

SERENITY RIDGE METROPOLITAN DISTRICTS NO. 1 AND 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Richard Frank	President	2022/May 2022
Daniel Frank	Treasurer/Assistant Secretary	2022/May 2022
Marc Cooper	Assistant Secretary	2022/May 2022
VACANT		2023/May 2023
VACANT		2023/May 2023
David Solin	Secretary	

DATE: Friday, June 11, 2021

TIME: 10:30 A.M.

PLACE: DUE TO 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, THESE DISTRICT BOARD MEETINGS WILL BE HELD BY CONFERENCE CALL WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THESE MEETINGS, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT **1-877-250-3814** AND WHEN PROMPTED, DIAL IN THE PASSCODE OF **5592663**

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Confirm quorums, approve Agenda and confirm location of meetings and posting of notices, and designate the Districts' 24-Hour posting locations.

C. Consider approval of the Minutes from November 12, 2020 Special Meetings (enclosure).

II. PUBLIC COMMENT

A. _____

II. FINANCIAL MATTERS

- A. Review and ratify approval of the payment of claims of District No. 1 for the periods ending, as follows (enclosures):

	Period Ending Nov. 1, 2020	Period Ending Dec. 31, 2020	Period Ending Jan. 31, 2021	Period Ending Feb. 5, 2021
General Fund	\$ 10,480.19	\$ 4,634.91	\$ 4,524.06	\$ 8,215.72
Debt Service Fund	-0-	-0-	-0-	6,000.00
Capital Projects Fund	-0-	-0-	-0-	-0-
Total	\$ 10,480.19	\$ 4,634.91	\$ 4,524.06	\$ 14,215.72

	Period Ending Feb. 17, 2021 Spec. Check	Period Ending March 31, 2021	Period Ending April 30, 2021	Period Ending May 31, 2021
General Fund	\$ -0-	\$ 5,025.04	\$ 5,637.40	\$ 4,694.40
Debt Service Fund	-0-	-0-	-0-	-0-
Capital Projects Fund	77,305.00	-0-	-0-	-0-
Total	\$ 77,305.00	\$ 5,025.04	\$ 5,637.40	\$ 4,694.40

- B. Review and approve payment of claims through the period ending June 11, 2021 of District No. 1, as follows (to be distributed):

General Fund:	\$	
Debt Service Fund:		-0-
Capital Projects Fund:		-0-
Total:	\$	<u><u> </u></u>

- C. Review and accept March 31, 2021 Unaudited Financial Statements and Schedule of Cash Position as of March 31, 2021 for the Districts (enclosures).

- D. Ratify approval and filing of 2020 Application for Exemption from Audit for District No. 1 (enclosure).

- E. Review and consider approval of 2020 Audit and authorize execution of Representations Letter for District No. 2 (enclosure).

III. OPERATIONS & MAINTENANCE MATTERS/ CAPITAL PROJECT MATTERS

- A. Ratify approval of Service Agreement for 2021 Detention Pond Maintenance Services between District No. 1 and Consolidated Divisions, Inc., d.b.a. CDI Environmental Contractor (enclosure).
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IV. LEGAL MATTERS

- A. Ratify approval of Cost Sharing Agreement (Landscape Improvements) by and among District No. 1, District No. 2, Serenity Ridge Owners Association, Serenity Ridge Condominiums Owners Association, Serenity Ridge Duplex Owners Association and Cherry Hollow Homeowners Association, Inc.
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- B. Rescind approval of Second Amendment to Operation Funding Agreement by and between District No. 1 and Serenity Investors, LLC.
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V. OTHER BUSINESS

- A. _____
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VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 12, 2021 (BUDGET HEARING).**

RECORD OF PROCEEDINGS

MINUTES OF SPECIAL MEETINGS OF THE BOARDS OF DIRECTORS OF THE SERENITY RIDGE METROPOLITAN DISTRICT NOS. 1 AND 2 HELD NOVEMBER 13, 2020

Special meetings of the Boards of Directors (the “Boards”) of the Serenity Ridge Metropolitan Districts Nos. 1 and 2 (hereinafter referred to as “District No. 1” and “District No. 2” respectively, and collectively the “Districts”) was duly held on Friday, the 13th day of November, 2020, at 10:30 A.M. Due to 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, the District meetings were held by conference call without any individuals (neither District representatives nor the general public) attending in person. The meetings were open to the public via conference call.

ATTENDANCE

Directors In Attendance Were:

Daniel Frank
Marc Cooper

Absent and excused was Richard Frank. Daniel Frank was appointed as Acting President for both Boards for this meeting.

Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)
Paula Williams, Esq.; McGeady Becher P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Boards discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Boards of Directors and to the Secretary of State. Attorney Williams noted that quorums were present and requested members of the Boards disclose any potential conflicts of interest with regard to any matters scheduled for discussion at the meetings, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin reviewed with the Boards a proposed Agenda for the Districts’ Special Meetings.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Agenda for the Districts' Special Meetings was approved, as presented and the absence of Director Richard Frank was excused. Director D. Frank was appointed as Acting President for both Boards for this meeting.

Approval of Meeting Location: The Boards discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the Districts' Board meetings.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Boards determined that due to 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, the Districts' meetings were held by conference call. The Boards further noted that notice of the time, date and conference bridge information was duly posted and that they have not received any objections, or any requests that the means of hosting the meeting be changed by taxpaying electors within the Districts' boundaries.

May 28, 2020 Minutes: The Boards reviewed the Minutes of the May 8, 2020 Special Meetings.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Boards approved the Minutes of the May 8, 2020 Special Meetings, as presented.

Resolution Nos. 2020-11-01 Establishing Regular 2021 Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices ("Resolution Nos. 2020-11-01"): The Boards discussed Resolution Nos. 2020-11-01.

Following discussion, upon a motion duly made by Director D. Frank, seconded by Director Cooper, and upon vote unanimously carried, the Boards adopted Resolution Nos. 2020-11-01. The Boards determined that 20210 regular meetings would be held on June 11 and November 12, 2021 at 10:30 a.m.

District Website: Mr. Solin updated the Boards on the status of the establishment of the combined Districts' website. It was noted the Statewide Internet Portal Authority ("SIPA") is delayed in making assignments to establish websites.

§32-1-809, C.R.S. (Transparency Notice) Reporting Requirements, Mode of Eligible Elector Notification for 2021: The Boards discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2021.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Boards determined to post

RECORD OF PROCEEDINGS

the required transparency notice information on the Special District Association's website.

FINANCIAL MATTERS

Ratification of Claims (District No. 1): The Board of District No. 1 considered ratifying the approval of the payment of claims for the periods ending as follows:

	Period Ending May 11, 2020	Period Ending June 16, 2020	Period Ending July 9, 2020
General Fund	\$ 12,446.48	\$ 7,790.37	\$ 15,160.61
Debt Service Fund	6,000.00	-0-	-0-
Capital Projects Fund	-0-	-0-	-0-
Total	\$ 18,446.48	\$ 7,790.37	\$ 15,160.61

	Period Ending Aug. 13, 2020	Period Ending Sept 14, 2020	Period Ending Oct 9, 2020
General Fund	\$ 10,150.60	\$ 6,706.40	\$ 5,121.70
Debt Service Fund	-0-	-0-	-0-
Capital Projects Fund	-0-	-0-	-0-
Total	\$ 10,150.60	\$ 6,706.40	\$ 5,121.70

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Board of District No. 1 ratified approval of the payment of claims, as presented.

Payment of Claims (District No. 1): The Board of District No. 1 deferred discussion on the approval of the payment of claims for the period ending November 13, 2020.

Unaudited Financial Statement (District No. 1): The Board discussed the District's unaudited financial statement for the period ending September 30, 2020 and Schedule of Cash Position for the period ending September 30, 2020.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Board accepted the District's unaudited financial statement for the period ending September 30, 2020 and Schedule of Cash Position for the period ending September 30, 2020.

Unaudited Financial Statement (District No. 2): The Board discussed the District's unaudited financial statement for the period ending September 30, 2020 and Schedule of Cash Position for the period ending September 30, 2020.

Following discussion, upon motion duly made by Director Cooper, seconded by Director D. Frank and, upon vote, unanimously carried, the Board accepted the District's unaudited financial statement for the period ending September 30, 2020 and Schedule of Cash Position for the period ending September 30, 2020.

RECORD OF PROCEEDINGS

2019 Audit (District No. 2): Mr. Solin reviewed the 2019 Audit with the Board.

Following review and discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Board ratified approval of the 2019 Audit and authorized execution of the Representations Letter.

2019 Application for Exemption from Audit (District No. 1): The Board reviewed the 2019 Application for Exemption from Audit.

Following review and discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Board ratified approval of the preparation, execution and filing of the Application for Exemption from Audit for 2019.

2020 Audit (District No. 2): The Board discussed the engagement of Wipfli LLP to perform the 2020 Audit for District No. 2.

Following discussion, upon motion duly made by Director Cooper, seconded by Director D. Frank and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to perform the 2020 Audit for District No. 2 in an amount not to exceed \$3,500.

2020 Application for Exemption from Audit (District No. 1): The Board discussed the requirements for an audit.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Board approved the appointment of the District Accountant to prepare the Application for Exemption from Audit for 2020 for District No. 1.

2020 Budget Amendment Hearing (District No. 1): The President opened the public hearing to consider the Resolution to Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following review and discussion, the Board determined that a 2020 Budget Amendment was not necessary.

RECORD OF PROCEEDINGS

2020 Budget Amendment Hearing (District No. 2): The President opened the public hearing to consider the Resolution to Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution No. 2020-11-02 to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following review and discussion, Director D. Frank moved to adopt the Resolution No. 2020-11-02 to Amend 2020 Budget, Director Cooper seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-02 to Amend the 2020 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2021 Budget Hearing (District No. 1): The President opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received, and the public hearing was closed.

Mr. Solin reviewed the estimated 2020 expenditures and proposed 2021 expenditures.

The Board discussed the mill levy and determined that no mill levy will be certified for the General Fund.

