DISTRICT
SUMMARY
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 51,291	\$ 210,757	\$ 209,597
REVENUES			
1 Property taxes	701,488	920,956	1,754,320
2 Specific ownership taxes	64,540	102,958	175,430
3 Developer advance	45,550	1,744,583	-
4 Net investment income	493	5,790	12,258
5 Other income	6,521	3,224	2,000
6 Property taxes - Regional ARI	11,691	15,350	29,225
7 Specific ownership taxes - Regional ARI	1,076	1,525	2,920
8 Development fees	654,500	518,000	700,000
9 Assessment fees - homeowners	225,564	385,892	498,708
10 Assessment fees - builders	115,386	143,766	151,914
11 Working capital	38,500	65,500	81,085
12 Net investment income - reserve	-	142	-
Total revenues	<u>1,865,309</u>	<u>3,907,686</u>	<u>3,407,860</u>
TRANSFERS IN	-	43,850	159,000
Total funds available	<u>1,916,600</u>	<u>4,162,293</u>	<u>3,776,457</u>
EXPENDITURES			
13 General and administration			
14 Accounting	19,222	20,000	25,000
15 Audit	4,200	4,200	4,500
16 Banking fees	-	37	200
17 Contingency	-	-	2,914
18 County Treasurer's fees	1,754	2,302	4,386
19 District management	18,000	19,500	28,662
20 Dues and membership	-	768	1,000
21 Election	-	-	25,000
22 General and administration	4,036	3,579	-
23 Insurance	11,610	15,071	25,000
24 Legal	60,657	105,839	75,000
25 Meeting expense	-	-	800
26 Mileage / Auto	-	-	600
27 Miscellaneous	889	2,450	1,000
28 Office rental	-	3,600	3,600
29 Office supplies	-	-	900
30 Postage	-	-	3,827
31 Professional Services- Management	47,550	62,701	99,920
32 Social events and activities	19,594	24,910	25,350
33 Uniforms	-	-	400
34 Web hosting	-	-	4,080
35 Operations and maintenance			
36 Collection Expense	2,374	850	-
37 Dog waste bags	-	-	1,200
38 Drainage Maint.	-	-	55,000
39 Electricity	4,023	5,050	12,400
40 Fence/walls	-	-	10,000
41 Gas	3,177	3,983	4,700
42 Holiday Lighting	-	15,000	6,000
43 Irrigation supplies and repairs	6,761	21,025	16,000
44 Landscape maintenance	59,185	75,457	250,000
45 Landscape P & S	-	-	4,904
46 Landscape supplies and repairs	60,161	111,000	-
47 Pest control	-	-	480
48 Playground Inspection	-	-	1,800
49 Pool service and supplies	35,148	46,517	56,900
50 Refuse	35,230	51,196	65,808
51 Refuse - Clubhouse	-	-	525
52 Reserve Study	2,650	-	-
53 Seasonal color	-	-	7,000
54 Snow Contract	4,097	8,422	15,000
55 Storage	-	-	1,010
56 Telephone	1,772	3,619	3,840
57 Water	111,337	110,000	210,000
58 Debt service			
59 Bond interest 2014 Bonds - Interest	1,162,125	1,424,700	1,424,700
60 County Treasurer's fees	8,946	11,512	19,836
61 Paying agent fees	8,750	10,667	15,000
62 Regional ARI mill levy	12,595	-	-
63 Regional mill levy	-	-	-
64 Treasurer's fees - ARI	-	309	397
65 Capital projects			
66 Capital outlay	-	1,744,583	791
Total expenditures	<u>1,705,843</u>	<u>3,908,847</u>	<u>2,515,430</u>
TRANSFERS OUT	-	43,850	159,000
Total expenditures and transfers out requiring appropriation	<u>1,705,843</u>	<u>3,952,697</u>	<u>2,674,430</u>
ENDING FUND BALANCES	<u>\$ 210,757</u>	<u>\$ 209,597</u>	<u>\$ 1,102,027</u>
EMERGENCY RESERVE	\$ 17,970	\$ 5,200	\$ 9,800
EMERGENCY RESERVE RESERVE	-	17,916	21,951
TOTAL RESERVE	<u>\$ 17,970</u>	<u>\$ 130,320</u>	<u>\$ 134,921</u>

