

**SKY RANCH METROPOLITAN DISTRICT NO. 5
("DISTRICT")**

370 Interlocken Boulevard, Suite 500
Broomfield, Colorado 80021
Tel: 303-466-8822
Fax: 303-466-9797

<https://SkyRanch.colorado.gov>

NOTICE OF SPECIAL MEETING AND AGENDA

DATE: November 12, 2021
TIME: 8:30 a.m.
LOCATION: Pure Cycle Corporation
34501 E. Quincy Avenue, Building 34
Watkins, CO 80137

CERTAIN BOARD MEMBERS AND CONSULTANTS OF THE CAB MAY ATTEND THIS MEETING IN PERSON AT THE ABOVE-REFERENCED LOCATION. HOWEVER, CERTAIN OTHER BOARD MEMBERS AND CONSULTANTS OF THE CAB MAY ATTEND THIS MEETING VIA TELECONFERENCE, OR WEB-ENABLED VIDEO CONFERENCE. MEMBERS OF THE PUBLIC WHO WISH TO ATTEND THIS MEETING MAY CHOOSE TO ATTEND VIA TELECONFERENCE OR WEB-ENABLED VIDEO CONFERENCE USING THE INFORMATION BELOW.

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

1. To attend via Microsoft Teams video-conference use the below link:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NGFjZTgxNDEtM2JjMC00MWU2LTk5NWUtY2NmOTQ2NjE3OWM5%40thread.v2/0?context=%7b%22Tid%22%3a%224aa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2216b1c71c-d483-4feb-8929-2d72ealcdf59%22%7d

2. To attend via telephone, dial **720-547-5281** and enter the following additional information:

Phone Conference ID: **793 082 516#**

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Mark Harding	President	May 2023
Kevin McNeill	Treasurer	May 2023/2022
Scott Lehman	Secretary	May 2023
Dirk Lashnits	Assistant Secretary	May 2022
Joe Knopinski	Assistant Secretary	May 2022

I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.
- B. Confirm quorum, location of the meeting, and posting of meeting notice. Approve Agenda.
- C. Public Comment.

Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

- D. Review and consider approval of Master Service Agreement with CliftonLarsonAllen LLP and related statements of work for accounting and management services (enclosure).
- E. Discuss business to be conducted in 2022 and location (virtual and/or physical) of meetings. Schedule regular meeting dates and consider adoption of Resolution No. 2021-11-__ Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting 24-Hour Notices (enclosure).
- F. Discuss and confirm renewal of 2022 Property and Liability Policy and Special District Association Membership.
 - 1. Consider approval of Exclusion of Uncompensated Public Officials form and its submittal; Confirm notification to Board of Directors (enclosure).
- G. Discuss requirements of Section 32-1-809 C.R.S. and direct staff regarding compliance for 2022 (District Transparency Notice).

II. CONSENT AGENDA

- A. Consider approval of the Minutes from the August 13, 2021 Special Meeting (enclosure).

III. FINANCIAL MATTERS

- A. Conduct Public Hearing to consider amendment of the 2021 Budget. Consider adoption of Resolution No. 2021-11-__ to Amend the 2021 Budget (enclosures).
- B. Conduct Public Hearings on the proposed 2022 Budget and consider adoption of Resolution No. 2021-11-__ to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-11-__ to Set Mill Levies (enclosures).
- C. Discuss and consider adoption of Resolution Authorizing Imposition of the Regional Improvements Mill Levy in Accordance with the Service Plan (enclosure).
- D. Consider appointment of District Accountant to prepare 2023 Budget.
- E. Discuss statutory requirements for an audit. Review and consider engagement of Haynie & Company to prepare 2021 Audit.
- F. Authorize District Accountant to prepare and sign the DLG-70 Certification of Tax Levies form for certification to the Board of County Commissioners and other interested parties.
- G. Other.

IV. LEGAL MATTERS

- A. Discuss May 3, 2022 Regular Director Election regarding new legislative requirements and related expenses for same.
 - 1. Review and consider adoption of Resolution No. 2021-11-__ Calling May 3, 2022 Election for Directors, appointing Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. Self-Nomination Forms are due by February 25, 2022. Discuss the need for ballot issues and/or questions. (enclosure).
 - 2. Discuss DEO services and authorize District President to obtain proposals and select provider.

V. OTHER BUSINESS

- A. Discuss next meeting date and confirm quorum – June 10, 2022.

VI. ADJOURNMENT

THERE ARE NO REMAINING MEETINGS SCHEDULED FOR 2021



CliftonLarsonAllen LLP
 8390 East Crescent Pkwy., Suite 300
 Greenwood Village, CO 80111
 phone 303-779-5710 fax 303-779-0348
CLAconnect.com

October 7, 2021

Board of Directors
 SKY RANCH MD#5
 8390 East Crescent Pkwy., Suite 300
 Greenwood Village, CO 80111

Dear Board of Directors:

This master service agreement (“MSA”) documents the terms, objectives, and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for SKY RANCH MD#5 (“you,” “your,” or “the district”). The terms of this MSA will apply to the initial and each subsequent statement of work (“SOW”), unless the MSA is changed in a communication that you and CLA both sign or is terminated as permitted herein.

Scope of professional services

CLA will provide services as described in one or more SOW that will reference this MSA. The SOW will describe the scope of professional services; the nature, limitations, and responsibilities related to the specific services CLA will provide; and the fees for such services.

If modifications or changes are required during CLA’s performance of requested services, or if you request that we perform any additional services, we will provide you with a separate SOW for your signature. Such SOW will advise you of the additional fee and time required for such services to facilitate a clear understanding of the services.

Our services cannot be relied upon to disclose errors, fraud, or noncompliance with laws and regulations. Except as described in the scope of professional services section of this MSA or any applicable SOW, we have no responsibility to identify and communicate deficiencies in your internal control as part of any services.

Management responsibilities

Management and, when appropriate, the board of directors of the district acknowledge and understand that our role is to provide the services identified in an SOW and that management and the board of directors of the district have certain responsibilities that are fundamental to our undertaking to perform the identified services. The district may engage CLA to perform management functions to help the board of directors of the district to meet your responsibilities, but the board of directors of the district acknowledges its management responsibilities. References to management in this MSA and in an SOW are applicable to the board of directors of the district.

Responsibilities and limitations related to nonattest services

For all nonattest services we may provide to you, your management agrees to assume all management responsibilities; oversee the services; evaluate the adequacy and results of the services; ensure that your data and records are complete; and accept responsibility for the results of the services.