Following discussion, the Board considered the adoption of the Resolution No. 2020-11-02 to Adopt the 2021 Budget and Appropriate Sums of Money. Upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, Resolution No. 2020-11-02 to Adopt the 2021 Budget and Appropriate Sums of Money was adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies were authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County, not later than December 15, 2020. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

RECORD OF PROCEEDINGS

2021 Budget Hearing (District No. 2): The President opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received, and the public hearing was closed.

Mr. Solin reviewed the estimated 2020 expenditures and the proposed 2021 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2020-11-03 to Adopt the 2021 Budget and Appropriate Sums of Money and Resolution No. 2020-11-04 to Set Mill Levies (for the General Fund at 7.659 mills, Debt Service Fund at 43.341 mills and Other Fund(s) at 2.170 mills, for a total mill levy of 53.170 mills). Upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies were authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County, not later than December 15, 2020. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

Resolution No. 2020-11-05 Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3 (District No. 2):

The Board reviewed Resolution No. 2020-11-05 Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-05 Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Boards considered authorizing the Districts' Accountant to prepare and sign the DLG-70 Mill Levy Certification forms for certification to the Board of County Commissioners and other interested parties.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Boards authorized the Districts' Accountant to prepare and sign the DLG-70 Mill Levy Certification forms for certification to the Board of County Commissioners and other interested parties.

2022 Budget Preparation: The Boards discussed the preparation of the 2022 Budgets.

Following discussion, upon motion duly made by Director Cooper, seconded by Director D. Frank and, upon vote, unanimously carried, the Boards approved the appointment of the District Accountant to prepare the 2022 Budgets.

The Boards determined to hold the public hearings to consider adoption of the 2022 Budgets on November 12, 2021, at 10:30 a.m., at Centre Communities, Ltd., 7400 East Orchard Road #290-S, Greenwood Village, Colorado.

**OPERATION AND
MAINTENANCE
MATTERS/CAPITAL
PROJECT
MATTERS**

There were no operation and maintenance matters for discussion at this time.

LEGAL MATTERS

Cost Sharing Agreement (Landscape Improvements) by and among District No. 1, District No. 2, Serenity Ridge Owners Association, Serenity Ridge Condominiums Owners Association, Serenity Ridge Duplex Owners Association and Cherry Hollow Homeowners Association, Inc.: The Board deferred ratification.

District Boundary Maps: The Board discussed the need to update the Districts' boundary maps.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director Cooper and, upon vote, unanimously carried, the Boards authorized General Counsel to take all actions necessary to update the maps. The Boards further authorized Manhard Consulting, Ltd. to update the boundary maps.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Boards at this time, upon motion duly made by Director Cooper and seconded by Director D. Frank, upon vote, unanimously carried, the meetings were adjourned.

RECORD OF PROCEEDINGS

Respectfully submitted,

By _____
Secretary for the Meeting

Serenity Ridge Metropolitan District

Nov-20

Vendor	Invoice #	Date	Due Date	Amount	Account Number
Aurora Media Group	99417	10/19/2020	10/31/2020	\$ 46.90	1685
CO Special Districts P&L Pool	POL-0004826	9/22/2020	9/22/2020	\$ 1,898.00	1143
CO Special Districts P&L Pool	POL-0004827	9/22/2020	9/22/2020	\$ 1,881.00	1143
Designscapes	104578	11/1/2020	11/1/2020	\$ 2,199.00	1695
McGeady Becher P.C.	1017B 09/2020	9/30/2020	9/30/2020	\$ 1,046.00	1675
Special Dist Management Srvs	D1 10/2020	10/31/2020	10/31/2020	\$ 784.00	1680
Special Dist Management Srvs	D1 10/2020	10/31/2020	10/31/2020	\$ 28.00	1670
Special Dist Management Srvs	D1 10/2020	10/31/2020	10/31/2020	\$ 784.00	1612
Special Dist Management Srvs	D1 10/2020	10/31/2020	10/31/2020	\$ 87.69	1685
Special Dist Management Srvs	D2 10/2020	10/31/2020	10/31/2020	\$ 168.00	1680
Special Dist Management Srvs	D2 10/2020	10/31/2020	10/31/2020	\$ 28.00	1670
Special Dist Management Srvs	D2 10/2020	10/31/2020	10/31/2020	\$ 532.00	1612
Special Dist Management Srvs	D2 10/2020	10/31/2020	10/31/2020	\$ 7.60	1685
T. Charles Wilson Insurance Se	9211	10/14/2020	10/31/2020	\$ 495.00	1143
T. Charles Wilson Insurance Se	9210	10/14/2020	10/31/2020	\$ 495.00	1143
				\$ 10,480.19	

Serenity Ridge Metropolitan District No.1
November-20

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 10,480.19	\$ -	\$ -	\$ 10,480.19
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$10,480.19	\$0.00	\$0.00	\$10,480.19

Serenity Metropolitan District

Dec-20

Vendor	Invoice #	Date	Due Date	Amount	Account Number
McGeady Becher P.C.	1017B 10/2020	10/31/2020	10/31/2020	\$ 2,465.00	1675
Special Dist Management Srvs	D1 11/2020	11/30/2020	11/30/2020	\$ 773.00	1680
Special Dist Management Srvs	D1 11/2020	11/30/2020	11/30/2020	\$ 798.00	1612
Special Dist Management Srvs	D1 11/2020	11/30/2020	11/30/2020	\$ 98.41	1685
Special Dist Management Srvs	D2 11/2020	11/30/2020	11/30/2020	\$ 108.50	1680
Special Dist Management Srvs	D2 11/2020	11/30/2020	11/30/2020	\$ 392.00	1612
				\$ 4,634.91	

**Serenity Ridge Metropolitan District No.1
December-20**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,634.91	\$ -	\$ -	\$ 4,634.91
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$4,634.91	\$0.00	\$0.00	\$4,634.91

Serenity Ridge Metropolitan District

Jan-21

Vendor	Invoice #	Date	Due Date	Amount	Account Number
CNA Surety Direct Bill	15253602 2021-2024	1/1/2021	1/31/2021	\$ 255.00	1670
CNA Surety Direct Bill	15253598 2021-2024	1/1/2021	1/31/2021	\$ 255.00	1670
McGeady Becher P.C.	1017W 11/2020	11/30/2020	11/30/2020	\$ 2,814.00	1675
Special Dist Management Srvs	D1 12/2020	12/31/2020	12/31/2020	\$ 314.00	1680
Special Dist Management Srvs	D1 12/2020	12/31/2020	12/31/2020	\$ 378.00	1612
Special Dist Management Srvs	D1 12/2020	12/31/2020	12/31/2020	\$ 22.16	1685
Special Dist Management Srvs	D2 12/2020	12/31/2020	12/31/2020	\$ 246.50	1680
Special Dist Management Srvs	D2 12/2020	12/31/2020	12/31/2020	\$ 238.00	1612
Special Dist Management Srvs	D2 12/2020	12/31/2020	12/31/2020	\$ 1.40	1685
				\$ 4,524.06	

Serenity Ridge Metropolitan District No.1
January-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,524.06	\$ -	\$ -	\$ 4,524.06
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$4,524.06	\$0.00	\$0.00	\$4,524.06

Serenity Ridge Metropolitan District

Feb-21

Vendor	Invoice #	Date	Due Date	Amount	Account Number
Manhard Consulting, Ltd	58409	12/31/2020	12/31/2020	\$ 3,400.00	1685
McGeady Becher P.C.	1017W 01/2021	1/31/2021	1/31/2021	\$ 1,310.00	1675
McGeady Becher P.C.	1017W 12/2020	12/31/2020	12/31/2020	\$ 591.33	1675
Special Dist Management Srvs	D1 01/2021	1/31/2021	1/31/2021	\$ 588.00	1680
Special Dist Management Srvs	D1 01/2021	1/31/2021	1/31/2021	\$ 14.00	1670
Special Dist Management Srvs	D1 01/2021	1/31/2021	1/31/2021	\$ 434.00	1612
Special Dist Management Srvs	D1 01/2021	1/31/2021	1/31/2021	\$ 21.64	1685
Special Dist Management Srvs	D2 01/2021	1/31/2021	1/31/2021	\$ 504.00	1680
Special Dist Management Srvs	D2 01/2021	1/31/2021	1/31/2021	\$ 14.00	1670
Special Dist Management Srvs	D2 01/2021	1/31/2021	1/31/2021	\$ 266.00	1612
Special District Association	D2 2021 Dues	2/4/2021	2/4/2021	\$ 539.26	1670
Special District Association	D1 2021 Dues	2/4/2021	2/4/2021	\$ 533.49	1670
UMB Bank, N.A.	823338	2/5/2021	2/5/2021	\$ 2,500.00	2668
UMB Bank, N.A.	823337	2/5/2021	2/5/2021	\$ 3,500.00	2668
				\$ 14,215.72	

Serenity Ridge Metropolitan District No.1
February-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 8,215.72	\$ 6,000.00	\$ -	\$ 14,215.72
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$8,215.72	\$6,000.00	\$0.00	\$14,215.72

Serenity Ridge Metropolitan District

Feb-21

Special Payment- Bill.Com

Vendor	Invoice #	Date	Due Date	Amount	Account Number
City of Aurora	Smoky/Powhatton Signal	2/17/2021	2/17/2021	\$ 77,305.00	3785

Serenity Ridge Metropolitan District No.1
February-21

	General	Debt	Capital	Totals
Disbursements	\$ -	\$ -	\$ 77,305.00	\$ 77,305.00
Total Disbursements from Checking Acct	\$0.00	\$0.00	\$77,305.00	\$77,305.00

Serenity Ridge Metropolitan District No.1
March-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
McGeady Becher P.C.	2/28/2021	2/28/2021	3/31/2021	\$ 1,525.00	Legal	1675
Special Dist Management Srvs	D2 02/2021	2/28/2021	3/31/2021	\$ 269.00	Management	1680
Special Dist Management Srvs	D2 02/2021	2/28/2021	3/31/2021	\$ 882.00	Accounting	1612
Special Dist Management Srvs	D2 02/2021	2/28/2021	3/31/2021	\$ 17.36	Miscellaneous	1685
Special Dist Management Srvs	D1 02/2021	2/28/2021	3/31/2021	\$ 1,296.00	Management	1680
Special Dist Management Srvs	D1 02/2021	2/28/2021	3/31/2021	\$ 966.00	Accounting	1612
Special Dist Management Srvs	D1 02/2021	2/28/2021	3/31/2021	\$ 69.68	Miscellaneous	1685
				\$ 5,025.04		

