

# **CIELO METROPOLITAN DISTRICT**

## **2019 ANNUAL REPORT**

**CIELO METROPOLITAN DISTRICT  
2019 ANNUAL REPORT  
TO  
DOUGLAS COUNTY BOARD OF COUNTY COMMISSIONERS**

**(For Activities Completed in 2019, and With Information About Prospective Years)**

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**I. District Description – General Information**

*a. Board Members, officers' titles, and terms*

- Christopher Osler – President – May 2022
- Reginald Carveth – Secretary – May 2023
- Timothy Westbrook – Treasurer – May 2023

*b. Changes in Board memberships in past year*

The current Board members were appointed at a special meeting on January 1, 2020. The current Board members were then re-elected on May 5, 2020.

*c. Name and address for official District contact*

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2154 E Commons Ave., Suite 2000, Centennial, CO  
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303-858-1800

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CliftonLarsonAllen, LLC  
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*d. Elections held in the past year and their purpose*

May 5, 2020 Election – To elect Board members and TABOR Election to increase debt authorization

**II. Boundary changes for the report year and proposed changes for the coming year**

There were no boundary changes made or proposed to the District's boundary in 2019, and there are no proposed changes in the District's boundary for 2020.

**III. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service arrangements**

a. *Contracts for operations, debt, and other contractual obligations with sub-District or operating and taxing District*

The District is a party to that certain Intergovernmental Agreement among the District, Denver Southeast Suburban Water and Sanitation District d/b/a Pinery Water and Wastewater District Acting by and through its Enterprise Fund, and the Parker Water and Sanitation District, dated December 13, 2018 (the “**Water IGA**”). Pursuant to the Water IGA, the District obtains wastewater treatment services from the Pinery Wastewater Treatment Plant.

The District is a party to that certain Agreement Regarding School Park Facilities Construction, Use, and Maintenance among the District, Forestar (USA) Real Estate Group Inc., and Douglas County School District, dated November 12, 2019 (the “**School Agreement**”). The School Agreement memorializes the parties understanding about the timing for the design, construction, ownership, operation, and maintenance of School Park Facilities as defined in the School Agreement. Forestar (USA) Real Estate Group Inc. assigned its interest in the School Agreement to the Forestar (USA) Real Estate Group Inc.

The District is a party to that certain Clubhouse Funding, Construction, and Operations Agreement, dated November 19, 2019, among the District, Stone Creek Metropolitan District, Choke Cherry Investors, LLC, and Forestar (USA) Real Estate Group Inc. (the “**Clubhouse Agreement**”). Pursuant to the Clubhouse Agreement, Choke Cherry Investors, LLC intends to construct and finance a public clubhouse, swimming pool, and related public improvements (collectively, the “Clubhouse Improvements”). Stone Creek Metropolitan District will reimburse Choke Cherry Investors, LLC for the costs related to construction of the Clubhouse Improvements. The District shall pay for 51% the costs related to operations and maintenance of the Clubhouse Improvements

b. *Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District*

The District is a party to that certain Funding and Reimbursement Agreement (Operations and Maintenance) dated January 30, 2020 with Toll Southwest LLC (the “**Operations Agreement**”). Pursuant to the Operations Agreement, Toll Southwest LLC (“**Toll**”) agrees to advance funds to the District for operations and maintenance expenses, not to exceed the aggregate of \$50,000 per annum for calendar years 2020 through 2021. Toll may agree to renew its obligations under the Operations Agreement by providing written notice to the District. The maximum amount to be advanced pursuant to the Operations Agreement is \$100,000.

The District is a party to that certain Infrastructure Acquisition and Reimbursement Agreement dated January 30, 2020 with Toll (the “**Infrastructure Agreement**”). Pursuant to the Infrastructure Agreement, Toll agrees to incur costs related to the financing, construction and installation of public improvements and the District agrees to reimburse Toll for such costs and acquire certain improvements all subject to limitations contained in the Special District Act and the Service Plan.

**IV. Service Plan**

a. *List and description of services authorized in Service Plan*

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by this Service Plan and described in the Special District Act, and other applicable statutes, common law, and the Colorado Constitution.

b. *List and description of facilities authorized in Service Plan*

See response to a. above.

c. *List and description of any extraterritorial services, facilities, and agreements*

The District is a party to the Clubhouse Agreement, as described in III(a) above.