Fees and terms

See the applicable SOW for the fees for the services.

Work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagements will be deemed to have been completed even if we have not completed the services. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Payments may be made utilizing checks, Bill.com, your online banking platform, CLA's electronic payment platform, or any other client initiated payment method approved by CLA. CLA's electronic online bill pay platform claconnect.com/billpay accepts credit card and Automated Clearing House (ACH) payments. Instructions for making direct bank to bank wire transfers or ACH payments will be provided upon request.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties (i.e., you and CLA). The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Colorado, without giving effect to choice of law principles.

Limitation of remedies

These limitation of remedies provisions are not applicable for any audit, examination, or agreed-upon procedures services provided to you.

Our role is strictly limited to the services described in an SOW, and we offer no assurance as to the results or ultimate outcomes of any services or of any decisions that you may make based on our communications with you. You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (each a "CLA party") and that this limitation of remedies provision is governed by the laws of the state of Colorado, without giving effect to choice of law principles.

You further agree that you will not hold CLA or any other CLA party liable for any claim, cost, or damage, whether based on warranty, tort, contract, or other law, arising from or related to this MSA, the services provided under an SOW, the work product, or for any plans, actions, or results of an SOW, except to the extent authorized by this MSA. In no event shall any CLA party be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorney fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by a CLA party of our duties owed under this MSA and the specific SOW thereunder, but any recovery on any such claims shall not exceed the fees actually paid by you to CLA pursuant to the SOW that gives rise to the claim.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this MSA or the services performed under an SOW, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods ("Limitation Period"):

Consulting services

- For each service pursuant to an SOW, separately within twenty-four (24) months after the date we deliver the services or work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW.
- Within twenty-four (24) months from the date of our last billing for services performed pursuant to the SOW on which the dispute is based.
- Within twenty-four (24) months after the termination by either party of either this MSA or the district's ongoing relationship with CLA.

Tax services

- For tax return preparation, separately within thirty-six (36) months after the date when we deliver any final tax return(s) pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you under this MSA or other SOW relating to said return(s).

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- For tax consulting engagements, separately within thirty-six (36) months from the date of our last billing for services pursuant to the SOW on which the dispute is based.
- For all tax return and tax consulting engagements, within twelve (12) months from the date when you terminate this MSA or the district's ongoing relationship with CLA.

Examination, compilation, and preparation services related to prospective financial information

- For examination, compilation, and preparation services related to prospective financial information (i.e., forecasts and projections), separately within twelve (12) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

Audit, review, examination, agreed-upon procedures, compilation, and preparation services other than those related to prospective financial information

- For audit, review, examination, agreed-upon procedures, compilation, and preparation services, separately within twenty-four (24) months after the dates when we deliver the work product pursuant to the SOW on which the dispute is based, regardless of whether any CLA party provides other services for you relating to the work product.

The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

CLA shall be authorized to the following cash access services:

- Using any or a combination of the following methods and approval processes, we will pay your vendors and service providers based upon invoices that you have reviewed and approved:
 - Paper checks – we will prepare the checks for your approval and wet ink signature.
 - Payments using Bill.com – we will only release payments after you have electronically approved and authorized such payments.
 - ACH/Wire – we will use this method as needed/as requested, with your approval.

We understand that you will designate one or more members of the Board to approve disbursements using the above methods.

- If applicable, access the entity credit card for purposes of purchasing products and services on your behalf up to a certain limit that will be discussed with you and documented separately.
- Obtain administrator access to your bank accounts for purposes of performing the duties documented in our engagement letter identified above.
- Take deposits to the bank that include cash.
- If applicable, have access to cash-in-kind assets, such as coupons.
- If applicable, initiate direct deposits or sign checks as part of the payroll processing function.

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Management responsibilities relevant to CLA's access to your cash

All members of your Board of Directors are responsible for the processes below; however, we understand that you will designate one or more board members to review and give approvals for disbursements. All approvals must be documented in writing, either electronically or manually, then formally ratified in board meetings and documented in the meeting minutes.

- Approve all invoices and check payments.
- Approve all new vendors and customers added to the accounting system.
- Approve non-recurring wires to external parties.
- Pre-approve for recurring wires, then Board will ratify approval.
- Approve all new employees and all employee status changes prior to those employees or changes being added to the payroll system.
- Approve all credit card statements prior to those expenses being processed in the accounting system and subsequently paid.
- Approve (or delegate to the CLA controller if applicable) all customer and vendor credit memos and accounts receivable amounts written off.
- Review and approve (or delegate to the CLA controller if applicable) all bank statements and affiliated monthly reconciliations.

Other provisions

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the district or you to any person or party, unless the district or you authorizes us to do so, it is published or released by the district, it becomes publicly known or available other than through disclosure by us, or disclosure is required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Pursuant to authority given by law or regulation, we may be requested to make certain workpapers available to a regulator for its regulatory oversight purposes. We will notify you of any such request, if permitted by law. Access to the requested workpapers will be provided to the regulator under the supervision of CLA personnel and at a location designated by our firm. Furthermore, upon request, we may provide copies of selected workpapers to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

You acknowledge and agree that this agreement and the pricing structure and billing rates of CLA are sensitive information which you shall not furnish or otherwise disclose to any third party without the prior written consent of CLA or as required by law.

We will be responsible for our own property and casualty, general liability, and workers compensation insurance, taxes, professional training, and other personnel costs related to the operation of our business.

CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details.



When performing the services identified in applicable SOWs, we will utilize the resources available at the district, when applicable, to the extent practical to continue development of your personnel. During a portion of our work, we may require the use of your computers. We will try to give you advance notice and coordinate our use so it does not interfere with your employees.

The relationship of CLA with the district shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested that are consistent with those normally utilized in a district of your size and nature. Internal controls may be recommended relating to the safeguarding of the district's assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The district agrees that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this agreement, except as may be assumed in a SOW.

CLA may, at times, utilize external web applications to receive and process information from our clients; however, it is not appropriate for you to upload protected health information using such applications. All protected health information contained in a document or file that you plan to transmit to us via a web application must be redacted by you to the maximum extent possible prior to uploading the document or file. In the event that you are unable to remove or obscure all protected health information, please contact us to discuss other potential options for transmitting the document or file.

Consent

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using data obtained through our client engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this MSA will serve as your consent to use of SKY RANCH MD#5 information in these cost comparison, performance indicator, and/or benchmarking reports.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Technology

CLA may, at times, use third-party software applications to perform services under this agreement. You authorize CLA to sign on your behalf any vendor agreements applicable to such software applications. CLA can provide a copy of the application agreement at your request. You acknowledge the software vendor may have access to your data.