Serenity Ridge Metropolitan District No.1
March-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 5,025.04			\$ 5,025.04
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$5,025.04	\$0.00	\$0.00	\$5,025.04

Serenity Ridge Metropolitan District No.1
April-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Designscapes	106684	4/30/2021	4/30/2021	\$ 2,199.00	Detention Pond Mtce	1695
McGeady Becher P.C.	1017W 03/2021	3/31/2021	4/30/2021	\$ 495.00	Legal	1675
Special Dist Management Srvs	D2 03/2021	3/31/2021	4/30/2021	\$ 280.00	Management	1680
Special Dist Management Srvs	D2 03/2021	3/31/2021	4/30/2021	\$ 1,386.00	Accounting	1612
Special Dist Management Srvs	D2 03/2021	3/31/2021	4/30/2021	\$ 0.20	Miscellaneous	1685
Special Dist Management Srvs	D1 03/2021	3/31/2021	4/30/2021	\$ 533.00	Management	1680
Special Dist Management Srvs	D1 03/2021	3/31/2021	4/30/2021	\$ 742.00	Accounting	1612
Special Dist Management Srvs	D1 03/2021	3/31/2021	4/30/2021	\$ 2.20	Miscellaneous	1685
				\$ 5,637.40		

Serenity Ridge Metropolitan District No.1
April-21

	General	Debt	Capital	Totals
Disbursements	\$ 5,637.40			\$ 5,637.40
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$5,637.40	\$0.00	\$0.00	\$5,637.40

Serenity Ridge Metropolitan District No.1

May-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Designscapes	107360	5/1/2021	5/31/2021	\$ 2,199.00	Detention Pond Mtce	1695
McGeady Becher P.C.	4/30/2021	4/30/2021	5/19/2021	\$ 152.00	Legal	1675
Special Dist Management Srvs	D2 04/2021	4/30/2021	5/19/2021	\$ 168.00	Management	1680
Special Dist Management Srvs	D2 04/2021	4/30/2021	5/19/2021	\$ 938.00	Accounting	1612
Special Dist Management Srvs	D2 04/2021	4/30/2021	5/19/2021	\$ 3.60	Miscellaneous	1685
Special Dist Management Srvs	D1 04/2021	4/30/2021	5/19/2021	\$ 451.00	Management	1680
Special Dist Management Srvs	D1 04/2021	4/30/2021	5/19/2021	\$ 770.00	Accounting	1612
Special Dist Management Srvs	D1 04/2021	4/30/2021	5/19/2021	\$ 12.80	Miscellaneous	1685
				\$ 4,694.40		

Serenity Ridge Metropolitan District No.1
May-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,694.40			\$ 4,694.40
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$4,694.40	\$0.00	\$0.00	\$4,694.40

SERENITY RIDGE METROPOLITAN DISTRICT NO. 1
Schedule of Cash Position
March 31, 2021

	<u>Operating</u>
Checking:	
Cash in Bank-Independent Bank	\$ 17,783.72
TOTAL FUNDS:	<u><u>\$ 17,783.72</u></u>

Board of Directors

- * Richard A. Frank
- * Marc Cooper
- * Daniel Frank

* Authorized signer on the checking account

SERENITY RIDGE METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

March 31, 2021

SERENITY RIDGE METROPOLITAN DISTRICT NO. 1
Combined Balance Sheet - All Fund Types and Account Groups
March 31, 2021

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>FIXED ASSETS</u>	<u>TOTAL</u>
Assets				
Cash in Bank-Independent Bank	\$ 17,784	\$ -	\$ -	\$ 17,784
Prepaid Expenses	-	-	-	-
Total Current Assets	<u>17,784</u>	<u>-</u>	<u>-</u>	<u>17,784</u>
Fixed Assets				
Fixed Assets	-	-	7,857,375	7,857,375
Total Fixed Assets	<u>-</u>	<u>-</u>	<u>7,857,375</u>	<u>7,857,375</u>
Total Assets	<u>\$ 17,784</u>	<u>\$ -</u>	<u>\$ 7,857,375</u>	<u>\$ 7,875,159</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Serenity MD #2	38,208	-	-	38,208
Total Liabilities	<u>38,208</u>	<u>-</u>	<u>-</u>	<u>38,208</u>
Fund Balance				
Investment in Fixed Assets	-	-	7,857,375	7,857,375
Fund Balance	(36,143)	-	-	(36,143)
Current Year Earnings	15,718	-	-	15,718
Total Fund Balances	<u>(20,424)</u>	<u>-</u>	<u>7,857,375</u>	<u>7,836,951</u>
Total Liabilities and Fund Balance	<u>\$ 17,784</u>	<u>\$ -</u>	<u>\$ 7,857,375</u>	<u>\$ 7,875,159</u>

SERENITY RIDGE METROPOLITAN DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 3 Months Ending,
March 31, 2021
General Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Developer Advance	\$ -	\$ -	\$ -	\$ -	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Audit	33	-	7,500	7,500	0.0%
Accounting	3,696	2,548	10,000	7,452	-
Election	-	-	-	-	0.0%
Insurance/SDA Dues	140	7,280	7,500	220	97.1%
Legal	7,991	2,835	15,500	12,665	18.3%
Management	2,646	2,657	20,000	17,343	13.3%
Miscellaneous	3,854	287	1,000	713	28.7%
Detention Pond Mtce	4,398	-	15,000	15,000	0.0%
Contingency	-	-	210,000	210,000	0.0%
Maintenance Reserve	-	-	3,555	3,555	0.0%
	<u>22,757</u>	<u>15,606</u>	<u>290,055</u>	<u>274,449</u>	<u>5.4%</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,757)	(15,606)	(290,055)	274,449	5.4%
Other Financing Sources (Uses)					
Transfer from District No. 2	15,700	37,325	300,000	(262,675)	12.4%
Transfer to District No. 2	-	(6,000)	-	(6,000)	-
Emergency Reserve	-	-	(9,000)	9,000	0.0%
Total Other Financing Sources (Uses)	<u>15,700</u>	<u>31,325</u>	<u>291,000</u>	<u>(259,675)</u>	<u>10.8%</u>
Change in Fund Balance	(7,057)	15,718	945	14,773	
Beginning Fund Balance	(13,367)	(36,143)	4,321	(40,464)	
Ending Fund Balance	<u>\$ (20,424)</u>	<u>\$ (20,424)</u>	<u>\$ 5,266</u>	<u>\$ (25,690)</u>	

SERENITY RIDGE METROPOLITAN DISTRICT NO. 1
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the 3 Months Ending,
March 31, 2021

Acct No	Account Description	Period Actual	YTD Actual	Budget	Under/(Over) Budget	% of Budget
Revenues						
	Total Revenues	-	-	-	-	-
Expenditures						
3785	Capital Improvements	-	77,305.00	-	(77,305.00)	-
	Total Expenditures	-	77,305.00	-	(77,305.00)	-
	Excess (Deficiency) of Revenues Over Expenditures	-	(77,305.00)	-	77,305.00	-
Transfers and Other Sources (Uses)						
3580	Transfer from District No. 2	-	77,305.00	-	(77,305.00)	-
	Total Transfers and Other Sources (Uses)	-	77,305.00	-	(77,305.00)	-
	Change in Fund Balance	-	-	-	-	-
3501	Beginning Fund Balance	-	-	-	-	-
	Ending Fund Balance	-	-	-	-	-

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2
Schedule of Cash Position
March 31, 2021

	<u>Rate</u>	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Investments:					
Cash in Bank-ColoTrust	0.0648%	\$ 299,865.69	\$ 907,373.49	\$ -	\$ 1,207,239.18
Trustee:					
UMB 2018A Unrestricted Project		-	-	-	-
UMB 2018B Unrestricted Project		-	633.98	-	633.98
UMB-Surplus Fund		-	589,208.30	-	589,208.30
UMB 2018A Reserve Fund		-	1,182,349.25	-	1,182,349.25
GO 2018A Senior Bond Fund		-	819.83	-	819.83
TOTAL FUNDS:		<u>\$ 299,865.69</u>	<u>\$ 2,680,384.85</u>	<u>\$ -</u>	<u>\$ 2,980,250.54</u>

2021 Mill Levy Information

Certified General Fund Mill Levy	7.659
Certified Debt Service Fund Mill Levy	43.341
Certified Refund/Abatement Mill Levy	<u>2.170</u>
Total Certified Mill Levy	<u>53.170</u>

Board of Directors

- * Richard Frank
- Daniel Frank
- * Marc Cooper

* Authorized signer on the checking account

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS

March 31, 2021

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2021

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL</u>
Assets					
Cash in Bank-ColoTrust	\$ 299,866	\$ 907,373	\$ -	\$ -	\$ 1,207,239
UMB 2018A Unrestricted Project	-	-	-	-	-
UMB 2018B Unrestricted Project	-	634	-	-	634
UMB 2018A Reserve Fund	-	1,182,349	-	-	1,182,349
UMB-Surplus Fund	-	589,208	-	-	589,208
Cash with County Treasurer	-	-	-	-	-
GO 2018A Senior Bond Fund	-	820	-	-	820
Property Taxes Receivable	134,558	861,864	-	-	996,422
Receivable District No. 1	37,100	1,108	-	-	38,208
Total Current Assets	<u>471,524</u>	<u>3,543,357</u>	<u>-</u>	<u>-</u>	<u>4,014,881</u>
Other Debits					
Amount in Debt Service Fund	-	-	-	\$ 2,680,385	2,680,385
Amount to be Provided for Debt	-	-	-	\$ 13,928,016	13,928,016
Total Other Debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,608,401</u>	<u>16,608,401</u>
Total Assets	<u>\$ 471,524</u>	<u>\$ 3,543,357</u>	<u>\$ -</u>	<u>\$ 16,608,401</u>	<u>\$ 20,623,282</u>
Liabilities					
2018A Refunding and Imp Bonds	\$ -	\$ -	\$ -	\$ 14,575,000	\$ 14,575,000
2018A Original Issue Premium	-	-	-	127,401	127,401
2018B GO Limited Tax Bonds	-	-	-	1,906,000	1,906,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,608,401</u>	<u>16,608,401</u>
Deferred Inflows of Resources					
Deferred Property Taxes	134,558	861,864	-	-	996,422
Total Deferred Inflows of Resources	<u>134,558</u>	<u>861,864</u>	<u>-</u>	<u>-</u>	<u>996,422</u>
Fund Balance					
Fund Balance	279,097	2,318,797	91,057	-	2,688,951
Current Year Earnings	57,869	362,696	(91,057)	-	329,508
Total Fund Balances	<u>336,966</u>	<u>2,681,493</u>	<u>-</u>	<u>-</u>	<u>3,018,459</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 471,524</u>	<u>\$ 3,543,357</u>	<u>\$ -</u>	<u>\$ 16,608,401</u>	<u>\$ 20,623,282</u>