**V. Development Progress**

a. *Indicate the estimated year of build-out, as set forth in the Service Plan.*

The estimated year of build-out, as set forth in the Service Plan, is 2026.

b. *List the services provided with the date service began compared to the date authorized by the Service Plan.*

The Service Plan authorizes the District to provide the following services or facilities: Services are expected to begin in 2021

| Service Type                               | Services Began   | SP Authorization |
|--|------------------|------------------|
| Water - PWSD                               | Anticipated 2021 | 2015             |
| Storm Sewer                                | Anticipated 2021 | 2015             |
| Sanitation and Wastewater Treatment - PWSD | Anticipated 2021 | 2015             |

|   |                  |      |
|---|------------------|------|
| Street Improvements                         | Anticipated 2021 | 2015 |
| Traffic Safety Protection                   | Anticipated 2021 | 2015 |
| Parks and Recreation                        | Anticipated 2022 | 2015 |
| Mosquito Control                            | Anticipated 2022 | 2015 |
| Covenant Enforcement and Design Review; and | Anticipated 2022 | 2015 |
| Fire Protection - SMFRA                     | Anticipated 2021 | 2015 |
| Security                                    | Anticipated 2021 | 2015 |

- c. *List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented.*

As of December 31, 2019 there have been no changes to the Service Plan.

- d. *List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan.*

| Facility Type   | Anticipated Date of Completion | Service Plan Authorization |
|-----------------|--------------------------------|----------------------------|
| Open Space/Park | 2022                           | 2015                       |

- e. *List of facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any.*

The open space/park is not completed because site improvements did not begin until 2020 and there won't be occupied homes until late 2022.

- f. *List facilities currently under construction with the percentage complete and an anticipated date of completion.*

| Facility Type   | Percentage Complete | Anticipated Date of Completion |
|-----------------|---------------------|--------------------------------|
| Open Space/Park | 0%                  | 2015                           |

- g. *Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years.*

The population of the District for the previous five (5) years is 0. Construction on homes is expected to begin in 2023. Current population is 0.

Estimated home closings by year:

2020 – 0  
2021 - 0  
2022 - 53  
2023 - 87  
2024 – 87  
2025 - 86

Total of 313 at the end of 5 years.

The Service Plan estimates 2.5 persons per residence, which would translate to an estimated population of approximately 782 at the end of five years.

Estimated population by year:

2020 – 0  
2021 - 0  
2022 - 132  
2023 - 350  
2024 – 568  
2025 - 782

- h. List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.*

Total number of single family homes expected to be constructed is 343. Home construction is expected to begin in 2022. Home construction is expected to be completed by 2026.

- i. List any enterprises created by and/or operated by or on behalf of the District and summarize the purpose of each.*

No enterprises have been created by and or operated by or on behalf of the District.

## **VI. Financial Plan and Financial Activities**

- a. Provide a copy of the audit or exemption from the audit for the reporting year.*

A copy of the 2019 audit exemption approval letter is attached hereto as **Exhibit A**.

- b. *Provide a copy of the budget, showing the reporting and previous years.*

A copy of the 2019 Budget is attached hereto as **Exhibit B**. A copy of the 2020 Budget is attached hereto as **Exhibit C**.

- c. *Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).*

See the attached **Exhibit D**.

- d. *List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired.*

As of December 31, 2019 the District has not issued debt.

- e. *List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued.*

See the attached DLG-32 Form in **Exhibit E**.

- f. *List the total amount of debt issued and outstanding as of the date of the annual report and compare to the maximum authorized debt level as set forth in the Service Plan.*

As of December 31, 2019 the District has not issued debt.

- g. *Enterprises of the District.*

There are no enterprise operations to report.

- i. *Include revenues of the enterprise, showing both direct support from the District and all other sources*

N/A

- ii. *Include expenses of the enterprise, showing both direct payments to the District and all other obligations*

N/A

*h. Detail contractual obligations.*

*i. Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments.*

See responses to Section III.

*ii. Report any inability of the District to pay current obligations that are due within the current budget year*

None.

*iii. Describe any District financial obligations in default*

None.

*i. Actual and Assessed Valuation History*

*i. Report the annual actual and assessed valuation for the current year and for each of the seven (7) years prior to current year*

| Tax Year | Certified Assessed Valuation | Annual Actual |
|----------|------------------------------|---------------|
| 2019     | \$2,199,210                  | \$7,581,917   |
| 2018     | \$3,580                      | \$12,348      |
| 2017     | \$6,300                      | \$11,370      |
| 2016     | \$2,660                      | \$9,162       |
| 2015     | Not Organized                | Not Organized |
| 2014     | Not Organized                | Not Organized |
| 2013     | Not Organized                | Not Organized |