Termination of MSA

Either party may terminate this MSA at any time by giving 30 days written notice to the other party. In that event, the provisions of this MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to be of service to you and believe this MSA accurately summarizes the significant terms of our relationship. This MSA, along with the applicable SOW(s), constitute the entire agreement regarding services to be performed and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our relationship as described in this MSA, please sign, date, and return.

Sincerely,

CliftonLarsonAllen LLP



Gigi Pangindian, CPA

Principal

Gigi.Pangindian@CLAconnect.com

Response:

This agreement correctly sets forth the understanding of SKY RANCH MD#5.

APPROVED:

Signature

Title

Date





CliftonLarsonAllen LLP
 8390 East Crescent Pkwy., Suite 300
 Greenwood Village, CO 80111
 phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Special Districts Preparation SOW

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and SKY RANCH MD#5 (“you” and “your”) dated October 7, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of professional services

Gigi Pangindian is responsible for the performance of the preparation engagement and other services identified in this agreement. She may be assisted by one or more of our authorized signers in the performance of the preparation engagement.

Ongoing normal accounting services:

- Outsourced accounting activities
 - For each fund of the district, CLA will generally prepare and maintain the following accounting records:
 - Cash receipts journal
 - Cash disbursements journal
 - General ledger
 - Accounts receivable journals and ledgers
 - Deposits with banks and financial institutions
 - Schedule of disbursements
 - Bank account reconciliations
 - Investment records
 - Detailed development fee records
 - Process accounts payable including the preparation and issuance of checks for approval by a designated individual
 - Prepare billings, record billings, enter cash receipts, and track revenues
 - Reconcile certain accounts regularly and prepare journal entries
 - Prepare depreciation schedules

- Prepare monthly/quarterly/as requested financial statements and supplementary information, but not perform a compilation with respect to those financial statements. Additional information is provided below.
- Prepare a schedule of cash position to manage the district’s cash deposits, funding for disbursements, and investment programs in accordance with policies established by the district’s board of directors.
- Prepare the annual budget and assist with the filing of the annual budget – additional information is provided below.
- Assist the district’s board of directors in monitoring actual expenditures against appropriation/budget.
- If an audit is required, prepare the year-end financial statements (additional information is provided below) and related audit schedules for use by the district’s auditors.
- If an audit is not required, prepare the Application for Exemption from Audit, perform a compilation engagement with respect to the Application for Exemption from Audit, and assist with the filing of the Application for Exemption from Audit – additional information is provided below.
- Monitor compliance with bond indentures and trust agreements, including preparation of continuing disclosure reports to the secondary market as required.
- Review claims for reimbursement from related parties prior to the board of directors’ review and approval.
- Read supporting documentation related to the district’s acquisition of infrastructure or other capital assets completed by related parties for overall reasonableness and completeness. Procedures in excess of providing overall reasonableness and completeness will be subject to a separate SOW. These procedures may not satisfy district policies, procedures, and agreements’ requirements. Note: our procedures should not be relied upon as the final authorization for this transaction.
- Attend board meetings as requested.
- Be available during the year to consult with you on any accounting matters related to the district.
- Review and approve monthly reconciliations and journal entries prepared by staff
- Reconcile complex accounts monthly and prepare journal entries
- Analyze financial statements and present to management and the board of directors.
- Develop and track key business metrics as requested and review periodically with the board of directors.
- Document accounting processes and procedures
- Continue process and procedure improvement implementation
- Report and manage cash flows
- Assist with bank communications.

- Perform other nonattest services.

Compilation services

If an audit is not required, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement with respect to the Application for Exemption from Audit.

Preparation services – financial statements

We will prepare the monthly/quarterly/as requested financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable of the district, which comprise the balance sheet – governmental funds and the related statement of revenues, expenditures, and changes in fund balance – general fund. The financial statements will not include the related notes to the financial statements; the government-wide financial statements; the statement of revenues, expenditures, and changes in fund balances – governmental funds; statement of cash flows for business type activities, if applicable; and required supplementary information.

Preparation services - annual

If an audit is required, we will prepare the year-end financial statements of the government wide governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information if applicable, and Management Discussion and Analysis, if applicable, which collectively comprise the basic financial statements of the district, and the related notes to the financial statements. The year-end financial statements, including the related notes to the financial statements, will be prepared for use by the district’s auditors.

Preparation services – prospective financial information (i.e., unexpired budget information)

You have requested that we prepare the financial forecast, which comprises the forecasted financial statements identified below.

A financial forecast presents, to the best of management’s knowledge and belief, the entity’s expected financial position, results of operations, and cash flows for the forecast period. It is based on management’s assumptions reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

The financial forecast will omit substantially all of the disclosures required by the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA presentation guidelines) other than those related to the significant assumptions.

The supplementary information accompanying the financial forecast will be prepared and presented for purposes of additional analysis and is not a required part of the basic financial forecast.

References to financial statements in the remainder of this SOW are to be taken as a reference to also include the prospective financial information, where applicable.

Engagement objectives and our responsibilities

The objectives of our engagement are to:

- Prepare monthly/quarterly/as requested financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), except for the departures from U.S. GAAP

identified above, based on information provided by you and information generated through our outsourced accounting services.

- b. As requested, apply accounting and financial reporting expertise to assist you in the presentation of your monthly/quarterly/as requested financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.
- c. Prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105 based on information provided by you.
- d. Apply accounting and financial reporting expertise to assist you in the presentation of the annual budget without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the annual budget in order for the annual budget to be in accordance with requirements prescribed by Colorado Revised Statutes C.R.S. 29-1-105.
- e. If an audit is required, prepare the year-end financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) based on information provided by you.
- f. If applicable, we will complete the Application for Exemption from Audit in the form prescribed by the Colorado Office of the State Auditor and perform a compilation engagement on the application.

We will conduct our preparation and compilation engagements in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

Engagement procedures and limitations

We are not required to, and will not, verify the accuracy or completeness of the information provided to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements, the annual budget, the Application for Exemption from Audit (if an audit is not required), the year-end financial statements (if an audit is required), and the supplementary information.

Our engagement cannot be relied upon to identify or disclose any misstatements in the monthly/quarterly/as requested financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements, including misstatements caused by fraud or error, or to identify or disclose any wrongdoing within the district or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the district's financial statements, the annual budget, the Application for Exemption from Audit, and the year-end financial statements that we may not identify as a result of misrepresentations made to us by you.