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 3 Months Ending,
March 31, 2021
General Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ 80,385	\$ 80,385	\$ 209,409	\$ (129,024)	38.4%
Specific Ownership Taxes	2,836	2,836	10,000	(7,164)	28.4%
Interest Income	54	54	150	(96)	35.9%
Total Revenues	<u>83,275</u>	<u>83,275</u>	<u>219,559</u>	<u>(136,284)</u>	<u>37.9%</u>
Expenditures					
Treasurer's Fees	1,206	1,206	3,013	1,807	40.0%
Emergency Reserve	-	-	6,330	6,330	0.0%
Total Expenditures	<u>1,206</u>	<u>1,206</u>	<u>9,343</u>	<u>8,137</u>	<u>12.9%</u>
Excess (Deficiency) of Revenues Over Expenditures	82,069	82,069	210,216	(128,147)	
Other Financing Sources (Uses)					
Transfer to District No. 1	(24,200)	(24,200)	(300,000)	275,800	
Total Other Financing Sources (Uses)	<u>(24,200)</u>	<u>(24,200)</u>	<u>(300,000)</u>	<u>275,800</u>	
Change in Fund Balance	57,869	57,869	(89,784)	147,653	
Beginning Fund Balance	279,097	279,097	-	279,097	
Ending Fund Balance	<u>\$ 336,966</u>	<u>\$ 336,966</u>	<u>\$ (89,784)</u>	<u>\$ 426,750</u>	

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the 3 Months Ending,
March 31, 2021
Debt Service Fund

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Property Tax Revenue	\$ 354,459	\$ 354,459	\$ 1,185,010	\$ (830,551)	29.9%
Specific Ownership Taxes	12,503	12,503	68,199	(55,696)	18.3%
Transfer from Capital Projects	636	636	-	636	0.0%
Interest Income	503	503	-	503	-
Total Revenues	<u>368,101</u>	<u>368,101</u>	<u>1,253,209</u>	<u>(885,108)</u>	<u>29.4%</u>
Expenditures					
Bond Principal	-	-	205,000	205,000	0.0%
Bond Interest	-	-	719,456	719,456	0.0%
Audit	-	-	6,500	6,500	0.0%
Paying Agent Fees	6,088	6,088	5,000	(1,088)	121.8%
Miscellaneous	-	-	2,500	2,500	-
Treasurer's Fees	5,317	5,317	17,050	11,733	31.2%
Total Expenditures	<u>11,405</u>	<u>11,405</u>	<u>955,506</u>	<u>944,101</u>	<u>1.2%</u>
Excess (Deficiency) of Revenues Over Expenditures	356,696	356,696	297,703	58,993	
Other Financing Sources (Uses)					
Transfer from District No. 1	6,000	6,000	-	6,000	
Total Transfers and Other Sources (Uses)	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>	
Change in Fund Balance	362,696	362,696	297,703	64,993	
Beginning Fund Balance	2,318,797	2,318,797	-	2,318,797	
Ending Fund Balance	<u>\$ 2,681,493</u>	<u>\$ 2,681,493</u>	<u>\$ 297,703</u>	<u>\$ 2,383,790</u>	

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the 3 Months Ending,
March 31, 2021

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
Revenues					
Interest Income	\$ 12	\$ 12	\$ 500	\$ (488)	2.5%
Total Revenues	<u>12</u>	<u>12</u>	<u>500</u>	<u>(488)</u>	<u>2.5%</u>
Expenditures					
Miscellaneous	4	4	-	(4)	-
Total Expenditures	<u>4</u>	<u>4</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	9	9	500	(491)	
Transfers and Other Sources (Uses)					
Transfer to District 1	(90,430)	(90,430)	-	90,430	
Transfer from Debt Service	-	-	-	-	
Transfer to Debt Service	(636)	(636)	-	636	
Total Transfers and Other Sources	<u>(91,066)</u>	<u>(91,066)</u>	<u>-</u>	<u>91,066</u>	
Change in Fund Balance	(91,057)	(91,057)	500	90,582	
Beginning Fund Balance	91,057	91,057	-	91,057	
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 90,566</u>	

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

FOR LOCAL GOVERNMENTS WITH EITHER REVENUES OR EXPENDITURES MORE THAN \$100,000 BUT NOT MORE THAN \$750,000

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 for the year.

If your local government has either revenues or expenditures of LESS than \$100,000, use the [SHORT FORM](#).

EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA) for approval.

Any preparer of an Application for Exemption from Audit must be an independent accountant with knowledge of governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END. FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END.

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS

PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.

FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT THIS ADDRESS:

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Are all sections of the form complete, including responses to all of the questions?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted via Fax or Email?
 - If yes, have you read and understand the new Electronic Signature Policy? See [here](#) new policy
- or--
- Have you included a resolution?
 - Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
 - Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
 - If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

Checkout our new [web portal](#). Register your account and submit electronic Applications for Exemption From Audit, Extension of Time to File requests, Audited Financial Statements, and more! See the link below.

[OSA LG Web Portal](#)

FILING METHODS

NEW METHOD!

WEB PORTAL: Register and submit your Applications at our new portal: <https://apps.leg.co.gov/osallg>

MAIL: Office of the State Auditor
Local Government Audit Division
1525 Sherman St., 7th Floor
Denver, CO 80203

FAX: 303-869-3061

EMAIL: osa.lg@state.co.us

QUESTIONS? 303-869-3000

IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis.

Proprietary Activity should be reported on the Cash or Budgetary Basis -- A Budget to GAAP reconciliation is provided in Part 3.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

APPLICATION FOR EXEMPTION FROM AUDIT

LONG FORM

NAME OF GOVERNMENT
ADDRESS

Serenity Ridge Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, CO 80228-1898
David Sollin
303-987-0835
dsollin@sdmsi.com

For the Year Ended
12/31/2020
or fiscal year ended:

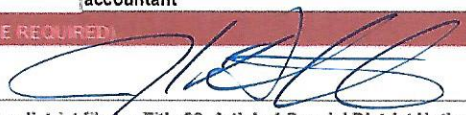
CONTACT PERSON
PHONE
EMAIL
FAX

CERTIFICATION OF PREPARER

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

NAME:	James H. Ruthven
TITLE	Director of Finance
FIRM NAME (if applicable)	Special District Management Services, Inc.
ADDRESS	141 Union Blvd., Suite 150, Lakewood, CO 80228-1898
PHONE	303-987-0835
DATE PREPARED	3/5/2021
RELATIONSHIP TO ENTITY	accountant

PREPARER SIGNATURE REQUIRED



Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

*Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General	Fund*		Fund*	Fund*	
Assets				Assets			
1-1	Cash & Cash Equivalents	\$ 4,402	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ -	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ -	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
	All Other Assets [specify...]			Other Current Assets	\$ -	\$ -	
1-5	Prepays	\$ 5,669	\$ -				
1-6		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -	
1-7		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-8		\$ -	\$ -		\$ -	\$ -	
1-9		\$ -	\$ -		\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ 10,071	\$ -	(add lines 1-1 through 1-10) TOTAL ASSETS	\$ -	\$ -	
1-12	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	
1-13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 10,071	\$ -	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ -	\$ -	
Liabilities				Liabilities			
1-14	Accounts Payable	\$ 8,005	\$ -	Accounts Payable	\$ -	\$ -	
1-15	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-16	Accrued Interest Payable	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-17	Due to Other Entities or Funds	\$ 38,208	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-18	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-19	TOTAL CURRENT LIABILITIES	\$ 46,213	\$ -	TOTAL CURRENT LIABILITIES	\$ -	\$ -	
1-20	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-21		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-22		\$ -	\$ -		\$ -	\$ -	
1-23		\$ -	\$ -		\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27		\$ -	\$ -		\$ -	\$ -	
1-28	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ 46,213	\$ -	(add lines 1-19 through 1-27) TOTAL LIABILITIES	\$ -	\$ -	
1-29	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	
Fund Balance				Net Position			
1-30	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -	
1-31	Nonspendable Inventory	\$ -	\$ -				
1-32	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -	
1-33	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-34	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-35	Unassigned:	\$ (36,142)	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-36	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL FUND BALANCE	\$ (36,142)	\$ -	Add lines 1-30 through 1-35 This total should be the same as line 3-33 TOTAL NET POSITION	\$ -	\$ -	
1-37	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 10,071	\$ -	Add lines 1-28, 1-29 and 1-36 This total should be the same as line 1-13 TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ -	\$ -	

PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		
		General	Fund*		Fund*	Fund*	
Tax Revenue				Tax Revenue			
2-1	Property [include mills levied in Question 10-6]	\$ -	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	Add lines 2-1 through 2-7 TOTAL TAX REVENUE	\$ -	\$ -	
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ -	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets	\$ -	\$ -	
2-22	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23		\$ -	\$ -		\$ -	\$ -	
2-24	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	Add lines 2-8 through 2-23 TOTAL REVENUES	\$ -	\$ -	
Other Financing Sources				Other Financing Sources			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-27	Other - Transfer from Serenity MD #2	\$ 106,200	\$ -	Other [specify...]:	\$ -	\$ -	
2-28	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ 106,200	\$ -	Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	GRAND TOTALS
2-29	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 106,200	\$ -	Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ 106,200

Please use this space to provide explanation of any items on this page.

IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General	Fund*		Fund*	Fund*	
	Expenditures			Expenses			
3-1	General Government	\$ 94,861	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ 6,000	\$ -	Utilities	\$ -	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12		\$ -	\$ -	Other [specify...]	\$ -	\$ -	
3-13		\$ -	\$ -		\$ -	\$ -	
3-14	Capital Outlay	\$ -	\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal	\$ -	\$ -	Principal	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	Add lines 3-1 through 3-21 TOTAL EXPENDITURES	\$ 100,861	\$ -	Add lines 3-1 through 3-21 TOTAL EXPENSES	\$ -	\$ -	GRAND TOTAL
							\$ 100,861
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	
3-24	Interfund Transfers out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-26)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	(Add lines 3-23 through 3-28) TOTAL TRANSFERS AND OTHER EXPENDITURES	\$ -	\$ -	(Line 3-26, plus line 3-27, less line 3-24, less line 3-25) TOTAL GAAP RECONCILING ITEMS	\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, plus line 3-29	\$ 5,339	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, plus line 3-23, less line 3-24	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ (41,481)	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31 Sum of Line 3-30, 3-31, and 3-32 This total should be the same as line 1-36.	\$ (36,142)	\$ -	Net Position, December 31 Line 3-30 plus line 3-31 This total should be the same as line 1-36.	\$ -	\$ -	

IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S. or contact the OSA Local Government Division at (303) 869-3000 for assistance.

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

YES NO

Please use this space to provide any explanations or comments:

- 4-1 Does the entity have outstanding debt? YES NO
- 4-2 Is the debt repayment schedule attached? If no, MUST explain: YES NO
- 4-3 Is the entity current in its debt service payments? If no, MUST explain: YES NO

The outstanding debt consists of developer advances for which there is no repayment schedule at this time.

4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)

	Outstanding at beginning of year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 235,890	\$ -	\$ -	\$ 235,890
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 235,890	\$ -	\$ -	\$ 235,890

*must agree to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

YES NO

- 4-5 Does the entity have any authorized, but unissued, debt? YES NO
 How much? \$ -
 If yes: Date the debt was authorized: _____
- 4-6 Does the entity intend to issue debt within the next calendar year? YES NO
 If yes: How much? \$ -
- 4-7 Does the entity have debt that has been refinanced that it is still responsible for? YES NO
 If yes: What is the amount outstanding? \$ -
- 4-8 Does the entity have any lease agreements? YES NO
 If yes: What is being leased? _____
 What is the original date of the lease? _____
 Number of years of lease? _____
 Is the lease subject to annual appropriation? YES NO
 What are the annual lease payments? \$ -

PART 5 - CASH AND INVESTMENTS

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

AMOUNT TOTAL

Please use this space to provide any explanations or comments:

5-1 YEAR-END Total of ALL Checking and Savings accounts	\$ 4,402		
5-2 Certificates of deposit	\$ -		
TOTAL CASH DEPOSITS		\$ 4,402	

Investments (if investment is a mutual fund, please list underlying investments):

	\$ -		
	\$ -		
	\$ -		
	\$ -		
TOTAL INVESTMENTS		\$ -	
TOTAL CASH AND INVESTMENTS		\$ 4,402	

Please answer the following question by marking in the appropriate box

YES NO N/A

- 5-4 Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? YES NO N/A
- 5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? If no, MUST explain: YES NO N/A

PART 6 - CAPITAL ASSETS

Please answer the following question by marking in the appropriate box

YES

NO

Please use this space to provide any explanations or comments:

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

6-3 Complete the following Capital Assets table for GOVERNMENTAL FUNDS:	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ 7,857,375	\$ -	\$ 7,857,375
Construction In Progress (CIP)	\$ 7,857,375	\$ -	\$ 7,857,375	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 7,857,375	\$ 7,857,375	\$ 7,857,375	\$ 7,857,375

6-4 Complete the following Capital Assets table for PROPRIETARY FUNDS:	Balance - beginning of the year*	Additions	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must agree to prior year ending balance

PART 7 - PENSION INFORMATION

Please answer the following question by marking in the appropriate box

YES

NO

Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firemen's pension plan? YES NO
- 7-2 Does the entity have a volunteer firemen's pension plan? YES NO
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

PART 8 - BUDGET INFORMATION

Please answer the following question by marking in the appropriate box

	YES	NO	N/A		Please use this space to provide any explanations or comments:
8-1 Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8-2 Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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

Fund Name	Budgeted Expenditures/Expenses
General	\$ 304,055
	\$ -
	\$ -
	\$ -

PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

	YES	NO		Please use this space to provide any explanations or comments:
9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? Note: An election to exempt the government from the spending limitations of TABOR does not exempt the	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

PART 10 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate box

	YES	NO		Please use this space to provide any explanations or comments:
10-1 Is this application for a newly formed governmental entity? If yes: Date of formation: <input style="width: 150px; height: 30px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		R
10-2 Has the entity changed its name in the past or current year? If Yes: NEW name <input style="width: 350px; height: 20px;" type="text"/> PRIOR name <input style="width: 350px; height: 20px;" type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
10-3 Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
10-4 Please indicate what services the entity provides: <input style="width: 400px; height: 15px;" type="text" value="water, streets, traffic and safety controls, parks, open space and recreation, sewer, drainage and stormwater improvements"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
10-5 Does the entity have an agreement with another government to provide services? If yes: List the name of the other governmental entity and the services provided: <input style="width: 400px; height: 15px;" type="text" value="Serenity Metropolitan District No. 2 - own, operate and construct facilities noted in 10-4"/>	<input type="checkbox"/>	<input type="checkbox"/>		
10-6 Does the entity have a certified mill levy? If yes: Please provide the number of mills levied for the year reported (do not enter \$ amounts):	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

Bond Redemption mills	0.000
General/Other mills	0.000
Total mills	0.000

Please use this space to provide any additional explanations or comments not previously included.

OSA USE ONLY

Entity Wide:		General Fund		Governmental Funds		Notes
Unrestricted Cash & Investments	\$	4,402 Unrestricted Fund Balan	\$	(36,142) Total Tax Revenue	\$	-
Current Liabilities	\$	46,213 Total Fund Balance	\$	(36,142) Revenue Paying Debt Service	\$	-
Deferred Inflow	\$	- PY Fund Balance	\$	(41,481) Total Revenue	\$	106,200
		Total Revenue	\$	106,200 Total Debt Service Principal	\$	-
		Total Expenditures	\$	100,861 Total Debt Service Interest	\$	-
		Interfund In	\$	-		
Governmental		4,402 Interfund Out	\$	-		
Total Cash & Investments	\$	- Proprietary		Enterprise Funds		
Transfers In	\$	- Current Assets	\$	Net Position	\$	-
Transfers Out	\$	- Deferred Outflow	\$	- PY Net Position	\$	-
Property Tax	\$	- Current Liabilities	\$	- Government-Wide		
Debt Service Principal	\$	100,861 Deferred Inflow	\$	- Total Outstanding Debt	\$	235,890
Total Expenditures	\$	- Cash & Investments	\$	- Authorized but Unissued	\$	-
Total Developer Advances	\$	- Principal Expense	\$	- Year Authorized		1/0/1900
Total Developer Repayments	\$			-		

PART 12 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

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

Policy - Requirements

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

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

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

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

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

Print the names of ALL members of the governing body below.

A MAJORITY of the members of the governing body must complete and sign in the column below.

1	Full Name	I, _____, attest that I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
	Richard Frank	Signed <u>Richard a. Frank</u> Date: <u>03/18/2021</u> My term Expires: <u>May 2022</u>
	Daniel Frank	Signed <u>[Signature]</u> Date: <u>03/17/2021</u> My term Expires: <u>May 2022</u>
	Marc Cooper	Signed <u>[Signature]</u> Date: <u>03/19/2021</u> My term Expires: <u>May 2022</u>
		Signed _____ Date: _____ My term Expires: _____
		Signed _____ Date: _____ My term Expires: _____
		Signed _____ Date: _____ My term Expires: _____
		Signed _____ Date: _____ My term Expires: _____

EXAMPLE - DO NOT FILL OUT THIS PAGE

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required. The wording may be used as a basis for your own local government document, if needed, however you **MUST** draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR YEAR 20XX FOR THE (name of government), STATE OF COLORADO.

WHEREAS, the (governing body) of (name of government) wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

[Choose 1 or 2 below, whichever is applicable]

(1) WHEREAS, neither revenue nor expenditures for (name of government) exceeded \$100,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual), a person skilled in governmental accounting; and

OR

(2) WHEREAS, neither revenues nor expenditures for (name of government) exceeded \$750,000 for Year 20XX; and

WHEREAS, an application for exemption from audit for (name of government) has been prepared by (name of individual or firm), an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/declared by the (governing body) of the (name of government) that the application for exemption from audit for (name of government) for the year ended _____, 20XX, has been personally reviewed and is hereby approved by a majority of the (governing body) of the (name of government); that those members of the (governing body) have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the (name of government) for the year ended _____, 20XX.

ADOPTED THIS ___ day of _____, A.D. 20XX.

Mayor/President/Chairman, etc.

ATTEST:

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature

TITLE	Application for Exemption from Audit
FILE NAME	2020_long_form - SEREN1.pdf
DOCUMENT ID	357cf27ed4227bf0ef0a80c9c0ee4d7e96d790d0
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document History



SENT

03 / 17 / 2021

15:18:12 UTC

Sent for signature to Richard Frank (rfrank@centregroup.com), Daniel Frank (dfrank@centregroup.com) and Marc Cooper (mcooper@coopermgmt.com) from ksteggs@sdmsi.com
IP: 50.78.200.153



VIEWED

03 / 17 / 2021

15:39:56 UTC

Viewed by Daniel Frank (dfrank@centregroup.com)
IP: 96.66.77.25



SIGNED

03 / 17 / 2021

15:40:09 UTC

Signed by Daniel Frank (dfrank@centregroup.com)
IP: 96.66.77.25



VIEWED

03 / 18 / 2021

16:26:53 UTC

Viewed by Richard Frank (rfrank@centregroup.com)
IP: 71.205.106.61



SIGNED

03 / 18 / 2021

16:27:41 UTC

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IP: 71.205.106.61

TITLE	Application for Exemption from Audit
FILE NAME	2020_long_form - SEREN1.pdf
DOCUMENT ID	357cf27ed4227bf0ef0a80c9c0ee4d7e96d790d0
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document History

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20:21:55 UTCViewed by Marc Cooper (mcooper@coopermgmt.com)
IP: 96.87.51.229**03 / 19 / 2021**
20:22:20 UTCSigned by Marc Cooper (mcooper@coopermgmt.com)
IP: 96.87.51.229**03 / 19 / 2021**
20:22:20 UTC

The document has been completed.