*ii. For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value*

| Tax Year | Certified Assessed Valuation | Service Plan Estimate |
|----------|------------------------------|-----------------------|
| 2019     | \$2,199,210                  | \$3,404,366           |



|      |               |                  |
|------|---------------|------------------|
| 2018 | \$3,580       | \$648,250        |
| 2017 | \$6,300       | \$0              |
| 2016 | \$2,660       | \$0              |
| 2015 | Not Organized | \$0              |
| 2014 | Not Organized | Not Contemplated |
| 2013 | Not Organized | Not Contemplated |

j. *Mill Levy History.*

- i. *Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance)*

| Year  | General Fund  | Debt Service  |
|---|---------------|---------------|
| 2019 Mill Levy Certification for Collection in 2020 | 66.333        | 0.000         |
| 2018 Mill Levy Certification for Collection in 2019 | 66.333        | 0.000         |
| 2017 Mill Levy Certification for Collection in 2018 | 60.000        | 0.000         |
| 2016 Mill Levy Certification for Collection in 2017 | 60.000        | 0.000         |
| 2015 Mill Levy Certification for Collection in 2016 | Not Organized | Not Organized |
| 2014 Mill Levy Certification for Collection in 2015 | Not Organized | Not Organized |
| 2013 Mill Levy Certification for Collection in 2014 | Not Organized | Not Organized |

- ii. *For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.*

| Certification                                       | Total Actual  | Service Plan Estimate |
|---|---------------|-----------------------|
| 2019 Mill Levy Certification for Collection in 2020 | 66.333        | 66.333                |
| 2018 Mill Levy Certification for Collection in 2019 | 66.333        | 66.333                |
| 2017 Mill Levy Certification for Collection in 2018 | 60.000        | 60.000                |
| 2016 Mill Levy Certification for Collection in 2017 | 60.000        | 60.000                |
| 2015 Mill Levy Certification for Collection in 2016 | Not Organized | N/A                   |
| 2014 Mill Levy Certification for Collection in 2015 | Not Organized | N/A                   |
| 2013 Mill Levy Certification for Collection in 2014 | Not Organized | N/A                   |

*k. Miscellaneous Taxes History.*

- i. Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue-based obligations, debt by issue, contractual obligations, other)*

See the attached tax history and revenue projection chart in **Exhibit D**.

- ii. For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.*

The service plan does not anticipate any miscellaneous tax revenue.

*l. Estimated Assessed Valuation of District at 100% Build-Out.*

- i. Provide an updated estimate and compare this with the Service Plan estimate.*

Updated Estimate at 100% Build-Out: \$16,319,706

Service Plan Estimate: \$12,293,571

- m. *Estimated Amount of Additional General Obligation Debt to be Issued by the District between the End of Current Year and 100% Build-Out.*
  - i. *Provide an updated estimate based on current events. Do not include refunding bonds.*

Information regarding the issuance of additional general obligation debt is unknown at this time other than as estimated in the Service Plan.

**EXHIBIT A**

2019 Approval for Exemption from Audit

**Vo, SyLuc**

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**From:** osa.lg=state.co.us@mg.denvertech.org on behalf of osa.lg@state.co.us  
**Sent:** Friday, March 27, 2020 11:51 AM  
**To:** Vo, SyLuc  
**Subject:** [External] Confirmation of your Exemption submission



Think Security  
at CLA

This email originated from an external source.



**OSA**

**Office of the State Auditor**  
Local Government Audits Division

We Set the Standard for Good Governments

Hello Sy Luc Vo,

We have received your Exemption submission. The confirmation number for the submission is:  
2020032717681.

The submission was submitted on behalf of Local Government Entity Cielo Metropolitan District.

**APPLICATION FOR EXEMPTION FROM AUDIT****SHORT FORM**NAME OF GOVERNMENT  
ADDRESSCielo Metropolitan District  
8390 E Crescent Parkway  
Suite 300  
Greenwood Village, CO 80111For the Year Ended  
12/31/19  
or fiscal year ended:CONTACT PERSON  
PHONE  
EMAIL  
FAXCarrie Bartow  
303-779-5710  
Carrie.Bartow@claconnect.com  
303-779-0348**PART 1 - CERTIFICATION OF PREPARER**

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPAREDCarrie Bartow  
Accountant for the District  
CliftonLarsonAllen LLP  
8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111  
303-779-5710  
3/11/2020**PREPARER** (SIGNATURE REQUIRED)

See Attached Accountant's Compilation Report

Please indicate whether the following financial information is recorded  
using Governmental or Proprietary fund types**GOVERNMENTAL**  
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)

## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

| Line# | Description  | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|--|-------------------------|---|
| 2-1   | Taxes: Property (report mills levied in Question 10-6)   | \$ 237                  |   |
| 2-2   | Specific ownership                                       | \$ 24                   |   |
| 2-3   | Sales and use  | \$ -                    |   |
| 2-4   | Other (specify):   | \$ -                    |   |
| 2-5   | Licenses and permits                                     | \$ -                    |   |
| 2-6   | Intergovernmental: Grants                                | \$ -                    |   |
| 2-7   | Conservation Trust Funds (Lottery)                       | \$ -                    |   |
| 2-8   | Highway Users Tax Funds (HUTF)                           | \$ -                    |   |
| 2-9   | Other (specify):   | \$ -                    |   |
| 2-10  | Charges for services                                     | \$ -                    |   |
| 2-11  | Fines and forfeits                                       | \$ -                    |   |
| 2-12  | Special assessments                                      | \$ -                    |   |
| 2-13  | Investment income  | \$ -                    |   |
| 2-14  | Charges for utility services                             | \$ -                    |   |
| 2-15  | Debt proceeds (should agree with line 4-4, column 2)     | \$ -                    |   |
| 2-16  | Lease proceeds   | \$ -                    |   |
| 2-17  | Developer Advances received (should agree with line 4-4) | \$ 37,395               |   |
| 2-18  | Proceeds from sale of capital assets                     | \$ -                    |   |
| 2-19  | Fire and police pension                                  | \$ -                    |   |
| 2-20  | Donations  | \$ -                    |   |
| 2-21  | Other (specify):   | \$ -                    |   |
| 2-22  |  | \$ -                    |   |
| 2-23  |  | \$ -                    |   |
| 2-24  | (add lines 2-1 through 2-23) TOTAL REVENUE               | \$ 37,656               |   |

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

| Line# | Description   | Round to nearest Dollar | Please use this space to provide any necessary explanations |
|-------|---|-------------------------|---|
| 3-1   | Administrative  | \$ 11,860               |   |
| 3-2   | Salaries  | \$ -                    |   |
| 3-3   | Payroll taxes   | \$ -                    |   |
| 3-4   | Contract services   | \$ -                    |   |
| 3-5   | Employee benefits   | \$ -                    |   |
| 3-6   | Insurance   | \$ 1,074                |   |
| 3-7   | Accounting and legal fees   | \$ 30,991               |   |
| 3-8   | Repair and maintenance  | \$ -                    |   |
| 3-9   | Supplies  | \$ -                    |   |
| 3-10  | Utilities and telephone   | \$ -                    |   |
| 3-11  | Fire/Police   | \$ -                    |   |
| 3-12  | Streets and highways  | \$ -                    |   |
| 3-13  | Public health   | \$ -                    |   |
| 3-14  | Culture and recreation  | \$ -                    |   |
| 3-15  | Utility operations  | \$ -                    |   |
| 3-16  | Capital outlay  | \$ -                    |   |
| 3-17  | Debt service principal (should agree with Part 4)                       | \$ -                    |   |
| 3-18  | Debt service interest   | \$ -                    |   |
| 3-19  | Repayment of Developer Advance Principal (should agree with line 4-4)   | \$ -                    |   |
| 3-20  | Repayment of Developer Advance Interest                                 | \$ -                    |   |
| 3-21  | Contribution to pension plan (should agree to line 7-2)                 | \$ -                    |   |
| 3-22  | Contribution to Fire & Police Pension Assoc. (should agree to line 7-2) | \$ -                    |   |
| 3-23  | Other (specify):  | \$ -                    |   |
| 3-24  |   | \$ -                    |   |
| 3-25  |   | \$ -                    |   |
| 3-26  | (add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES                | \$ 43,925               |   |

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

|  | Yes                                 | No                                  |             |                  |
|--|-------------------------------------|-------------------------------------|-------------|------------------|
| 4-1 Does the entity have outstanding debt?<br>If Yes, please attach a copy of the entity's Debt Repayment Schedule.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |             |                  |
| 4-2 Is the debt repayment schedule attached? If no, MUST explain:<br><div style="border: 1px solid black; padding: 2px; margin-top: 5px;">The District's debt consists of Developer advances which currently do not have scheduled payments.</div> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |             |                  |
| 4-3 Is the entity current in its debt service payments? If no, MUST explain:<br><div style="border: 1px solid black; padding: 2px; margin-top: 5px;">See comments 4-2.</div>   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |             |                  |
| 4-4 Please complete the following debt schedule, if applicable:<br>(please only include principal amounts)(enter all amount as positive numbers)   |                                     |                                     |             |                  |
| General obligation bonds   | \$ -                                | \$ -                                | \$ -        | \$ -             |
| Revenue bonds  | \$ -                                | \$ -                                | \$ -        | \$ -             |
| Notes/Loans  | \$ -                                | \$ -                                | \$ -        | \$ -             |
| Leases   | \$ -                                | \$ -                                | \$ -        | \$ -             |
| Developer Advances   | \$ 8,403                            | \$ 37,395                           | \$ -        | \$ 45,798        |
| Other (specify):   | \$ -                                | \$ -                                | \$ -        | \$ -             |
| <b>TOTAL</b>   | <b>\$ 8,403</b>                     | <b>\$ 37,395</b>                    | <b>\$ -</b> | <b>\$ 45,798</b> |

