

LETTER OF BUDGET TRANSMITTAL

Date: January 29, 2024

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 budget and budget message for SKY RANCH METROPOLITAN DISTRICT NO. 3 in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 10, 2023. If there are any questions on the budget, please contact:

Lisa Johnson, District Manager
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710
Lisa.Johnson@claconnect.com

I, Lisa Johnson, District Manager of the SKY RANCH METROPOLITAN DISTRICT NO. 3 hereby certify that the attached is a true and correct copy of the 2024 budget.

By: 

Lisa Johnson, District Manager

RESOLUTION NO. 2023-11-02

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN
DISTRICT NO. 3, ARAPAHOE COUNTY, COLORADO, PURSUANT TO SECTION 29-
1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND,
ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE
BUDGET YEAR 2024**

A. The Board of Directors of Sky Ranch Metropolitan District No. 3 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body on or before October 15, 2023 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 10, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

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

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

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN DISTRICT NO. 3, ARAPAHOE COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

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

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on November 10, 2023.

**SKY RANCH METROPOLITAN
DISTRICT NO. 3**

By: _____
President

DocuSigned by:
MARIE HADDING
B453909D8D64434...

Attest:

By: _____
Secretary

DocuSigned by:
Scott E. Lehman
2123B2EFD17A4DE...

EXHIBIT A

Budget

SKY RANCH METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**SKY RANCH METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	1,318	708,197	736,913
Specific ownership taxes	83	47,305	44,215
Interest income	4	196	-
Other revenue	-	-	25,000
Total revenues	<u>1,405</u>	<u>755,698</u>	<u>806,128</u>
Total funds available	<u>1,405</u>	<u>755,698</u>	<u>806,128</u>
EXPENDITURES			
General Fund	742	68,824	81,024
Debt Service Fund	-	344,206	390,165
Regional Improvements Fund	663	342,668	334,939
Total expenditures	<u>1,405</u>	<u>755,698</u>	<u>806,128</u>
Total expenditures and transfers out requiring appropriation	<u>1,405</u>	<u>755,698</u>	<u>806,128</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SKY RANCH METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$ -	\$ -	\$ 1,788,340
Agricultural	3,096	2,771	2,508
Vacant land	7,348	5,791,908	3,927,325
Personal property	-	-	8,977
Certified Assessed Value	\$ 10,444	\$ 5,794,679	\$ 5,727,150

MILL LEVY

General	66.796	11.132	12.523
Debt Service	0.000	55.666	62.622
Regional Improvements	59.540	55.417	53.525
Total mill levy	126.336	122.215	128.670

PROPERTY TAXES

General	\$ 697	\$ 64,506	\$ 71,721
Debt Service	-	322,567	358,646
Regional Improvements	622	321,124	306,546
Levied property taxes	1,319	708,197	736,913
Adjustments to actual/rounding	(1)	-	-
Budgeted property taxes	\$ 1,318	\$ 708,197	\$ 736,913

BUDGETED PROPERTY TAXES

General	\$ 696	\$ 64,506	\$ 71,721
Debt Service	-	322,567	358,646
Regional Improvements	622	321,124	306,546
Total	\$ 1,318	\$ 708,197	\$ 736,913