Serenity Ridge Metropolitan District No. 2

Year Ended December 31, 2020
with
Independent Auditor's Report

DRAFT

Serenity Ridge Metropolitan District No. 2

Year Ended December 31, 2020
(See Independent Auditor's Report)

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Serenity Ridge Metropolitan District No. 2

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 234,822	\$ -	\$ -	\$ 234,822	\$ -	\$ 234,822
Cash and investments - restricted	6,200	2,312,171	91,057	2,409,428	-	2,409,428
Receivable - county treasurer	975	5,518	-	6,493	-	6,493
Property taxes receivable	209,398	1,185,020	-	1,394,418	-	1,394,418
Accounts receivable	37,100	1,108	-	38,208	-	38,208
Capital assets, construction in progress	-	-	-	-	7,137,939	7,137,939
Total Assets	<u>\$ 488,495</u>	<u>\$ 3,503,817</u>	<u>\$ 91,057</u>	<u>\$ 4,083,369</u>	<u>\$ 7,137,939</u>	<u>\$ 11,221,308</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	49,122	49,122
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,122</u>	<u>49,122</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 488,495</u>	<u>\$ 3,503,817</u>	<u>\$ 91,057</u>	<u>\$ 4,083,369</u>		
LIABILITIES						
Accrued interest	\$ -	\$ -	\$ -	\$ -	59,955	59,955
Long-term liabilities:						
Due within one year	-	-	-	-	205,000	205,000
Due in more than one year	-	-	-	-	16,562,703	16,562,703
Developer advances payable	-	-	-	-	956,678	956,678
Developer advances interest payable	-	-	-	-	45,377	45,377
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,829,713</u>	<u>17,829,713</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	209,398	1,185,020	-	1,394,418	-	1,394,418
Total Deferred Inflows of Resources	<u>209,398</u>	<u>1,185,020</u>	<u>-</u>	<u>1,394,418</u>	<u>-</u>	<u>1,394,418</u>
FUND BALANCES/NET POSITION						
Fund Balances:						
Restricted:						
Emergencies	6,200	-	-	6,200	(6,200)	-
Debt service	-	2,318,797	-	2,318,797	(2,318,797)	-
Capital projects	-	-	91,057	91,057	(91,057)	-
Unassigned	272,897	-	-	272,897	(272,897)	-
Total Fund Balances	<u>279,097</u>	<u>2,318,797</u>	<u>91,057</u>	<u>2,688,951</u>	<u>(2,688,951)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 488,495</u>	<u>\$ 3,503,817</u>	<u>\$ 91,057</u>	<u>\$ 4,083,369</u>		
Net Position:						
Net investment in capital assets					(10,631,819)	(10,631,819)
Restricted for:						
Emergencies					6,200	6,200
Debt service					2,258,842	2,258,842
Capital projects					91,057	91,057
Unrestricted					322,019	322,019
Total Net Position					<u>\$ (7,953,701)</u>	<u>\$ (7,953,701)</u>

The notes to the financial statements are an integral part of these statements.

Serenity Ridge Metropolitan District No. 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Treasurer's fees	\$ 2,862	\$ 16,195	\$ -	\$ 19,057	\$ -	\$ 19,057
Bond principal	-	150,000	-	150,000	(150,000)	-
Bond interest	-	726,206	-	726,206	138,820	865,026
Paying agent fees	-	6,000	-	6,000	-	6,000
Capital improvements	-	-	4,405,578	4,405,578	(4,405,578)	-
Transfer to District No. 1	106,200	-	-	106,200	-	106,200
Developer advance interest	-	-	-	-	45,377	45,377
Total Expenditures	<u>109,062</u>	<u>898,401</u>	<u>4,405,578</u>	<u>5,413,041</u>	<u>(4,371,381)</u>	<u>1,041,660</u>
GENERAL REVENUES						
Property taxes	190,561	1,081,389	-	1,271,950	-	1,271,950
Specific ownership taxes	14,124	79,928	-	94,052	-	94,052
Interest income	1,114	14,148	17,890	33,152	-	33,152
Transfer from District No. 1	-	6,000	-	6,000	-	6,000
Total General Revenues	<u>205,799</u>	<u>1,181,465</u>	<u>17,890</u>	<u>1,405,154</u>	<u>-</u>	<u>1,405,154</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	96,737	283,064	(4,387,688)	(4,007,887)	4,007,887	-
OTHER FINANCING SOURCES (USES)						
Developer advance proceeds	-	-	4,405,578	4,405,578	(4,405,578)	-
Repayment of developer advances	-	-	(3,448,900)	(3,448,900)	3,448,900	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>956,678</u>	<u>956,678</u>	<u>(956,678)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	96,737	283,064	(3,431,010)	(3,051,209)	3,051,209	-
CHANGE IN NET POSITION					363,494	363,494
FUND BALANCES/NET POSITION:						
BEGINNING OF YEAR	<u>182,360</u>	<u>2,035,733</u>	<u>3,522,067</u>	<u>5,740,160</u>	<u>(14,057,355)</u>	<u>(8,317,195)</u>
END OF YEAR	<u>\$ 279,097</u>	<u>\$ 2,318,797</u>	<u>\$ 91,057</u>	<u>\$ 2,688,951</u>	<u>\$ (10,642,652)</u>	<u>\$ (7,953,701)</u>

The notes to the financial statements are an integral part of these statements.

Serenity Ridge Metropolitan District No. 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2020

	Original / Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 199,316	\$ 190,561	\$ (8,755)
Specific ownership taxes	10,000	14,124	4,124
Interest income	<u>150</u>	<u>1,114</u>	<u>964</u>
Total Revenues	<u>209,466</u>	<u>205,799</u>	<u>(3,667)</u>
EXPENDITURES			
Transfer to District No. 1	300,000	106,200	193,800
Treasurer's fees	2,990	2,862	128
Emergency reserve	<u>6,284</u>	<u>-</u>	<u>6,284</u>
Total Expenditures	<u>309,274</u>	<u>109,062</u>	<u>200,212</u>
NET CHANGE IN FUND BALANCE	(99,808)	96,737	196,545
FUND BALANCE:			
BEGINNING OF YEAR	<u>167,095</u>	<u>182,360</u>	<u>15,265</u>
END OF YEAR	<u>\$ 67,287</u>	<u>\$ 279,097</u>	<u>\$ 211,810</u>

The notes to the financial statements are an integral part of these statements.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE 1 – DEFINITION OF REPORTING ENTITY

Definition of Reporting Entity

Serenity Ridge Metropolitan District No. 2 (the “District” or “District No. 2”), a quasi-municipal corporation, was organized on February 2, 2004 and is governed pursuant to provisions of the Colorado Special District Act. The District’s service area is located in Arapahoe County, Colorado. The District was created in conjunction with Serenity Ridge Metropolitan District No. 1 (“District No. 1” and, together with District No. 2, the “Districts”) as part of a common plan to serve the needs of the Serenity Ridge development.

Pursuant to the Districts’ Consolidated Service Plan approved by the City Council of the City of Aurora, Colorado on August 4, 2003 (“Service Plan”), the Districts intend to provide in a cooperative manner, certain essential public-purpose services and facilities for the use and benefit of their property owners, inhabitants and taxpayers, all in accordance with the laws of the State of Colorado. The types of services and facilities that the Districts have the power to provide include water, streets, traffic and safety controls, parks, open space and recreation, sanitary sewer, and drainage and storm water improvements. (See Note 5, Acquisition Agreement).

The District has no employees and all operation and administrative functions are contracted.

The District follows the Governmental Accounting Standards Boards (“GASB”) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 – Special Purpose Governments.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used for the acquisition and construction of capital equipment and facilities.

Fund Balances

The District follows GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Cash

The District follows the practice of pooling cash of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District entered into the Letter Agreement Reimbursement for On-Site Improvements and Off-Site Improvements as described in Note 6. Construction in progress is reflected on District's financial statements until they are conveyed to the City of Aurora upon completion.

Property Taxes

Property taxes are levied by the District 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 assess the property tax obligation of 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 at the taxpayer's election, in equal installments in February and June. Delinquent taxpayers are notified in August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Restricted Fund Balance

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. \$6,200 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$2,318,797 is restricted for the payment of the costs associated with the Series 2018A and 2018B bonds (See Note 5). The restricted fund balance in the Capital Projects Fund in the amount of \$91,057 is restricted for the payment of costs related to capital improvements within the District.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 are classified in the accompanying financial statement as follows:

Statement of net position:	
Cash and investments - unrestricted	\$ 234,822
Cash and investments - restricted	2,409,428
	<hr/>
	\$ 2,644,250
	<hr/> <hr/>

Cash and investments as of December 31, 2020 consist of the following:

Investments	\$ 2,644,250
	<hr/> <hr/>

Deposits

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District had no amounts on deposit outstanding as of December 31, 2020.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include COLOTRUST funds which are recorded at net asset value.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Colorado State statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools

Custodial And Concentration Of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

As of December 31, 2020 the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST PLUS+	Weighted average Under 60 days	<u>\$ 2,644,250</u>

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
December 31, 2020**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

As of December 31, 2020, the District had invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST or the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for COLOTRUST portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for COLOTRUST investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST. As of December 31, 2020, the District has \$2,644,250 invested in COLOTRUST PLUS+. COLOTRUST is rated AAAM by Standard & Poors. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 is as follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2020</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	<u>\$ 2,732,361</u>	<u>\$ 4,405,578</u>	<u>\$ -</u>	<u>\$ 7,137,939</u>
Government type assets, net	<u>\$ 2,732,361</u>	<u>\$ 4,405,578</u>	<u>\$ -</u>	<u>\$ 7,137,939</u>

Upon completion and acceptance, the fixed assets will be conveyed by the District to other local governments.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
December 31, 2020**

NOTE 5 – LONG TERM DEBT

General Obligation Refunding & Improvement Bonds, Series 2018A and 2018B

Series 2018A Senior Term Bonds

On February 16, 2018, the District issued \$14,655,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Refunding & Improvement Bonds, Series 2018A (2018A Bonds), with interest rates and due dates as follows:

\$2,790,000	4.500% Senior Term Bond due December 1, 2018 – December 1, 2028
\$5,140,000	5.125% Senior Term Bond due December 1, 2029 – December 1, 2037
\$6,725,000	5.125% Senior Term Bond due December 1, 2038 – December 1, 2043

Interest is payable semi-annually on June 1 and December 1 each year commencing June 1, 2018.