Our report

The compilation report on the Application for Exemption from Audit will state that management is responsible for the accompanying application included in the prescribed form, that we performed a compilation of the application, that we did not audit or review the application, and that, accordingly, we do not express an opinion



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a conclusion, nor provide any form of assurance on it. The report will also state that the Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America. The report will include a statement that the 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 and may not be suitable for another purpose.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation, the Application for Exemption from Audit (if an audit is not required), we will not issue reports on budget, the Application for Exemption from Audit as a result of this engagement.

No assurance statements

The monthly/quarterly/as requested financial statements prepared for the district will not be accompanied by a report. However, management agrees that each page of the financial statements will include a statement clearly indicating that no assurance is provided on them.

As part of our preparation of financial statements each page of the financial statements and supplementary information will include the following statement: “No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures, and changes in fund balances – governmental funds have been omitted if applicable, For best business type activities the Statement of Cash Flows has been omitted”.

If an audit is required, the year-end financial statements prepared for use by the district’s auditors will not be accompanied by a report. However, management agrees that each page of the year-end financial statements will include a statement clearly indicating that no assurance is provided on them.

Management responsibilities

The financial statement engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP and assist management in the presentation of the financial statements in accordance with U.S. GAAP, except for the departures from U.S. GAAP identified above.

The annual budget engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105 and assist management in the presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105.

The Application for Exemption from Audit engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor and assist management in the presentation of the Application for Exemption from Audit in accordance with the requirements prescribed by the Colorado Office of the State Auditor.

We are required by professional standards to identify management’s responsibilities in this agreement. Professional standards define management as the persons with executive responsibility for the conduct of the district’s operations and may include some or all of those charged with governance. Those standards require that you acknowledge and understand that management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARSs:



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details.

- a. The selection of the financial reporting framework to be applied in the preparation of the financial statements, the annual budget, and the Application for Exemption from Audit.
- b. The preparation and fair preparation of the financial statements in accordance with U.S. GAAP, except as identified as above, the preparation and fair presentation of the annual budget in accordance with the requirements prescribed by Colorado Revised Statutes C.R.S. 29.1.105, and the preparation and fair presentation of the Application for Exemption from Audit (if applicable) in accordance with the requirements prescribed by the Colorado Office of the State Auditor.
- c. The presentation of the supplementary information.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that are free from material misstatement, whether due to fraud or error.
- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- h. To provide us with the following:
 - i. Access to all information relevant to the preparation and fair presentation of the financial statements, and the annual budget, the Application for Exemption from Audit (if applicable) such as records, documentation, and other matters.
 - ii. Additional information that may be requested for the purpose of the engagement.
 - iii. Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

We understand that you are engaging us to make recommendations and perform services to help you meet your responsibilities relevant to the preparation and fair presentation of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable).

For all accounting services we may provide to you, including the preparation of your financial statements, the annual budget, and the Application for Exemption from Audit (if applicable), management agrees to assume all management responsibilities; oversee the services by designating an individual (i.e., the Board Treasurer); evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if



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we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The hour rates currently in effect for our services are as follows:

Principal	\$300 - \$425
Chief Financial Officer	\$200 - \$385
Controller	\$180 - \$250
Senior	\$140 - \$180
Staff	\$ 80 - \$150
Administrative support	\$ 80 - \$120

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. We will also add a technology and client support fee of five percent (5%) of all professional fees billed. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

Use of financial statements, the annual budget, the Application for Exemption from Audit

The financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) are for management's use. If you intend to reproduce and publish the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) and our report thereon, they must be reproduced in their entirety. Inclusion of the financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) that have been subjected to a compilation engagement, including financial statements, the annual budget, and the Application for Exemption from Audit (if applicable) published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.



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Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)

Unlawful employees, contractors, and subcontractors

We shall not knowingly employ or contract with a worker without authorization to perform work under this contract. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contract. [CRS 8-17.5-102(2)(a)(I) and (II)]

Verification regarding workers without authorization

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ and contract workers without authorization.

Limitation regarding E-Verify Program and the Department Program

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

Duty to terminate a subcontractor and exceptions

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with a worker without authorization, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (1) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (2) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

Duty to comply with state investigation

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP



Gigi Pangindian, CPA

Principal

Gigi.Pangindian@CLAconnect.com

APPROVED:

Signature

Title

Date



CliftonLarsonAllen LLP
 8390 East Crescent Pkwy., Suite 300
 Greenwood Village, CO 80111
 phone 303-779-5710 fax 303-779-0348
CLAconnect.com

Special Districts Management Services SOW

This agreement constitutes a Statement of Work (“SOW”) to the Master Service Agreement (“MSA”) made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Sky Ranch Metro District No. 5 (“you” and “your”) dated October 7, 2021. The purpose of this SOW is to outline certain services you wish us to perform in connection with that agreement.

Scope of professional services

Denise Denslow is responsible for the performance of the engagement and other services identified in this agreement. They may be assisted by one or more of our authorized signers in the performance of the engagement.

Scope of Management Services

CLA will perform the following services for the District:

District Board of Directors (“Board”) Meetings

- Coordination of all Board meetings;
- Meeting Attendance: District Manager and/or designee will attend all Board meetings;
- Preparation and distribution of agenda and informational materials;
- Preparation of meeting minutes for all meetings;
- Preparation and posting of legal notices required in conjunction with the meetings;
- Other details incidental to meeting preparation and follow-up.

Recordkeeping

- Maintain lists of persons and organizations for correspondence;
- Vendor listing as needed or requested by the Board;
- Repository of all District records and act as Custodian of records for purposes of CORA (as that term is defined in the District’s Resolution Designating an Official Custodian for Purposes of the Colorado Open Records Act, Sections 24-72-201 *et seq.*, C.R.S.).

Communications

- 24/7 answering and paging services;
- Website administration. It is recommended that the District have a website; however, CLA will not provide a website for the District on CLA’s website. CLA will oversee daily management and maintenance of the District website as needed or requested by the District;
- Respond to routine inquiries, questions and requests for information regarding the District;
- Periodic reports to the Board regarding the status of District matters and actions taken or contemplated by the District Manager on behalf of the District as requested by the Board;
- Provide liaison and coordination with municipal, county and state governmental agencies.