**SKY RANCH METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	696	64,506	71,721
Specific ownership taxes	44	4,300	4,303
Interest income	2	18	-
Other revenue	-	-	5,000
Total revenues	<u>742</u>	<u>68,824</u>	<u>81,024</u>
Total funds available	<u>742</u>	<u>68,824</u>	<u>81,024</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	10	968	1,076
Contingency	-	-	5,000
Transfers to CAB	732	67,856	74,948
Total expenditures	<u>742</u>	<u>68,824</u>	<u>81,024</u>
Total expenditures and transfers out requiring appropriation	<u>742</u>	<u>68,824</u>	<u>81,024</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SKY RANCH METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	322,567	358,646
Specific ownership taxes	-	21,550	21,519
Interest income	-	89	-
Other revenue	-	-	10,000
Total revenues	<u>-</u>	<u>344,206</u>	<u>390,165</u>
Total funds available	<u>-</u>	<u>344,206</u>	<u>390,165</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	4,839	5,380
Contingency	-	-	10,000
Transfers to CAB	-	339,367	374,785
Total expenditures	<u>-</u>	<u>344,206</u>	<u>390,165</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>344,206</u>	<u>390,165</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 3
REGIONAL IMPROVEMENTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	622	321,124	306,546
Specific ownership taxes	39	21,455	18,393
Interest income	2	89	-
Other revenue	-	-	10,000
Total revenues	663	342,668	334,939
Total funds available	663	342,668	334,939
EXPENDITURES			
General and Administrative			
County Treasurer's fee	9	4,817	4,598
Contingency	-	-	10,000
Transfers to CAB	654	337,851	320,341
Total expenditures	663	342,668	334,939
Total expenditures and transfers out requiring appropriation	663	342,668	334,939
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**SKY RANCH METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the Arapahoe County (County) District Court issued on February 23, 2005 and recorded in the County records on March 15, 2005, 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 Arapahoe County, Colorado.

The District was established to provide for the design, acquisition, construction, installation, maintenance, and financing of certain water, sanitation, storm drainage, streets, safety protection, park and recreation, transportation, television relay and translation, and mosquito control improvements and services within and without the boundaries of the District. Under its Service Plan, the District was organized in conjunction with three other related Districts: Sky Ranch Metropolitan District No. 1, No. 4, and No. 5. The Amended and Restated Service Plan for Sky Ranch Metropolitan District No. 3 was approved on December 8, 2020. Sky Ranch Metropolitan District Nos. 6 – 8 are being organized to work with the existing Districts to provide public improvements, facilities and services necessary to develop and serve the Sky Ranch development. The District entered into Second Amended and Restated Sky Ranch Community Authority Board Establishment Agreement (the CABEA) with District Nos. 3 and 5 on August 13, 2021 which establishes the Sky Ranch Community Authority Board (the CAB). The CAB will own, operate and maintain certain public improvements within the boundaries of the Districts.

The Amended and Restated Service Plans for District Nos. 3 – 8 limit the aggregate amount of debt that they may issue together to \$312,000,000. Pursuant to a Capital Pledge Agreement executed by and between the CAB and the District, the District agrees to impose ad valorem property taxes and pledge certain revenues to facilitate the issuance of Limited Tax Supported District No. 3 Senior Bonds (Tax-Exempt Fixed Rate) and other Debt Obligations issued by the CAB. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District currently 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.

**SKY RANCH METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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. 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2024, the assessment rate for single family residential property decreases to 6.765% from 6.95%. The rate for multifamily residential property, the newly created subclass, decreases to 6.765% from 6.80%. Agricultural and renewable energy production property remains at 26.4%. Producing oil and gas remains at 87.5%. All other nonresidential property decreases to 27.90% from 29%.

Pursuant to the Service Plan, the maximum total mill levy the District is permitted to impose is 55.664 mills (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2020) for debt service until the District's then outstanding debt is equal to or less than 50% of the District's assessed valuation, at that time the debt service mill levy will be unlimited. The maximum mill levy pledged to debt service fund is 50.000 mills. As a result of the assessment ratio change, for collection year 2024, the 55.664 have been adjusted to 62.622 mills for debt service. The service plan does not contain any limitations on the amount of the mill levy for operations and maintenance, and the District levied 12.523 for collection year 2024 for operations.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		

**SKY RANCH METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (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 6% of the property taxes collected by the General Fund, Debt Service Fund and Regional Improvements Fund.

Expenditures

Transfer to CAB

In connection with the CABEA, the District will transfer property taxes, net of fees, derived from the operations mill levy, together with specific ownership taxes, to the CAB to pay for operations and maintenance expenditures.