The 2018A Bonds are limited tax (convertible to unlimited tax) general obligations of the District secured by the senior Pledged Revenue, consisting of the funds derived by the District from the following sources, net of any costs of collection: (i) the Senior Required Mill Levy, (ii) the Capital Fees, (iii) the Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; and (iv) any other legally available funds the District determines to transfer for application as Senior Pledged Revenue. The District has covenanted to levy an ad valorem mill levy upon all taxable property of the District in an amount sufficient to pay the principal of and interest on the Bonds as the same become due and payable, and if necessary, an amount sufficient to replenish the Senior Reserve Fund to the amount of the Senior Required Reserve, but not in excess of 51.000 mills less the amount of the Operations Mill Levy, and for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 51.000 mills less the amount of the Operations Mill Levy. The Senior Required Reserve Fund which is required to be \$1,182,331 had a balance of \$1,182,719 at December 31, 2020. The Senior Surplus Fund also secures the payment of the 2018A Bonds. Available Senior Pledged Revenue, if any, is to be accumulated in the Senior Surplus Fund up to the maximum amount of \$1,465,500. At December 31, 2020, the Senior Surplus Fund totaled \$589,113.

The 2018A Bonds were issued with a premium of \$132,709 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2023, and on any date thereafter, upon payment of par and accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2023 to November 30, 2024	3.00%
December 1, 2024 to November 30, 2025	2.00%
December 1, 2025 to November 30, 2026	1.00%
December 1, 2026 and thereafter	0.00%

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 – LONG TERM DEBT (CONTINUED)

The 2018A Bonds maturing on December 1, 2028 are also subject to mandatory sinking fund redemption, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

<u>Year of Redemption</u>	<u>Redemption Amount</u>
2021	\$ 205,000
2022	260,000
2023	270,000
2024	305,000
2025	315,000
2026	350,000
2027	365,000
2028	405,000
	<hr/>
	\$ 2,475,000
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The 2018A Bonds maturing on December 1, 2037 are also subject to mandatory sinking fund redemption, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

<u>Year of Redemption</u>	<u>Redemption Amount</u>
2029	\$ 420,000
2030	465,000
2031	485,000
2032	535,000
2033	560,000
2034	610,000
2035	640,000
2036	695,000
2037 (*)	730,000
	<hr/>
	\$ 5,140,000
	<hr/> <hr/>

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 – LONG TERM DEBT (CONTINUED)

The 2018A Bonds maturing on December 1, 2043 are also subject to mandatory sinking fund redemption, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

<u>Year of Redemption</u>	<u>Redemption Amount</u>
2038	\$ 790,000
2039	830,000
2040	900,000
2041	940,000
2042	1,015,000
2043 (*)	2,250,000
	<hr/>
	\$ 6,725,000
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(*) Final maturity. Not a sinking fund redemption.

Series 2018B Subordinate Term Bond

On February 16, 2018, the District issued \$1,906,000 Subordinate General Obligation Limited Tax Bonds, Series 2018B ("2018B Bonds") with an interest rate of 7.250%. The 2018B Bonds are limited tax general obligations of the District secured by and payable from the Subordinate Pledged Revenue consisting of funds derived by the District from the following sources, net of any costs of collection: (i) the Subordinate Required Mill Levy; (ii) the Subordinate Capital Fee Revenue; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Subordinate Required Mill Levy; (iv) the amounts, if any, in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture; and (v) any other legally available funds which the District determines to transfer as Subordinate Pledged Revenue.

The 2018B Bonds are structured as "cash-flow" bonds, meaning that there are no scheduled principal payments prior to the final maturity date. Rather, principal on the 2018B Bonds is payable from, and solely to the extent of, Subordinate Pledged Revenue, if any, remaining after the annual payment of interest due on the 2018B Bonds. Interest is payable on December 15 each year to the extent of Subordinate Pledged Revenue available therefor, commencing December 15, 2018. To the extent interest is not paid when due, such interest is to compound at the rate of 7.250% on each interest payment date.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

**NOTES TO FINANCIAL STATEMENTS
December 31, 2020**

NOTE 5 – LONG TERM DEBT (CONTINUED)

The 2018B Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 15, 2023, and on any date thereafter, upon payment of par plus accrued interest thereon and a redemption premium of a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2023 to December 14, 2024	3.00%
December 15, 2024 to December 14, 2025	2.00%
December 15, 2025 to December 14, 2026	1.00%
December 15, 2026 and thereafter	0.00%

The following is an analysis of changes in long-term obligations for the year ended December 31, 2020:

	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Current</u> <u>Portion</u>
Bonds payable:					
2018A GO Refunding & Improvement Bonds	\$ 14,490,000	\$ -	\$ 150,000	\$ 14,340,000	\$ 205,000
2018B Subordinate GO Bonds	1,906,000	-	-	1,906,000	-
2018B Accrued and Unpaid Interest	262,461	142,457	-	404,918	-
2018A GO Bond Premium	122,093	-	5,308	116,785	-
	<u>16,780,554</u>	<u>142,457</u>	<u>155,308</u>	<u>16,767,703</u>	<u>205,000</u>
Developer advances:					
On-Site Facilities Funding and Acquisition					
Capital - principal	-	1,683,597	814,419	869,178	-
Capital - interest	-	41,227	-	41,227	-
Off-Site Facilities Funding and Acquisition					
Capital - principal	-	2,721,981	2,634,481	87,500	-
Capital - interest	-	4,150	-	4,150	-
	<u>-</u>	<u>4,450,955</u>	<u>3,448,900</u>	<u>1,002,055</u>	<u>-</u>
Total	<u><u>\$ 16,780,554</u></u>	<u><u>\$ 4,593,412</u></u>	<u><u>\$ 3,604,208</u></u>	<u><u>\$ 17,769,758</u></u>	<u><u>\$ 205,000</u></u>

As of December 31, 2020, **\$3,193,503** of the Service Plan Debt Authorization remains.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of the annual long-term debt principal and interest requirements for the 2018A bonds:

	2018A Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 205,000	\$ 719,456	\$ 924,456
2022	260,000	710,232	970,232
2023	270,000	698,532	968,532
2024	305,000	686,382	991,382
2025	315,000	672,656	987,656
2026-2030	2,005,000	3,122,156	5,127,156
2031-2035	2,830,000	2,543,284	5,373,284
2036-2040	3,945,000	1,710,212	5,655,212
2041-2043	4,205,000	498,149	4,703,149
	<u>\$ 14,340,000</u>	<u>\$ 11,361,059</u>	<u>\$ 25,701,059</u>

NOTE 6 – AGREEMENTS

Acquisition Agreement

District No. 1 and Neumann Homes of Colorado, LLC (the “Developer”) entered into an Improvement Acquisition Agreement dated March 24, 2004 (the “Acquisition Agreement”) whereby the Developer agreed to design and construct certain improvements (the “Improvements”) for the benefit of District No. 1 and the development in anticipation of District No. 1 later acquiring such Improvements from the Developer. In exchange, District No. 1 agreed to pay the Developer for those costs associated with the design and construction of the Improvements, pursuant to the terms of the Acquisition Agreement. As of December 31, 2020, District No. 1 had not acquired any Improvements from the Developer under the Acquisition Agreement.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE 6 – AGREEMENTS (CONTINUED)

District Facilities Construction and Service Agreement

On April 21, 2004, the District and District No. 1 entered into a District Facilities Construction and Service Agreement (“District Facilities Agreement”). The District Facilities Agreement designates District No. 1 as the “Operating District”, and the District as the “Taxing District.” The District Facilities Agreement, as well as the Service Plan provides that the Operating District will own, (subject to transfers to other governmental entities) operate, maintain and construct the facilities benefiting both Districts and that the Taxing District will pay all costs related to the construction, operation and maintenance of such facilities through the imposition of taxes and facility fees which will be transferred to the Operating District on an ongoing basis.

On February 5, 2018, the District and District No. 1 entered into a First Amendment to District Facilities Construction and Service Agreement to recognize the issuance of the District’s 2018A Bonds and 2018B Bonds and to authorize the District to transfer the proceeds of the 2018A Bonds and 2018B Bonds in accordance with the provisions of the On-Site FFAA (as defined below) and the Off-Site FFAA (as defined below).

Off-Site Facilities Funding and Acquisition Agreement

On February 16, 2018, the District and Richmond American Homes of Colorado, Inc. (“Richmond”) entered into an Off-Site Facilities Funding and Acquisition Agreement (the “Off-Site FFAA”) whereby Richmond agreed to construct the Off-Site Improvements (as defined therein) and convey the same to the District or other appropriate jurisdiction and the District agrees to reimburse Richmond for its construction costs relative to the Off-Site Improvements up the maximum amount of \$3,500,000 from the proceeds of the 2018A Bonds and 2018B Bonds. The obligation of the District under the Off-Site FFAA is a multi-fiscal year obligation of the District. The obligation of the District to acquire and pay for the Off-Site Improvements expires on February 16, 2021. As of December 31, 2020, the District had a balance due to Richmond for Off-Site Improvements of \$87,500 with accrued interest of \$4,150.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE 6 – AGREEMENTS (CONTINUED)

On-Site Facilities Funding and Acquisition Agreement

On February 16, 2018, the District and Serenity Investors, LLC (“Serenity Investors”) entered into an On-Site Facilities Funding and Acquisition Agreement (the “On-Site FFAA”) whereby the District agreed to reimburse Serenity Investors for the costs associated with the construction of the On-Site Improvements (as defined therein) constructed by Richmond and conveyed to the District or other appropriate jurisdiction, as such reimbursement rights were assigned by Richmond to Serenity pursuant to a purchase and sale agreement. The District is to reimburse Serenity Investors from the proceeds of the Series 2018A Bonds and the Series 2018B Bonds, subject to Richmond being fully reimbursed pursuant to the terms of the Off-Site FFAA. If the proceeds of the 2018A and 2018B Bonds are insufficient to reimburse Serenity Investors for the costs associated with the On-Site Improvements, the parties agreed that no payments are required of the District unless and until the District issues bonds in an amount sufficient to reimburse Serenity Investors for all or a portion of the unpaid construction costs associated with the On-Site Improvements. Interest will accrue on the construction costs from the date incurred at the rate of 8% per annum. The obligation of the District to acquire and pay for the On-Site Improvements expires on December 31, 2058. As of December 31, 2020, the District had a balance due to Serenity Investors for On-Site Improvements of \$869,178 with related accrued interest of \$41,227.

