

BIG SKY METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

BIG SKY METROPOLITAN DISTRICT NO. 1**BALANCE SHEET - GOVERNMENTAL FUNDS****SEPTEMBER 30, 2021**

	<u>General Fund</u>
ASSETS	
Cash - Checking	\$ 3,974
TOTAL ASSETS	<u>\$ 3,974</u>
LIABILITIES AND FUND BALANCES	
CURRENT LIABILITIES	
Accounts payable	\$ 17,032
Total Liabilities	<u>17,032</u>
FUND BALANCES	
Total Fund Balances	<u>(13,058)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,974</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted

BIG SKY METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

GENERAL FUND FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
TOTAL REVENUES			
EXPENDITURES			
Accounting	35,000	9,517	25,483
Dues and licenses	750	647	103
Insurance and bonds	3,000	2,765	235
Legal services	60,000	11,440	48,560
Streets	50,000	-	50,000
Storm drainage	100,000	-	100,000
Sewer	250,000	186,854	63,146
Contingency	1,250	79	1,171
TOTAL EXPENDITURES	500,000	211,302	288,698
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(500,000)	(211,302)	288,698
OTHER FINANCING SOURCES (USES)			
Developer advance	500,000	234,169	(265,831)
TOTAL OTHER FINANCING SOURCES (USES)	500,000	234,169	(265,831)
NET CHANGE IN FUND BALANCES	-	22,867	22,867
FUND BALANCES - BEGINNING	1,000	(35,925)	(36,925)
FUND BALANCES - ENDING	\$ 1,000	\$ (13,058)	\$ (14,058)

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**BIG SKY METROPOLITAN DISTRICT NO. 1
2021 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
2021 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 2021. Therefore, no property taxes will be collected in 2021.

**BIG SKY METROPOLITAN DISTRICT NO. 1
2021 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 7% of the property taxes collected. A mill levy was not certified for collection in 2021. Therefore, no specific ownership taxes will be collected in 2021.

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.

BIG SKY METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

The District does not have any outstanding debt or operating leases.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
Developer Advances:				
Operations	\$ 161,340	\$ 39,899	\$ -	\$ 201,239
Capital	1,447,201	278,460	-	1,725,661
Accrued Interest on Developer Advances:				
Operations	10,791	14,382	-	25,173
Capital	110,479	126,753	-	237,232
Total	<u>\$ 1,729,811</u>	<u>\$ 459,494</u>	<u>\$ -</u>	<u>\$ 2,189,305</u>
	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
Developer Advances:				
Operations	\$ 201,239	\$ 100,000	\$ -	\$ 301,239
Capital	1,725,661	400,000	-	2,125,661
Accrued Interest on Developer Advances:				
Operations	25,173	20,132	-	45,305
Capital	237,232	154,185	-	391,417
Total	<u>\$ 2,189,305</u>	<u>\$ 674,317</u>	<u>\$ -</u>	<u>\$ 2,863,622</u>

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.

BIG SKY METROPOLITAN DISTRICT NO. 1
SCHEDULE OF CASH POSITION
September 30, 2021
Updated as of October 28, 2021

		Total
<u>1st Bank - Checking Account</u>		
Balance as of 09/30/21		\$ 3,973.50
Subsequent activities:		
10/1/2021	Checks #1171-1173	(8,911.03)
10/4/2021	Developers advance	8,911.03
10/4/2021	Bank fee	(10.00)
10/27/2021	Checks #1174-1176	(8,120.92)
	<i>Anticipated developers advance</i>	8,120.92
	<i>Anticipated bank fee</i>	(10.00)
	Anticipated Balance	<u>\$ 3,953.50</u>