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

|   | Yes                                 | No                                  |
|---|-------------------------------------|-------------------------------------|
| 4-5 Does the entity have any authorized, but unissued, debt?<br>If yes: How much?   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Date the debt was authorized:   | \$ 146,640,000.00<br>11/3/2015      |                                     |
| 4-6 Does the entity intend to issue debt within the next calendar year?<br>If yes: How much?  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| What is the amount outstanding?   | \$ -                                |                                     |
| 4-7 Does the entity have debt that has been refinanced that it is still responsible for?<br>If yes: What is the amount outstanding? | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| What is the amount outstanding?   | \$ -                                |                                     |
| 4-8 Does the entity have any lease agreements?<br>If yes: What is being leased?   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| What is the original date of the lease?   |                                     |                                     |
| Number of years of lease?   |                                     |                                     |
| Is the lease subject to annual appropriation?   | <input type="checkbox"/>            | <input type="checkbox"/>            |
| What are the annual lease payments?   | \$ -                                |                                     |

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

|   | Amount   | Total    |
|---|----------|----------|
| 5-1 YEAR-END Total of ALL Checking and Savings Accounts                           | \$ 2,279 |          |
| 5-2 Certificates of deposit   | \$ -     |          |
| <b>Total Cash Deposits</b>  |          | \$ 2,279 |
| Investments (if investment is a mutual fund, please list underlying investments): |          |          |
|   | \$ -     |          |
|   | \$ -     |          |
| 5-3   | \$ -     |          |
|   | \$ -     |          |
| <b>Total Investments</b>  |          | \$ -     |
| <b>Total Cash and Investments</b>   |          | \$ 2,279 |

Please answer the following questions by marking in the appropriate boxes

|   | Yes                                 | No                       | N/A                                 |
|---|-------------------------------------|--------------------------|-------------------------------------|
| 5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?  | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            |

If no, MUST use this space to provide any explanations:



## PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 6-1 Does the entity have capital assets?  Yes       No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:  Yes       No

The District does not have capital assets.

| Complete the following capital assets table: | Balance - beginning of the year* | Additions (Must be included in Part 3) | Deletions   | Year-End Balance |
|--|----------------------------------|--|-------------|------------------|
| Land   | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Buildings                                    | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Machinery and equipment                      | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Furniture and fixtures                       | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Infrastructure                               | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Construction In Progress (CIP)               | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Other (explain):                             | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| Accumulated Depreciation                     | \$ -                             | \$ -                                   | \$ -        | \$ -             |
| <b>TOTAL</b>                                 | <b>\$ -</b>                      | <b>\$ -</b>                            | <b>\$ -</b> | <b>\$ -</b>      |

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 7-1 Does the entity have an "old hire" firemen's pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firemen's pension plan?  Yes       No

If yes: Who administers the plan?

Indicate the contributions from:

|                                  |             |
|----------------------------------|-------------|
| Tax (property, SO, sales, etc.): | \$ -        |
| State contribution amount:       | \$ -        |
| Other (gifts, donations, etc.):  | \$ -        |
| <b>TOTAL</b>                     | <b>\$ -</b> |

What is the monthly benefit paid for 20 years of service per retiree as of Jan

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No                      N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?  Yes       No       N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:  Yes       No       N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

| Fund Name    | Budgeted Expenditures/Expenses |
|--------------|--------------------------------|
| General Fund | \$ 46,000                      |
|              |                                |
|              |                                |
|              |                                |

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

**9-1** Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?



Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

**10-1** Is this application for a newly formed governmental entity?



If yes: Date of formation:

**10-2** Has the entity changed its name in the past or current year?



If yes: Please list the NEW name & PRIOR name:

**10-3** Is the entity a metropolitan district?



Please indicate what services the entity provides:

See comment below.

**10-4** Does the entity have an agreement with another government to provide services?



If yes: List the name of the other governmental entity and the services provided:

**10-5** Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during



If yes: Date Filed:

**10-6** Does the entity have a certified Mill Levy?



If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

|                       |               |
|-----------------------|---------------|
| Bond Redemption mills | -             |
| General/Other mills   | 66.333        |
| <b>Total mills</b>    | <b>66.333</b> |

|                       |               |
|-----------------------|---------------|
| Bond Redemption mills | -             |
| General/Other mills   | 66.333        |
| <b>Total mills</b>    | <b>66.333</b> |

Please use this space to provide any explanations or comments:

10-3: Design, construction, acquisition, operations and maintenance of streets, water facilities, storm sewer, sanitation facilities, safety protection, parks and recreation, mosquito control, transportation, fire protection, security, and TV relay.