The District is also authorized to impose a mill levy to generate revenue for the planning, design, acquisition, construction, installation, relocation and/or redevelopment, and the administration, overhead and operations and maintenance costs incurred with respect to the Regional Improvements. The District will transfer property taxes, net of fees, derived from the Regional Improvements Mill Levy, together with specific ownership taxes, to the CAB to contribute to the funding of the Regional Improvements.

The District will also transfer property taxes, net of fees, derived from the debt service mill levy, together with specific ownership taxes, to the CAB to pay for the principal and interest on bonds which CAB has issued in August 2022.

County Treasurer's Fees

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

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

Emergency Reserve

The District did not provide for Emergency Reserves (equal to at least 3% of the General Fund's fiscal year spending as defined under TABOR) because net tax revenues will be transferred to the CAB. The CAB will provide for the emergency reserve.

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

I, Scott Lehman, hereby certify that I am the duly appointed Secretary of the Sky Ranch Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Sky Ranch Metropolitan District No. 3 held on November 10, 2023.

DocuSigned by:
Scott E Lehman
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Secretary

RESOLUTION NO. 2023-11-03

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE SKY RANCH METROPOLITAN DISTRICT NO. 3 LEVYING
GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE
YEAR 2023, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2024
BUDGET YEAR**

A. The Board of Directors of the Sky Ranch Metropolitan District No. 3 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 10, 2023.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general operating expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt retirement expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Sky Ranch Metropolitan District No. 3, Arapahoe County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 10, 2023.

**SKY RANCH METROPOLITAN
DISTRICT NO. 3**

By: _____
President

DocuSigned by:
MARK HARDING
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Attest:

By: _____
Secretary

DocuSigned by:
Scott E. Lehman
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EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Sky Ranch Metropolitan District No. 3

the Board of Directors
(taxing entity)^A

of the Sky Ranch Metropolitan District No. 3
(governing body)^B

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 5,727,150
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 5,727,150
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/28/23 for budget/fiscal year 2024
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>12.523</u> mills	\$ <u>71,721</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>12.523</u> mills	\$ <u>71,721</u>
3. General Obligation Bonds and Interest ^J	<u>62.622</u> mills	\$ <u>358,646</u>
4. Contractual Obligations ^K	<u>53.525</u> mills	\$ <u>306,546</u>
5. Capital Expenditures ^L	<u> </u> mills	\$ <u> </u>
6. Refunds/Abatements ^M	<u> </u> mills	\$ <u> </u>
7. Other ^N (specify): <u> </u>	<u> </u> mills	\$ <u> </u>
<u> </u>	<u> </u> mills	\$ <u> </u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>128.670</u> mills	\$ <u>736,913</u>

Contact person: Thuy Dam Phone: (303)779-5710
Signed: [Signature] Title: Accountant for the District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

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

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | Capital Infrastructure Improvements |
| | Series: | Limited Tax Supported District No. 3 Senior Bonds (Tax-Exempt Fixed Rate) Series 2022A |
| | Date of Issue: | 08/16/2022 |
| | Coupon Rate: | 5.750% |
| | Maturity Date: | 12/01/2052 |
| | Levy: | 62.622 |
| | Revenue: | \$ 358,646 |
| | | |
| 2. | Purpose of Issue: | Capital Infrastructure Improvements |
| | Series: | Limited Tax Supported District No. 3 Subordinate Bonds (Tax-Exempt Fixed Rate) Series 2022B |
| | Date of Issue: | 08/16/2022 |
| | Coupon Rate: | 8.750% |
| | Maturity Date: | Cash Flow Bonds |
| | Levy: | 0.000 |
| | Revenue: | \$ 0 |

CONTRACTS^K:

- | | | |
|----|----------------------|---|
| 3. | Purpose of Contract: | Regional Improvements |
| | Title: | Amended and Restated Service Plan for Sky Ranch Metropolitan District No. 3 |
| | Date: | 12/08/2020 |
| | Principal Amount: | N/A |
| | Maturity Date: | N/A |
| | Levy: | 53.525 |
| | Revenue: | \$ 306,546 |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity*'s boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity*'s mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity*'s total mills upon the *taxing entity*'s *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity*'s mill levy applied against the *taxing entity*'s gross assessed value after subtracting the *taxing entity*'s revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

I, Scott Lehman, hereby certify that I am the duly appointed Secretary of the Sky Ranch Metropolitan District No. 3, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Sky Ranch Metropolitan District No. 3 held on November 10, 2023.