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

**INSPIRATION METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

1/24/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
ASSESSED VALUATION -			
Residential	\$ 11,691,450	\$ 15,921,760	\$ 13,444,920
Agricultural	-	-	3,880
Vacant Land	-	-	12,743,970
Personal Property	-	-	253,080
State Assessed	-	-	600
Other	-	-	1,110
Certified Assessed Value	<u>\$ 11,691,450</u>	<u>\$ 15,921,760</u>	<u>\$ 26,447,560</u>
MILL LEVY			
GENERAL FUND	10.000	10.000	11.055
DEBT SERVICE FUND	50.000	50.000	55.277
CONTRACTUAL OBLIGATIONS	1.000	1.000	1.105
Total Mill Levy	<u>61.000</u>	<u>61.000</u>	<u>67.437</u>
PROPERTY TAXES			
GENERAL FUND	\$ 116,914	\$ 159,217	\$ 292,378
DEBT SERVICE FUND	584,573	796,088	1,461,942
CONTRACTUAL OBLIGATIONS	11,691	15,922	29,225
Levied property taxes	713,178	971,227	1,783,545
Adjustments to actual/rounding	1	-	-
Refund and abatements	-	(34,921)	-
Budgeted Property Taxes	<u>\$ 713,179</u>	<u>\$ 936,306</u>	<u>\$ 1,783,545</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 116,915	\$ 153,492	\$ 292,378
DEBT SERVICE FUND	584,573	767,464	1,461,942
CONTRACTUAL OBLIGATIONS	11,691	15,350	29,225
	<u>\$ 713,179</u>	<u>\$ 936,306</u>	<u>\$ 1,783,545</u>

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

**INSPIRATION METROPOLITAN DISTRICT
GENERAL FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ (23,489)	\$ 20,631	\$ 9,105
REVENUES			
1 Property taxes	116,915	153,492	292,378
2 Specific ownership taxes	10,757	17,156	29,240
3 Developer advance	13,850	-	-
4 Net investment income	41	513	1,200
5 Other income	-	1,559	1,000
Total revenues	<u>141,563</u>	<u>172,720</u>	<u>323,818</u>
Total funds available	<u>118,074</u>	<u>193,351</u>	<u>332,923</u>
EXPENDITURES			
General and administration			
6 Accounting	19,222	20,000	25,000
7 Audit	4,200	4,200	4,500
8 Banking fees	-	37	200
9 Contingency	-	-	2,914
10 County Treasurer's fees	1,754	2,302	4,386
11 Dues and membership	-	768	1,000
12 Election	-	-	25,000
13 Insurance	11,610	15,071	25,000
14 Legal	60,657	95,787	75,000
15 Miscellaneous	-	2,231	1,000
Total expenditures	<u>97,443</u>	<u>140,396</u>	<u>164,000</u>
TRANSFERS OUT			
OPERATIONS FUND			
Total transfers out	<u>-</u>	<u>43,850</u>	<u>159,000</u>
Total expenditures and transfers out requiring appropriation	<u>97,443</u>	<u>184,246</u>	<u>323,000</u>
ENDING FUND BALANCES	<u>\$ 20,631</u>	<u>\$ 9,105</u>	<u>\$ 9,923</u>
EMERGENCY RESERVE	<u>\$ 17,970</u>	<u>\$ 5,200</u>	<u>\$ 9,800</u>
TOTAL RESERVE	<u>\$ 17,970</u>	<u>\$ 5,200</u>	<u>\$ 9,800</u>

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

**INSPIRATION METROPOLITAN DISTRICT
OPERATIONS FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 61,081	\$ 60,733	\$ 125,120
REVENUES			
1 Developer advance	31,700	-	-
2 Net investment income	452	256	-
3 Other income	4,034	1,665	-
4 Assessment fees - homeowners	225,564	385,892	498,708
5 Assessment fees - builders	115,386	143,766	151,914
6 Working capital	38,500	65,500	81,085
7 Net investment income - reserve	-	137	-
Total revenues	<u>415,636</u>	<u>597,216</u>	<u>731,707</u>
TRANSFERS IN			
GENERAL FUND	-	43,850	159,000
Total transfers in	<u>-</u>	<u>43,850</u>	<u>159,000</u>
Total funds available	<u>476,717</u>	<u>701,799</u>	<u>1,015,827</u>
EXPENDITURES			
General and administration			
8 District management	18,000	19,500	28,662
9 General and administration	4,036	3,579	-
10 Legal	-	10,052	-
11 Meeting expense	-	-	800
12 Mileage / Auto	-	-	600
13 Miscellaneous	889	219	-
14 Office rental	-	3,600	3,600
15 Office supplies	-	-	900
16 Postage	-	-	3,827
17 Professional Services- Management	47,550	62,701	99,920
18 Social events and activities	19,594	24,910	25,350
19 Uniforms	-	-	400
20 Web hosting	-	-	4,080
Operations and maintenance			
21 Collection Expense	2,374	850	-
22 Dog waste bags	-	-	1,200
23 Drainage Maint.	-	-	55,000
24 Electricity	4,023	5,050	12,400
25 Fence/walls	-	-	10,000
26 Gas	3,177	3,983	4,700
27 Holiday Lighting	-	15,000	6,000
28 Irrigation supplies and repairs	6,761	21,025	16,000
29 Landscape maintenance	59,185	75,457	250,000
30 Landscape P & S	-	-	4,904
31 Landscape supplies and repairs	60,161	111,000	-
32 Pest control	-	-	480
33 Playground Inspection	-	-	1,800
34 Pool service and supplies	35,148	46,517	56,900
35 Refuse	35,230	51,196	65,808
36 Refuse - Clubhouse	-	-	525
37 Reserve Study	2,650	-	-
38 Seasonal color	-	-	7,000
39 Snow Contract	4,097	8,422	15,000
40 Storage	-	-	1,010
41 Telephone	1,772	3,619	3,840
42 Water	111,337	110,000	210,000
Total expenditures	<u>415,984</u>	<u>576,680</u>	<u>890,706</u>
Total expenditures and transfers out requiring appropriation	<u>415,984</u>	<u>576,680</u>	<u>890,706</u>
ENDING FUND BALANCES	<u>\$ 60,733</u>	<u>\$ 125,120</u>	<u>\$ 125,121</u>
EMERGENCY RESERVE	\$ -	\$ 17,916	\$ 21,951
RESERVE	-	107,203	103,170
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 125,120</u>	<u>\$ 125,121</u>