## PART 11 - GOVERNING BODY APPROVAL

| Please answer the following question by marking in the appropriate box |  | YES                                 | NO                       |
|--|--|-------------------------------------|--------------------------|
| 12-1   | If you plan to submit this form electronically, have you read the new Electronic Signature Policy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

#### Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

| Print the names of ALL members of current governing body below.<br>Print Board Member's Name |                       | A MAJORITY of the members of the governing body must complete and sign in the column below.  |
|--|-----------------------|--|
| Board Member 1   | Christopher Osler     | I, Christopher Osler, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: 3/27/2020<br>My term Expires: May 2020<br><small>DocuSigned by: Christopher Osler<br/>A72E2A817BD74D3...</small>         |
| Board Member 2   | Reginald Carveth, III | I, Reginald Carveth, III, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: 3/27/2020<br>My term Expires: May 2020<br><small>DocuSigned by: Reginald Carveth, III<br/>1CBEBD7AA163458...</small> |
| Board Member 3   | Timothy Westbrook     | I, Timothy Westbrook, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: 3/25/2020<br>My term Expires: May 2020<br><small>DocuSigned by: Tim Westbrook<br/>CFCA50503B554A0...</small>             |
| Board Member 4   |                       | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |
| Board Member 5   |                       | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |
| Board Member 6   |                       | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |
| Board Member 7   |                       | I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.<br>Signed _____<br>Date: _____<br>My term Expires: _____   |



CliftonLarsonAllen LLP  
www.CLACONnect.com

## Accountant's Compilation Report

Board of Directors  
Cielo Metropolitan District  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Cielo Metropolitan District as of and for the year ended December 31, 2019, included in the accompanying prescribed form. 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 financial statements included in the accompanying prescribed form 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 financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Cielo Metropolitan District.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP'.

Greenwood Village, Colorado  
March 11, 2020

## Certificate Of Completion

|  |                           |
|--|---------------------------|
| Envelope Id: AD82CC00EB394420A8AE7569B7D4AABD                                    | Status: Completed         |
| Subject: Please DocuSign: Cielo Metropolitan District - 2019 Audit Exemption.pdf |                           |
| Client Name: Cielo Metropolitan District   |                           |
| Client Number: 011-044911-00   |                           |
| Source Envelope:   |                           |
| Document Pages: 8  | Signatures: 3             |
| Certificate Pages: 5   | Initials: 0               |
| AutoNav: Enabled   | Envelope Originator:      |
| Envelopeld Stamping: Enabled   | SyLuc Vo                  |
| Time Zone: (UTC-06:00) Central Time (US & Canada)                                | 220 South 6th Street      |
|  | Suite 300                 |
|  | Minneapolis, MN 55402     |
|  | SyLuc.Vo@claconnect.com   |
|  | IP Address: 67.162.151.56 |

## Record Tracking

|                      |                         |                    |
|----------------------|-------------------------|--------------------|
| Status: Original     | Holder: SyLuc Vo        | Location: DocuSign |
| 3/24/2020 4:12:28 PM | SyLuc.Vo@claconnect.com |                    |

## Signer Events

Christopher Osler  
 cosler@tollbrothers.com  
 Security Level: Email, Account Authentication (None)

## Signature

DocuSigned by:  
  
 A72E2A817BD74D3...  
 Signature Adoption: Drawn on Device  
 Using IP Address: 174.209.18.184  
 Signed using mobile

## Timestamp

Sent: 3/24/2020 4:18:21 PM  
 Resent: 3/26/2020 1:18:06 PM  
 Resent: 3/27/2020 10:53:38 AM  
 Viewed: 3/27/2020 12:06:09 PM  
 Signed: 3/27/2020 12:06:29 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/27/2020 12:06:09 PM  
 ID: a0e65e33-a070-4270-a8b7-304288684b4c

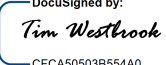
Reginald Carveth, III  
 rcarveth@tollbrothers.com  
 VP  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 1CBEBD7AA163458...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 4.34.32.42

Sent: 3/24/2020 4:18:21 PM  
 Resent: 3/27/2020 10:53:38 AM  
 Viewed: 3/27/2020 10:56:48 AM  
 Signed: 3/27/2020 10:57:19 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/27/2020 10:56:48 AM  
 ID: 57c1299d-7731-43fa-bf6a-f9938dd57be4

Tim Westbrook  
 twestbrook@tollbrothers.com  
 Toll Brothers  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 CFCFA50503B554A0...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 4.34.32.42

Sent: 3/24/2020 4:18:21 PM  
 Viewed: 3/24/2020 9:59:51 PM  
 Signed: 3/25/2020 6:11:39 PM