Contract Administration

- Insurance administration, including risk evaluation, comparison of coverage, processing claims, completion of applications, monitoring expiration dates, processing routine written and telephone correspondence;
- Ensure all contractors and sub-contractors maintain the required insurance coverage for the District's benefit;
- Bidding, contract and construction administration and supervision of project processes assigned by the Board and project contractors;
- Confer with and coordinate legal, accounting, engineering, auditing and other professional services to the District by those professionals and consultants retained by the District as directed by the Board (CLA itself will not and cannot provide legal services);
- Represent the District with other entities and bodies as requested by the Board (but not as its representative for legal matters);
- Bid, contract, and supervise all District vendors

Document Administration

- Provide coordination and administration for the continuing revision of the District's Rules and Regulations;
- Provide framed aerial photographic mapping of the District, if requested;
- In conjunction with and at the direction of the District's legal counsel, coordinate all elections for the District in accordance with state law, including preparation of election materials, publications, legal notices, training session for election judges and general election assistance; CLA will not serve as the Designated Election Official ("DEO");
- Administer any legal documents, permits, or agreements that relate to or District facilities and any Rules and Regulations adopted by the Board.

Accounts Payable Services to be Provided:

- Receive and process all invoices;
- Coordinate review, approval and coding of all invoices with District Accountant and Board to ensure timely payment

In addition to these services, when, in the professional opinion of the District Manager, other services are necessary, the District Manager shall recommend the same to the Board or perform such services and report to the Board the nature of such services, the reason they were required, and the result achieved; provided however, with the exception of emergencies, that if such additional services are expected to cost more than \$2,000.00, the District Manager shall discuss such costs with the Board and receive prior authorization to perform such services.

Fees, time estimates, and terms

Our professional fees will be billed based on the time involved and the degree of responsibility and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm

policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

CLA'S 2021 STANDARD HOURLY RATES FOR PUBLIC MANAGEMENT SERVICES:

- Principals \$190 - \$325
- Public managers \$190 - \$325
- Assistant public managers \$110 - \$150
- Public management analysts \$110 - \$150
- District administrators \$125 - \$145
- Records retention coordinators \$ 90 - \$115

Out-of-pocket expenses such as out-of-town travel, meals, and lodging will be billed at cost and are not included in the fees quoted above. The fee estimates are based on anticipated cooperation from your personnel and their assistance with preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fees will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimates.

Municipal advisors

For the avoidance of doubt, the district is not engaging CLA as a municipal advisor, and CLA is not a municipal advisor as defined in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or under Section 158 of the Securities Exchange Act of 1934 (the "Act"). CLA is not recommending an action to you, is not acting as an advisor to you, and does not owe a fiduciary duty to you pursuant to Section 158 of the Act with respect to the information and material contained in the deliverables issued under this engagement. You should discuss any information and material contained in the deliverables with any and all internal and external advisors that you deem appropriate before acting on this information or material.

Additional provisions required by CRS 8-17.5-102(2)(a)(I) and (II)

Unlawful employees, contractors, and subcontractors

We shall not knowingly employ or contract with a worker without authorization to perform work under this contact. We shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with a worker without authorization to perform work under this contract or (b) fails to certify to us that the subcontractor will not knowingly employ or contract with a worker without authorization to perform work under this contact. [CRS 8-17.5-102(2)(a)(I) and (II)]

Verification regarding workers without authorization

We have verified or attempted to verify through participation in the E-Verify Program or the Department Program [as defined in CRS 8-17.5-101(3.3) and (3.7) of the state of Colorado that we do not employ or contract workers without authorization.

Limitation regarding E-Verify Program and the Department Program

We shall not use the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while performing this contract. [CRS 8-17.5-102(2)(b)(II)]

Duty to terminate a subcontractor and exceptions

If we obtain actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with an illegal alien, we shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- (1) Notify the subcontractor and the district within three days that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and
- (2) Terminate the subcontract with the subcontractor if, within three days of receiving notice that we have actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization. [CRS 8-17.5-102(2)(b)(A) and (B)]

Duty to comply with state investigation

We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to CRS 8-17.5-102(5). [CRS 8-17.5-102(2)(b)(IV)]

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below and return a signed copy to us by email or U.S. mail to indicate your acknowledgment and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP



Denise Denslow
Principal

Denise.Denslow@CLAconnect.com

APPROVED:

Signature

Title

Date

RESOLUTION NO. 2021-11-___

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SKY RANCH METROPOLITAN DISTRICT NO. 5
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

- A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.
- B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.
- C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.
- D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.
- E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.
- F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.
- G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sky Ranch Metropolitan District No. 5 (the “**District**”), Arapahoe County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2022 shall be held on the second Friday of the months of June and November at 8:30 a.m., at

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical or virtual location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://www.colorado.gov/SkyRanch>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) Northwest corner of the District boundaries.

9. Scott Lehman, or his designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on November 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 5**

By: _____
President

Attest:

Secretary

Department of Labor and Employment
 Division of Workers' Compensation
 633 17th St., Suite 400, Denver, CO 80202-3626
 Telephone: 303.318.8640 Fax: 303.318.8739

EXCLUSION OF UNCOMPENSATED PUBLIC OFFICIALS

Name of Agency: Sky Ranch Metropolitan District No. 5

Federal Employer Identification # (FEIN): 01-0831441 Business Phone #: (303) 779-5710

Mailing Address: c/o CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300

Street or P.O. Box / Suite #

Greenwood Village

CO

80111

City

State

Zip

If Self-Insured Employer, enter the Permit Number: _____

If not Self-Insured, enter the workers' compensation insurance carrier name and policy number:

Insurance Carrier Name

Policy Number

Upcoming Policy Period:

From: 01/01/2022

To: 12/31/2022

Month / Year

Month / Year

List the Governing Body for the Agency, Category of uncompensated officials (i.e. board, commission, etc.) or any combination of categories of such officials that you are opting to exclude from coverage for the upcoming policy year and Names of Officials (Attach additional pages if needed):

Name of Governing Body: Sky Ranch Metropolitan District No. 5

Category

Name of Official

Board Member

Mark Harding

Board Member

Paul Joseph Knopinski

Board Member

Kevin McNeill

Board Member

Scott Lehman

Board Member

Dirk Lashnits

C.R.S. section 8-40-202(1)(a)(I)(B) provides an option to exclude from workers' compensation insurance coverage uncompensated elected or appointed officials. You must promptly notify each official of your exercise of the option to exclude them. This form must be filed with the Division of Workers' Compensation not less than forty-five (45) days before the start of the policy period for which the option is to be exercised. Attach governing body's resolution.