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

**INSPIRATION METROPOLITAN DISTRICT
DEBT SERVICE FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 12,117	\$ 127,811	\$ 73,790
REVENUES			
1 Property taxes	584,573	767,464	1,461,942
2 Specific ownership taxes	53,783	85,802	146,190
3 Net investment income	-	5,021	11,058
4 Other income	2,487	-	1,000
5 Property taxes - Regional ARI	11,691	15,350	29,225
6 Specific ownership taxes - Regional ARI	1,076	1,525	2,920
7 Development fees	654,500	518,000	700,000
8 Net investment income - reserve	-	5	-
Total revenues	1,308,110	1,393,167	2,352,335
Total funds available	1,320,227	1,520,978	2,426,125
EXPENDITURES			
Debt service			
9 Bond interest 2014 Bonds - Interest	1,162,125	1,424,700	1,424,700
10 County Treasurer's fees	8,946	11,512	19,836
11 Paying agent fees	8,750	10,667	15,000
12 Regional ARI mill levy	12,595	-	-
13 Regional mill levy	-	-	-
14 Treasurer's fees - ARI	-	309	397
Total expenditures	1,192,416	1,447,188	1,459,933
Total expenditures and transfers out requiring appropriation	1,192,416	1,447,188	1,459,933
ENDING FUND BALANCES	\$ 127,811	\$ 73,790	\$ 966,192

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

**INSPIRATION METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2018 BUDGET AS ADOPTED
WITH 2016 ACTUAL AND 2017 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 791	\$ 791	\$ 791
REVENUES			
1 Developer advance	-	1,744,583	-
Total revenues	-	1,744,583	-
Total funds available	791	1,745,374	791
EXPENDITURES			
Capital projects			
2 Capital outlay	-	1,744,583	791
Total expenditures	-	1,744,583	791
Total expenditures and transfers out requiring appropriation	-	1,744,583	791
ENDING FUND BALANCES	\$ 791	\$ 791	\$ -

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

**INSPIRATION METROPOLITAN DISTRICT
2018 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 March 4, 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 Douglas 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.

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.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of 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 1.00%.

**INSPIRATION METROPOLITAN DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Development Fees

The District established a system development fee of \$3,500 per residential unity. The fees are payable by homebuilders at the time of issuance of building permits. The revenue from the fees is pledged for payment of the two Bonds.

Assessments Fees

The District collects assessments from property owners in the District to offset operations and maintenance costs.

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 such as legal, accounting, insurance, utilities, landscaping, facilities management, snow plowing and other administrative 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 in 2018 are provided based on the debt amortization schedule from the Series 2014A Senior Bonds (discussed under Debt and Leases). The debt to maturity schedule is attached.

Debt and Leases

The Taxable Senior Limited Tax General Obligation Refunding Bond Series 2014 A-1, 2014 A-2, and 2014 A-3 ("Series 2014") in the total amount of \$2,640,000 bear interest at 6.5% and are payable semi-annually on June 1st and December 1st of each year commencing June 1, 2014 through December 1, 2016. The Series 2014 bonds are payable from pledged revenue including property taxes and development fees. The Series 2014 bonds are not subject to redemption at the option of the District prior to maturity. The Series 2014 bonds are subject to mandatory redemption on June 1 and December 1 of each year, commencing on June 1, 2014 to the extent pledged revenue is available 45 days prior to the redemption date. In the event that any amount of principal or interest on the bonds remains unpaid after the application of all Pledged Revenue available on the final maturity date of the Series 2014 Bonds, the Bonds and the lien thereof on the Pledged Revenues securing payment thereof shall be deemed discharged.