**Electronic Record and Signature Disclosure:**  
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 ID: 3037723e-a24a-4c9b-9164-84b879076c37

| In Person Signer Events | Signature | Timestamp |
|-------------------------|-----------|-----------|
| Editor Delivery Events  | Status    | Timestamp |
| Agent Delivery Events   | Status    | Timestamp |

| <b>Intermediary Delivery Events</b>               | <b>Status</b>    | <b>Timestamp</b>      |
|---|------------------|-----------------------|
| <b>Certified Delivery Events</b>                  | <b>Status</b>    | <b>Timestamp</b>      |
| <b>Carbon Copy Events</b>                         | <b>Status</b>    | <b>Timestamp</b>      |
| <b>Witness Events</b>                             | <b>Signature</b> | <b>Timestamp</b>      |
| <b>Notary Events</b>                              | <b>Signature</b> | <b>Timestamp</b>      |
| <b>Envelope Summary Events</b>                    | <b>Status</b>    | <b>Timestamps</b>     |
| Envelope Sent                                     | Hashed/Encrypted | 3/27/2020 10:53:38 AM |
| Certified Delivered                               | Security Checked | 3/27/2020 12:06:09 PM |
| Signing Complete                                  | Security Checked | 3/27/2020 12:06:29 PM |
| Completed   | Security Checked | 3/27/2020 12:06:29 PM |
| <b>Payment Events</b>                             | <b>Status</b>    | <b>Timestamps</b>     |
| <b>Electronic Record and Signature Disclosure</b> |                  |                       |

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**



Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

**How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

**To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

**To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

**EXHIBIT B**

2019 Budget



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## CliftonLarsonAllen

### 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, 2019, including the estimate of comparative information for the year ended December 31, 2018, and the actual comparative information for the year ended December 31, 2017, 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  
January 28, 2019

CIELO METROPOLITAN DISTRICT  
GENERAL FUND  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,

1/28/19

|   | ACTUAL<br>2017    | ESTIMATED<br>2018 | BUDGET<br>2019 |
|---|-------------------|-------------------|----------------|
| BEGINNING FUND BALANCE  | \$ -              | \$ (1,111)        | \$ 347         |
| REVENUES  |                   |                   |                |
| Property taxes  | 160               | 418               | 237            |
| Specific ownership taxes  | 18                | 40                | 24             |
| Developer advance   | 4,668             | 239,000           | 45,500         |
| Total revenues  | <u>4,846</u>      | <u>239,458</u>    | <u>45,761</u>  |
| Total funds available   | <u>4,846</u>      | <u>238,347</u>    | <u>46,108</u>  |
| EXPENDITURES  |                   |                   |                |
| General and administrative                                      |                   |                   |                |
| Accounting  | 5,755             | 5,000             | 13,500         |
| County Treasurer's fee  | 2                 | 6                 | 4              |
| Dues and membership   | 200               | 300               | 400            |
| District management   | -                 | -                 | 5,000          |
| Insurance   | -                 | 3,000             | 3,000          |
| Legal   | -                 | 25,000            | 23,500         |
| Election  | -                 | 2,000             | -              |
| Contingency   | -                 | 202,694           | 596            |
| Total expenditures  | <u>5,957</u>      | <u>238,000</u>    | <u>46,000</u>  |
| Total expenditures and transfers out<br>requiring appropriation | <u>5,957</u>      | <u>238,000</u>    | <u>46,000</u>  |
| ENDING FUND BALANCE   | <u>\$ (1,111)</u> | <u>\$ 347</u>     | <u>\$ 108</u>  |
| EMERGENCY RESERVE   | <u>\$ -</u>       | <u>\$ 100</u>     | <u>\$ 100</u>  |
| TOTAL RESERVE   | <u>\$ -</u>       | <u>\$ 100</u>     | <u>\$ 100</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  
PROPERTY TAX SUMMARY INFORMATION  
2019 BUDGET  
WITH 2017 ACTUAL AND 2018 ESTIMATED  
For the Years Ended and Ending December 31,**

1/28/19

|                                    | ACTUAL<br>2017 | ESTIMATED<br>2018 | BUDGET<br>2019 |
|------------------------------------|----------------|-------------------|----------------|
| <b>ASSESSED VALUATION</b>          |                |                   |                |
| Agricultural                       | \$ 2,660       | \$ 2,840          | \$ 2,840       |
| State assessed                     | -              | 3,000             | -              |
| Vacant land                        | -              | 460               | 740            |
| Certified Assessed Value           | \$ 2,660       | \$ 6,300          | \$ 3,580       |
| <br><b>MILL LEVY</b>               |                |                   |                |
| General                            | 60.000         | 66.333            | 66.333         |
| Total mill levy                    | 60.000         | 66.333            | 66.333         |
| <br><b>PROPERTY TAXES</b>          |                |                   |                |
| General                            | \$ 160         | \$ 418            | \$ 237         |
| Budgeted property taxes            | \$ 160         | \$ 418            | \$ 237         |
| <br><b>BUDGETED PROPERTY TAXES</b> |                |                   |                |
| General                            | \$ 160         | \$ 418            | \$ 237         |
|                                    | \$ 160         | \$ 418            | \$ 237         |

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

**CIELO METROPOLITAN DISTRICT  
2019 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 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  
2019 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 7.20%. Due to this ratio change, the District's mill levy was increased to 66.333 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 10% of the property taxes collected.