By signing this form, you are certifying that the above-named uncompensated, elected or appointed public officials are designated to be excluded from worker's compensation coverage for the upcoming policy year, pursuant to C.R.S. section 8-40-202(1)(a)(I)(B). You are also certifying that these officials have been notified of this exclusion.

Signature: _____

Print Name: _____

Date: _____

Title: _____

Submit this form with the Governing Body's Resolution to: Division of Workers' Compensation, Coverage Enforcement Unit, 633 17th St., Suite 400, Denver, CO 80202-3626. If insured, please make a copy of this completed form and send it to your insurance carrier. If you have any questions, contact the Division of Workers' Compensation Customer Service Unit at 303.318.8700.

C.R.S. section 10-1-128(6)(a) states: "It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies."

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SKY RANCH METROPOLITAN DISTRICT NO. 5 HELD AUGUST 13, 2021

A special meeting of the Board of Directors (“Board”) of the Sky Ranch Metropolitan District No. 5 (“District”) was convened on Friday, the 13th day of August 2021, at 8:30 a.m. at Pure Cycle Corporation, 34501 E. Quincy Ave., Bldg. 34, Watkins, CO 80137. Due to the concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this Board meeting was also held virtually via Microsoft Teams and by conference call. The meeting was open to the public.

Directors in Attendance Were:

Mark Harding, President
Kevin McNeill, Treasurer
Scott Lehman, Secretary
Dirk Lashnits, Assistant Secretary

Absent and excused was Director Joe Knopinski.

Also in Attendance Were:

Lisa Johnson, Celeste Terrell, and Cathee Sutton (for a portion of the meeting);
CliftonLarsonAllen LLP (“CLA”)
Suzanne Meintzer, Esq.; McGeady Becher P.C.
Andrew Gaittens (for a portion of the meeting); Independent District
Engineering Services, LLC (“IDES”)
Deb Saya; Pure Cycle Corporation

Members of the Public: Ryan Funk, Barb Patton, Aicha Diakite, Jennifer Kennifer, Rebekah Baker-White, Tim Wallace, Paula Diaz, Jordan Zarnoch, Nicole Milligan, and Tanya Craig.

ADMINISTRATIVE
MATTERS

Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Attorney Meintzer requested members of the Board to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Meintzer noted that all Directors’ Disclosure Statements were filed. No additional conflicts were disclosed at the meeting.

Quorum, Location of Meeting, Posting of Meeting Notice and Agenda: Ms. Johnson confirmed the presence of a quorum. The Board reviewed a proposed

RECORD OF PROCEEDINGS

Agenda for the District's special meeting.

Following discussion, upon a motion duly made by Director Lashnits, seconded by Director Lehman and, upon vote, unanimously carried the Board approved the Agenda as presented, and excused the absence of Director Knopinski.

The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon a motion duly made by Director Lashnits, seconded by Director Lehman and, upon vote, unanimously carried, the Board determined that due to the ongoing concerns regarding the spread of COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, certain Board members and consultants of the Board would attend this meeting in person at the above-referenced location. However, certain other Board members and consultants of the District would attend this meeting via video conference or teleconference. The Board further noted that the notice of the time, date, location, and video conference/teleconference information for the meeting was duly posted and that no objections to the means of hosting the meeting were received from taxpaying electors.

Public Comment: There was no public comment.

CONSENT AGENDA

The Board considered the following Consent Agenda Items:

- **Approve Minutes from the February 12, 2021 Special Meeting**
- **Ratify Approval of 2020 Application for Exemption from Audit**

Following discussion, upon a motion duly made by Director Harding, seconded by Director McNeill and, upon vote, unanimously carried, the Board approved the Consent Agenda items as listed above.

LEGAL MATTERS

Second Amended and Restated Community Authority Board Establishment Agreement by and between Sky Ranch Metropolitan District No. 1, Sky Ranch Metropolitan District No. 3, and Sky Ranch Metropolitan District No. 5 ("CABEA Amendment"): Attorney Meintzer presented and summarized the CABEA Amendment to the Board. Following discussion, upon a motion duly made by Director Lehman, seconded by Director Harding and, upon vote, unanimously carried, the Board approved the Second Amended and Restated Community Authority Board Establishment Agreement by and between Sky Ranch Metropolitan District No. 1, Sky Ranch Metropolitan District No. 3, and Sky Ranch Metropolitan District No. 5.

RECORD OF PROCEEDINGS

Appointment of Member from the Board of Directors of Sky Ranch Metropolitan District No. 5 to the Board of Directors of the Sky Ranch Community Authority Board and Adoption of Resolution No. 2021-08-01, A Resolution of the Board of Directors of Sky Ranch Metropolitan District No. 5 Appointing Members to the Sky Ranch Community Authority Board of Directors: Attorney Meintzer discussed the appointment and reviewed the Resolution with the Board. Following review and discussion, upon a motion duly made by Director Lehman, seconded by Director Harding and, upon vote, unanimously carried, the Board re-appointed Director Mark Harding, Director Joe Knopinski, and Director Kevin McNeill to the Sky Ranch Community Authority Board and adopted Resolution No. 2021-08-01, a Resolution of the Board of Directors of Sky Ranch Metropolitan District No. 5 Appointing Members to the Sky Ranch Community Authority Board of Directors, as presented.

OTHER BUSINESS

Confirm Quorum for November 12, 2021 Board Meeting: The Board confirmed a quorum for the November 12, 2021 Board Meeting.

ADJOURNMENT

There being no further business to come before the Board, upon a motion duly made by Director Harding, seconded by Director Lehman and, upon vote, unanimously carried, the meeting was adjourned at 9:36 a.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

**SKY RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2021 AMENDED BUDGET**

	BUDGET 2021	AMENDED 2021
BEGINNING FUND BALANCE	\$ -	\$ -
REVENUES		
Property taxes	68,803	68,803
Specific ownership taxes	4,816	4,750
Other revenue	-	1,447
Total revenues	<u>73,619</u>	<u>75,000</u>
Total funds available	<u>73,619</u>	<u>75,000</u>
EXPENDITURES		
General and administrative		
County Treasurer's fee	1,032	1,032
Contingency	-	1,447
Transfers to CAB	72,587	72,521
Total expenditures	<u>73,619</u>	<u>75,000</u>
Total expenditures and transfers out requiring appropriation	<u>73,619</u>	<u>75,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 5
REGIONAL IMPROVEMENTS FUND
2021 AMENDED BUDGET**