On December 1, 2016 the outstanding balance of the Series 2014 bonds of \$1,170,000 was deemed discharged.

**INSPIRATION METROPOLITAN DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

Senior Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Refunding Bonds, Series 2014A (“Series 2014A”) in the amount of \$20,000,651. Prior to the December 1, 2016, the Bonds shall pay no current interest and accrete in value in accordance with the Accretion Table, compounding semi-annually on each June 1 and December 1, commencing June 1, 2014. On December 1, 2016 and until the maturity date of December 1, 2051 or prior redemption, the Bonds shall bear interest at the rate of 6.00% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available semi-annually, on each June 1 and December 1, commencing June 1, 2017. The Series 2014A bonds are payable from pledged revenue including property taxes and development fees and are subject to redemption prior to maturity, at the option of the District, on and after January 1, 2024, upon payment of par plus accrued interest, without redemption premium.

Subordinate (Convertible to Senior) Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2014B in the amount of \$17,771,847 (“Series 2014B”). Prior to December 1, 2019, the Series 2014B bonds shall pay no current interest and accrete in value in accordance with the Accretion Table, compounding semi-annually on each June 1 and December 1, commencing June 1, 2014. On December 1, 2019 and until maturity date of December 1, 2051, or prior redemption, the Series 2014B bonds shall bear interest at the rate of 6.50% per annum, calculated on the basis of a 360- day year of twelve 30-day months, payable to the extent of Pledged Revenue available semi- annually, on each June 1 and December 1, commencing June 1, 2020. The Series 2014B bonds are payable from pledged revenue including property taxes and development fees and are subject to redemption prior to maturity, at the option of the District, on and after January 1, 2024, upon payment of par plus accrued interest, without redemption premium.

Junior Lien (Convertible to Senior) Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Refunding Bonds, Series 2014C (Drawdown) in the amount up to \$9,785,000 (“Series 2014C”) The Series 2014C bonds were issued with no balance, and will “fill-up” as infrastructure costs are accepted by the District under the Facility Acquisition Agreement. On November 12, 2015 bonds in the amount of \$4,272,225 were issued (Series 2014C-1 and Series 2014C-2). Prior to the December 1, 2023, the Series 2014C bonds shall pay no current interest and accrete in value in accordance with the Accretion Table, compounding semi-annually on each June 1 and December 1, commencing June 1, 2014. On December 1, 2023 and until the maturity date of December 1, 2051, or prior redemption, the Series 2014C bonds shall bear interest at the rate of 7.00% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available semi- annually, on each June 1 and December 1, commencing June 1, 2024. The Series 2014C bonds are payable from pledged revenue including property taxes and development fees and are subject to redemption prior to maturity, at the option of the District, on and after January 1, 2024, upon payment of par plus accrued interest, without redemption premium.

Fourth Tier Limited Tax General Obligation Bonds, Series 2017D, in the amount of \$9,949,000 were issued on December 12, 2017 to finance certain public improvements. The Bonds bear interest at the rate of 7.50% per annum, until paid in full or discharged, such interest to be calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available therefor annually on each December 15, commencing on December 15, 2018. The Bonds are structured as cash flow bonds and payments will be made when funds are available, with the exception of \$82,500 which is to be repaid in 2018 from the first \$82,500 in Pledged revenue received by the District.

**INSPIRATION METROPOLITAN DISTRICT
2018 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

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

This information is an integral part of the accompanying budget.

**INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$49,790,400

**General Obligation Refunding and Improvement Bonds
(Limited Tax Convertible to Unlimited Tax)**

Series 2014A, Interest Rate of 6.00%

Series 2014B, Interest Rate of 6.50%

Series 2014C, Interest Rate of 7.00%

Dated June 1, 2014

Payable June 1 and December 1

**Bonds and
Interest
Maturing in the
Year Ending
December 31,**

	Principal	Interest	Total
2018	\$ -	\$ 1,424,700	\$ 1,424,700
2019	-	1,424,700	1,424,700
2020	-	3,109,825	3,109,825
2021	-	3,109,825	3,109,825
2022-2026	165,000	17,110,475	17,275,475
2027-2031	2,005,000	17,911,725	19,916,725
2032-2036	5,145,000	16,908,100	22,053,100
2037-2041	9,445,000	14,770,175	24,215,175
2042-2046	15,815,000	11,015,575	26,830,575
2047-2051	24,530,000	4,949,800	29,479,800
	\$ 57,105,000	\$ 93,159,600	\$ 150,264,600