**Developer advance**

The District is in the development stage. As such, the District's general and administrative expenditures and certain capital 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**

**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.



**CIELO METROPOLITAN DISTRICT  
2019 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.**

**EXHIBIT C**

2020 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<br>2018 | ESTIMATED<br>2019 | BUDGET<br>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<br>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<br>2018 | ESTIMATED<br>2019 | BUDGET<br>2020 |
|------------------------------------|----------------|-------------------|----------------|
| <b>ASSESSED VALUATION</b>          |                |                   |                |
| Agricultural                       | \$ 2,840       | \$ 2,840          | \$ -           |
| State assessed                     | 3,000          | -                 | -              |
| Vacant land                        | 460            | 740               | 2,199,210      |
| Certified Assessed Value           | \$ 6,300       | \$ 3,580          | \$ 2,199,210   |
| <br><b>MILL LEVY</b>               |                |                   |                |
| General                            | 66.333         | 66.333            | 66.797         |
| Total mill levy                    | 66.333         | 66.333            | 66.797         |
| <br><b>PROPERTY TAXES</b>          |                |                   |                |
| General                            | \$ 418         | \$ 237            | \$ 146,901     |
| Budgeted property taxes            | \$ 418         | \$ 237            | \$ 146,901     |
| <br><b>BUDGETED PROPERTY TAXES</b> |                |                   |                |
| General                            | \$ 418         | \$ 237            | \$ 146,901     |
|                                    | \$ 418         | \$ 237            | \$ 146,901     |

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.**

**EXHIBIT D**

Tax History and Revenue Projection





**EXHIBIT E**

Recorded DLG-32



**COLORADO**  
 Department of Local Affairs  
 Division of Local Government

**FORM DLG-32**  
**Notice of Special District Authorization or**  
**Issuance of General Obligation Indebtedness**  
**(CRS 32-1-1604)**

|  |   |
|--|---|
| <b>Name of District:</b>                                     | Cielo Metropolitan District   |
| <b>Principal Amount:</b>                                     | See Exhibit A attached hereto.  |
| <b>Average Interest Rate:</b>                                | N/A   |
| <b>Name of Bond Issue:</b>                                   | N/A   |
| <b>Credit Enhancement:</b>                                   | N/A   |
| <b>Rating and Rating Agency:</b>                             | N/A   |
| <b>Dated as of:</b>  | N/A   |
| <b>Final Maturity Date:</b>                                  | N/A   |
| <b>Name and Address of Underwriter:</b>                      | N/A   |
| <b>Name and Address of Bond Counsel:</b>                     | N/A   |
| <b>Name, Address &amp; Phone of District Contact Person:</b> | Clint Waldron, Esq.<br>White Bear Ankele Tanaka & Waldron<br>2154 E. Commons Avenue, Suite 2000<br>Centennial, CO 80122<br>(303) 858-1800 |

District is required to record with the **County Clerk and Recorder** within **30 days of Authorization or Issuance**. A copy should be sent to the **Division of Local Government**.

(Rev. 4/19)



**Exhibit A**  
**Cielo Metropolitan District**  
**Debt Authorization at the May 5, 2020 Election**

|               |   |
|---------------|---|
| \$20,000,000  | In-District Special Assessment Indebtedness Authorization       |
| \$20,000,000  | Street Improvement Indebtedness Authorization                   |
| \$20,000,000  | Parks and Recreation Indebtedness Authorization                 |
| \$20,000,000  | Water Indebtedness Authorization                                |
| \$20,000,000  | Sanitation/Storm Sewer Indebtedness Authorization               |
| \$20,000,000  | Transportation Indebtedness Authorization                       |
| \$20,000,000  | Mosquito Control Indebtedness Authorization                     |
| \$20,000,000  | Safety Protection Indebtedness Authorization                    |
| \$20,000,000  | Fire Protection Indebtedness Authorization                      |
| \$20,000,000  | Television Relay and Translation Indebtedness Authorization     |
| \$20,000,000  | Security Indebtedness Authorization                             |
| \$20,000,000  | Operations and Maintenance Indebtedness Authorization           |
| \$220,000,000 | Refunding Indebtedness Authorization                            |
| \$20,000,000  | District Intergovernmental Agreement Indebtedness Authorization |
| \$20,000,000  | District Private Agreement Indebtedness Authorization           |