	BUDGET 2021	AMENDED 2021
BEGINNING FUND BALANCE	\$ -	\$ -
REVENUES		
Property taxes	58,087	58,087
Specific ownership taxes	4,066	4,000
Other revenue	-	1,413
Total revenues	62,153	63,500
Total funds available	62,153	63,500
EXPENDITURES		
General and Administrative		
County Treasurer's fee	871	871
Contingency	-	1,413
Transfers to CAB	61,282	61,216
Total expenditures	62,153	63,500
Total expenditures and transfers out requiring appropriation	62,153	63,500
ENDING FUND BALANCE	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

RESOLUTION NO. 2021-11-____

RESOLUTION TO AMEND BUDGET

**RESOLUTION OF THE SKY RANCH METROPOLITAN DISTRICT NO. 5 TO
AMEND THE 2021 BUDGET**

Pursuant to Section 29-1-109, C.R.S., the Board of Sky Ranch Metropolitan District No. 5 (the “**District**”), hereby certifies that a special meeting of the Board of Directors of the District, was held on November 13, 2020, at the offices of Pure Cycle Corporation, 34501 E. Quincy Avenue, Bldg. 34, Box 10, Watkins, Colorado 80137.

A. At such meeting, the Board of Directors of the District adopted that certain Resolution No. 2020-11-02 to Adopt Budget appropriating funds for the fiscal year 2021 as follows:

General Fund	\$73,619
Regional Improvements Fund	\$62,153

B. The necessity has arisen for additional General Fund and Regional Improvements Fund appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2021.

C. The source and amount of revenues for such expenditures, the purposes for which such revenues are being appropriated, and the fund(s) which shall make such supplemental expenditures are described on **Exhibit A**, attached hereto and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sky Ranch Metropolitan District No. 5 shall and hereby does amend the budget for the fiscal year 2021 as follows:

General Fund	\$74,553
Regional Improvements Fund	\$63,087

BE IT FURTHER RESOLVED, that such sum is hereby appropriated from unexpected revenues available to the District to the General Fund and Regional Improvements Fund for the purpose stated.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION OF THE SKY RANCH METROPOLITAN NO. 5 DISTRICT TO AMEND THE 2021 BUDGET]

RESOLUTION APPROVED AND ADOPTED on November 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 5**

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT A

Original and Amended Budget Appropriations

SKY RANCH METROPOLITAN DISTRICT NO. 5
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**SKY RANCH METROPOLITAN DISTRICT NO. 5
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

11/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	164,828	126,890	126,890	126,890	82,051
Specific ownership taxes	11,681	8,882	4,341	8,750	5,744
Interest income	4	-	-	-	-
Other revenue	-	-	-	2,000	10,000
Total revenues	<u>176,513</u>	<u>135,772</u>	<u>131,231</u>	<u>137,640</u>	<u>97,795</u>
Total funds available	<u>176,513</u>	<u>135,772</u>	<u>131,231</u>	<u>137,640</u>	<u>97,795</u>
EXPENDITURES					
General Fund	176,513	73,619	71,157	74,553	51,419
Regional Improvements Fund	-	62,153	60,074	63,087	46,376
Total expenditures	<u>176,513</u>	<u>135,772</u>	<u>131,231</u>	<u>137,640</u>	<u>97,795</u>
Total expenditures and transfers out requiring appropriation	<u>176,513</u>	<u>135,772</u>	<u>131,231</u>	<u>137,640</u>	<u>97,795</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

11/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION					
Agricultural	\$ 33,450	\$ 33,450	\$ 33,450	\$ 33,450	\$ 19,707
Vacant land	145	145	145	145	145
Personal property	-	122,139	122,139	122,139	101,838
Oil and Gas	1,830,980	874,306	874,306	874,306	527,778
Certified Assessed Value	<u>\$ 1,864,575</u>	<u>\$ 1,030,040</u>	<u>\$ 1,030,040</u>	<u>\$ 1,030,040</u>	<u>\$ 649,468</u>
MILL LEVY					
General	88.400	66.796	66.796	66.796	66.796
Regional Improvements	-	56.393	56.393	56.393	59.540
Total mill levy	<u>88.400</u>	<u>123.189</u>	<u>123.189</u>	<u>123.189</u>	<u>126.336</u>
PROPERTY TAXES					
General	\$ 164,828	\$ 68,803	\$ 68,803	\$ 68,803	\$ 43,382
Regional Improvements	-	58,087	58,087	58,087	38,669
Budgeted property taxes	<u>\$ 164,828</u>	<u>\$ 126,890</u>	<u>\$ 126,890</u>	<u>\$ 126,890</u>	<u>\$ 82,051</u>
BUDGETED PROPERTY TAXES					
General	<u>\$ 164,828</u>	<u>\$ 68,803</u>	<u>\$ 68,803</u>	<u>\$ 68,803</u>	<u>\$ 43,382</u>
Regional Improvements	<u>-</u>	<u>58,087</u>	<u>58,087</u>	<u>58,087</u>	<u>38,669</u>
	<u>\$ 164,828</u>	<u>\$ 126,890</u>	<u>\$ 126,890</u>	<u>\$ 126,890</u>	<u>\$ 82,051</u>

No assurance provided. See summary of significant assumptions.

SKY RANCH METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

11/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	164,828	68,803	68,803	68,803	43,382
Specific ownership taxes	11,681	4,816	2,354	4,750	3,037
Interest income	4	-	-	-	-
Other revenue	-	-	-	1,000	5,000
Total revenues	<u>176,513</u>	<u>73,619</u>	<u>71,157</u>	<u>74,553</u>	<u>51,419</u>
Total funds available	<u>176,513</u>	<u>73,619</u>	<u>71,157</u>	<u>74,553</u>	<u>51,419</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	2,472	1,032	1,032	1,032	651
Contingency	-	-	-	1,000	5,000
Transfers to CAB	174,041	72,587	70,125	72,521	45,768
Total expenditures	<u>176,513</u>	<u>73,619</u>	<u>71,157</u>	<u>74,553</u>	<u>51,419</u>
Total expenditures and transfers out requiring appropriation	<u>176,513</u>	<u>73,619</u>	<u>71,157</u>	<u>74,553</u>	<u>51,419</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 5
REGIONAL IMPROVEMENTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