DocuSigned by:
Scott E Lehman
2123B2EFD17A4DE...

Secretary

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

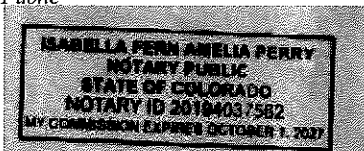
I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said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

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated October 26 A.D. 2023 and that the last publication of said notice was in the issue of said newspaper dated October 26 A.D. 2023.

I witness whereof I have hereunto set my hand this 26th day of October A.D. 2023.

Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 26th day of October A.D. 2023.

Notary Public



NOTICE AS TO PROPOSED 2024 BUDGET AND AMENDMENT OF 2023 BUDGET SKY RANCH METROPOLITAN DISTRICT NO. 1 SKY RANCH METROPOLITAN DISTRICT NO. 3 SKY RANCH METROPOLITAN DISTRICT NO. 5 ARAPAHOE COUNTY, COLORADO

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-106 and 108, C.R.S., that a proposed budget has been submitted to the Board of Directors of each of Sky Ranch Metropolitan District No. 1, Sky Ranch Metropolitan District No. 3, and Sky Ranch Metropolitan District No. 5 (each, a "District", and collectively, the "Districts") for the ensuing year of 2024. The necessity may also arise for the amendment of the 2023 budget of the Districts. Copies of the proposed 2024 budgets and 2023 amended budgets (if appropriate) are on file in the office of the District's Accountant, CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy, Suite 300, Greenwood Village, CO 80111, where same are available for public inspection. Such proposed 2024 budgets and 2023 amended budgets will be considered at a regular meeting to be held on November 10, 2023 at 8:30 a.m. at the offices of Pure Cycle Corporation, 34501 E. Quincy Ave., Bldg. 65, Suite A, Watkins, CO 80137, and via video/teleconference. The meetings will be open to the public.

You can attend the meetings in any of the following ways:

To attend via video conference, email cindy.jenkins@claconnect.com to obtain a link to the video conference or go to the Districts' website at <https://skyranch.colorado.gov/> and obtain the link from the Notice of Meeting & Agenda.

To attend via telephone, email cindy.jenkins@claconnect.com to obtain the call-in information or go to the Districts' website at <https://skyranch.colorado.gov/> and obtain the information from the Notice of Meeting & Agenda.

Any interested elector within the Districts may, at any time prior to the final adoption of the 2024 budgets or the 2023 amended budgets, inspect the 2024 budgets and the 2023 amended budgets and file or register any objections thereto.

SKY RANCH METROPOLITAN DISTRICT NOS. 1, 3, and 5
/s/ Lisa Johnson
District Manager

Publication: October 26, 2023
Sentinel

Certificate Of Completion

Envelope Id: 267147ABE958450CAD1DFB0D7057277B	Status: Completed
Subject: Complete with DocuSign: Sky Ranch MD 3 - 2024 Budget and Resolution (exec copy).pdf	
Client Name: Sky Ranch CAB	
Client Number: A206876	
Source Envelope:	
Document Pages: 23	Signatures: 6
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Cindy Jenkins
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 S 6th St Ste 300
	Minneapolis, MN 55402-1418
	Cindy.Jenkins@claconnect.com
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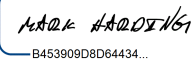
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Scott E Lehman
 selehman@purecycwater.com
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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps

Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	1/29/2024 12:21:45 PM
Completed	Security Checked	1/29/2024 12:21:45 PM

Payment Events	Status	Timestamps
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