11/3/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	-	58,087	58,087	58,087	38,669
Specific ownership taxes	-	4,066	1,987	4,000	2,707
Other revenue	-	-	-	1,000	5,000
Total revenues	-	62,153	60,074	63,087	46,376
Total funds available	-	62,153	60,074	63,087	46,376
EXPENDITURES					
General and Administrative					
County Treasurer's fee	-	871	871	871	580
Contingency	-	-	-	1,000	5,000
Transfers to CAB	-	61,282	59,203	61,216	40,796
Total expenditures	-	62,153	60,074	63,087	46,376
Total expenditures and transfers out requiring appropriation	-	62,153	60,074	63,087	46,376
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**SKY RANCH METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the 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, financing, installation, and maintenance of public improvements and services, including streets, park and recreation, water, sanitary, storm drainage, transportation, mosquito control, safety protection, and television relay and translation. Under its Amended and Restated Service Plan, the District was organized in conjunction with three other related Districts: Sky Ranch Metropolitan District Nos. 1, 3 and 4. The District entered into a Community Authority Board Establishment Agreement with District No. 1 on November 13, 2017, First Amended and Restated Sky Ranch Community Authority Establishment agreement on September 18, 2018 (effective November 13, 2017), and Second Amended and Restated Sky Ranch Community Authority Establishment Agreement on August 13, 2021 (the "CABEA"), 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 – 5 limit the aggregate amount of debt that they may issue together with any debt issued by the CAB to \$312,000,000. In the future, the Districts 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 Districts' 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. 5
2022 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.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected by both the General 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.

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.

**SKY RANCH METROPOLITAN DISTRICT NO. 5
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

RESOLUTION NO. 2021-11-____

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN
DISTRICT NO. 5, 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 2022**

A. The Board of Directors of Sky Ranch Metropolitan District No. 5 (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 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 12, 2021, 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. 5, 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 FOLLOWS]

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

RESOLUTION APPROVED AND ADOPTED on November 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 5**

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT A

Budget

I, Scott Lehman, hereby certify that I am the duly appointed Secretary of the Sky Ranch Metropolitan District No. 5, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Sky Ranch Metropolitan District No. 5 held on November 12, 2021.

Secretary

RESOLUTION NO. 2021-11-____**RESOLUTION TO SET MILL LEVIES****RESOLUTION OF THE SKY RANCH METROPOLITAN DISTRICT NO. 5 LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE YEAR 2021, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2022 BUDGET YEAR**

A. The Board of Directors of the Sky Ranch Metropolitan District No. 5 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 12, 2021.

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. 5, Arapahoe County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2022 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 2022 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 2022 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 FOLLOWS]

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on November 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 5**

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT 1

Certification of Tax Levies

I, Scott Lehman, hereby certify that I am the duly appointed Secretary of the Sky Ranch Metropolitan District No. 5, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2021, duly adopted at a meeting of the Board of Directors of the Sky Ranch Metropolitan District No. 5 held on November 12, 2021.

Secretary

RESOLUTION NO. 2021-11-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF SKY RANCH METROPOLITAN DISTRICT NO. 5 AUTHORIZING IMPOSITION OF THE REGIONAL IMPROVEMENTS MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN

A. Sky Ranch Metropolitan District No. 5 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Amended and Restated Service Plan approved by the Board of County Commissioners for Arapahoe County, on December 8, 2020, as may be further modified or amended (the “**Service Plan**”), which authorizes the District to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, regional improvements and operations and maintenance costs of the District.

C. Section X.D of the Service Plan authorizes imposition of a Regional Improvements Mill Levy, which is “calculated as the difference between the overlapping mill levies of property subject to the Aurora Public Schools mill levy (‘**APS Mill Levy**’) and the overlapping mill levies of property not subject to the APS Mill Levy.”

D. For tax certification year 2020 (which was tax collection year 2021), the overlapping mill levies of property subject to the APS Mill Levy, and excluding any mill levy imposed by one of the Sky Ranch Metropolitan Districts, was 119.909 mills.

E. For tax certification year 2020 (which was tax collection year 2021), the overlapping mill levies of property not subject to the APS Mill Levy, and excluding any mill levy imposed by one of the Sky Ranch Metropolitan Districts, was 60.369 mills.

F. In compliance with the Service Plan, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to impose the Regional Improvements Mill Levy in 2021 for collection in 2022.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Sky Ranch Metropolitan District No. 5, Arapahoe County, Colorado:

1. The Board hereby authorizes the imposition of the Regional Improvements Mill Levy.
2. The Service Plan allows for the imposition of a Regional Improvements Mill Levy, calculated as the difference between the overlapping mill levies of property subject to the APS Mill Levy and the overlapping mill levies of property not subject to the APS Mill Levy.
3. The Board determines to impose a Regional Improvements Mill Levy in the amount of 59.540 mills, which is the difference between 119.909 mills (for property that is subject to the APS Mill Levy) and 60.369 mills (for property that is not subject to the APS Mill Levy).

4. The Regional Improvements Mill Levy shall be reflected in the District's Certification of Tax Levies to be submitted to Arapahoe County on or before December 15, 2021, for collection in 2022.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING IMPOSITION OF THE
REGIONAL IMPROVEMENTS MILL LEVY IN ACCORDANCE WITH THE
SERVICE PLAN]**

RESOLUTION APPROVED AND ADOPTED ON November 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 5**

President

Attest:

Secretary

RESOLUTION NO. 2021-11-____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
SKY RANCH METROPOLITAN DISTRICT NO. 5
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 3, 2022**

A. The terms of the offices of Directors Joe Knopinski and Dirk Lashnits shall expire upon the election of their successors at the regular election, to be held on May 3, 2022 (“**Election**”), and upon such successors taking office.

B. The term of office to which Director Kevin McNeill has previously been appointed expires upon his re-election, or the election of his successor at the election and upon such successor taking office.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect one (1) Director to serve until the next regular election, to occur May 2, 2023, and two (2) Directors to serve until the second regular election, to occur May 6, 2025.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sky Ranch Metropolitan District No. 5 (the “**District**”) of the County of Arapahoe, Colorado:

1. Date and Time of Election. The Election shall be held on May 3, 2022, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, one (1) Directors shall be elected to serve until the next regular election, to occur May 2, 2023, and two (2) Directors shall be elected to serve until the second regular election, to occur May 6, 2025.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. _____ shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, located at _____, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 26, 2022).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from the office of the Designated Election Official for Sky Ranch Metropolitan District No. 5 at the above address, and on the District's website at <https://SkyRanch.colorado.gov>.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on March 1, 2022, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 3, 2022]**

RESOLUTION APPROVED AND ADOPTED on November 12, 2021.

**SKY RANCH METROPOLITAN
DISTRICT NO. 5**

By: _____
President

Attest:

Secretary