Letter Agreement Regarding Reimbursement for On-Site Improvements and Off-Site Improvements

On October 14, 2019, the District provided that certain Letter Agreement from the District to Serenity Investors and Richmond regarding reimbursement allocation for on-site and off-site improvements (“Letter Agreement”). In this Letter Agreement, the District acknowledges the amount of \$2,732,361 has been certified as District eligible costs reimbursable to Serenity Investors, pursuant to the terms of the On-Site FFAA and Off-Site FFAA (the “Reimbursement Amount”). Pursuant to the Letter Agreement, Serenity Investors and Richmond agree and acknowledge that the \$1,954,342 certified as incurred for On-Site improvements was reimbursable to Serenity Investors (“On-Site Reimbursement”), and the \$778,019 incurred for Off-Site Improvements was reimbursable to Richmond (“Off-Site Reimbursement”). Consistent with the terms of the Off-Site FFAA, the District acknowledged it placed \$3,500,000 of proceeds from the Series 2018A and Series 2018B Bonds in escrow to pay for construction and acquisition of the Off-Site improvements. The Parties acknowledged that pursuant to the On-Site FFAA, the District will not utilize, and Serenity Investors is not entitled to, any portion of these funds held in escrow until it is released in accordance to the terms of the Off-Site FFAA. Due to the timing of construction, Richmond agreed that Serenity Investors may be paid their On-Site Reimbursement in the amount of \$1,954,342, prior to the amount held in escrow for Off-Site Reimbursement being fully released, provided the amount remaining in escrow is at least \$3,500,000 less \$778,019 (the amount of Off-Site Reimbursement set forth in the Letter Agreement).

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 7 – RELATED PARTY

During 2020, a majority of the District's board members were officers, employees or consultants of landowners within the District.

NOTE 8 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet / Statement of Net Position includes an adjustments column. Explanation of the adjustments included in the reconciling column is as follows:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds;
- 2) Long-term liabilities such as bonds and developer advances payable and related accrued interest payable, are not due and payable in the current period and, therefore, are not in the funds; and
- 3) Deferred loss on refunding is reported as deferred charges and amortized over the term of the related debt in the government-wide financial statements

Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balances / Statement of Activities include an adjustments column. Explanation of the adjustments included in the reconciling column is as follows:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) Governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and,
- 3) Governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2

NOTES TO FINANCIAL STATEMENTS December 31, 2020

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (“Pool”) as of December 31, 2020. The Pool is an organization created by intergovernmental agreement to provide property, liability, public official’s liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (“TABOR”) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District management believes that it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

At the November 4, 2003 election, voters of the District approved an election question allowing the District to exceed the revenue and spending limitations of TABOR.

SUPPLEMENTAL INFORMATION

DRAFT

Serenity Ridge Metropolitan District No. 2

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2020

	Original / Final		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,127,896	\$ 1,081,389	\$ (46,507)
Specific ownership taxes	67,674	79,928	12,254
Interest income	-	14,148	
Transfer from District No. 1	-	6,000	6,000
Total Revenues	1,195,570	1,181,465	(28,253)
EXPENDITURES			
Bond principal	150,000	150,000	-
Bond interest	726,207	726,206	1
Audit	6,500	-	6,500
Paying agent fees	5,000	6,000	(1,000)
Miscellaneous expenses	2,500	-	2,500
Treasurer's fees	16,918	16,195	723
Total Expenditures	907,125	898,401	8,724
NET CHANGE IN FUND BALANCE	288,445	283,064	(19,529)
FUND BALANCE:			
BEGINNING OF YEAR	2,000,806	2,035,733	34,927
END OF YEAR	\$ 2,289,251	\$ 2,318,797	\$ 15,398

The notes to the financial statements are an integral part of these statements.

Serenity Ridge Metropolitan District No. 2

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2020

	Original/Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Interest income	\$ 130,000	\$ 17,890	\$ (112,110)
Total Revenues	<u>130,000</u>	<u>17,890</u>	<u>(112,110)</u>
EXPENDITURES			
Capital improvements	-	4,405,578	(4,405,578)
Total Expenditures	-	<u>4,405,578</u>	<u>(4,405,578)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	130,000	(4,387,688)	4,293,468
OTHER FINANCING SOURCES (USES)			
Developer advance proceeds	-	4,405,578	4,405,578
Repayment of developer advances	-	(3,448,900)	(3,448,900)
Total Other Financing Sources (Uses)	-	<u>956,678</u>	<u>956,678</u>
NET CHANGE IN FUND BALANCE	130,000	(3,431,010)	5,250,146
FUND BALANCE:			
BEGINNING OF YEAR	<u>6,224,795</u>	<u>3,522,067</u>	<u>(2,702,728)</u>
END OF YEAR	<u>\$ 6,354,795</u>	<u>\$ 91,057</u>	<u>\$ 2,547,418</u>

The notes to the financial statements are an integral part of these statements.

**SERVICE AGREEMENT FOR
2021 DETENTION POND MAINTENANCE SERVICES**

THIS SERVICE AGREEMENT FOR **DETENTION POND MAINTENANCE SERVICES** (“**Agreement**”) is entered into as of the 16th day of March, 2021, by and between **SERENITY RIDGE METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **CONSOLIDATED DIVISIONS, INC.**, d/b/a CDI ENVIRONMENTAL CONTRACTOR, a Colorado corporation (the “**Contractor**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Contractor has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Contractor will provide the Services to the District.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

I. CONTRACTOR DUTIES AND AUTHORITY

1.1 Duties of Contractor. The Contractor shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional Contractor in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Contractor does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Contractor shall be obligations of the Contractor and the Contractor shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Contractor shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Contractor shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Contractor is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Contractor or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Contractor shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Contractor for the Services performed as provided herein. The District shall not be responsible for the Contractor's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Contractor is not entitled to workers' compensation benefits and the Contractor is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Contractor shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Contractor shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Contractor confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit B** attached hereto and made a part hereof by this reference.

1.6 Work Product. "**Work Product**" shall consist of all written materials maintained by the Contractor in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Contractor shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for

the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Contractor agrees all right, title and interest in the Work Product is and shall remain the property of the District. If requested by the District, Contractor shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Contractor fails to execute any documents required under this Section 1.6, then Contractor hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.6. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Contractor shall be paid as set forth in **Exhibit A**, attached hereto, with a total contract amount not to exceed \$152,922.25, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit C** ("**Change Order**").

2.2 Monthly Invoices and Payments. The Contractor shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Contractor is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit A**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on March 13, 2021, and shall expire upon satisfactory completion of the project as outlined in **Exhibit A**. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination. The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Contractor at least thirty (30) days prior to the effective date of such termination. The Contractor may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

The District shall pay the Contractor for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Contractor hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the “**Indemnitees**”), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys’ fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Contractor and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Contractor shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least “A:XIII” by A.M. Best Company. The Contractor shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Contractor shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Contractor’s cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Contractor. The Contractor shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Contractor shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers’ Compensation Insurance required below, the Contractor must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Contractor provides the certificates evidencing such insurance and Workers’ Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers’ Compensation Insurance. A Workers’ Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer’s Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers’ Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or

policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Contractor's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Contractor fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Contractor and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Contractor, and the Contractor shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Contractor for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Contractor under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Contractor from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Contractor shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Contractor unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Arapahoe, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Contractor any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Contractor shall be for the sole and exclusive benefit of the District and the Contractor.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally recognized overnight air courier service, by electronically-confirmed facsimile transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District:	Serenity Ridge Metropolitan District No. 1 141 Union Boulevard, Suite 150 Lakewood, Colorado 80228 Phone: (303) 987-0835 Fax: (303) 987-2032 Email: dsolin@sdmsi.com Attn: David Solin
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With a Copy To: McGeady Becher, P.C.
450 E. 17th Avenue, Suite 400
Denver, Colorado 80203
Phone: (303) 592-4380
Fax: (303) 592-4385
Email: pwilliams@specialdistrictlaw.com
Attn: Paula Williams

To Contractor: CDI Environmental Contractor
5585 W. Airport Rd.
Sedalia, CO 80135
Phone: (303) 471-1522
Email: CoryF@cdi-services.com
Attn: Cory France

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service, upon electronic confirmation of facsimile transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Contractor declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Contractor:
CONSOLIDATED DIVISIONS, INC., d/b/a
CDI Environmental Contractors

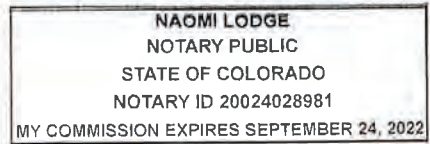
By: [Signature]
Its: Director of Estimating

STATE OF COLORADO)
) ss.
COUNTY OF Douglas)

The foregoing instrument was acknowledged before me this 17th day of March, 2021, by Jamie Salisbury, as Director of Estimating of CONSOLIDATED DIVISIONS, INC. d/b/a CDI Environmental Contractors

Witness my hand and official seal.

My commission expires: 9-24-22



[Signature]
Notary Public

District:
SERENITY RIDGE METROPOLITAN
DISTRICT NO. 1

By: _____
Treasurer

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____, as _____ of Serenity Ridge Metropolitan District No. 1.

Witness my hand and official seal.

My commission expires: _____

Notary Public

[SIGNATURE PAGE TO SERVICE AGREEMENT]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Contractor:
**CONSOLIDATED DIVISIONS, INC., d/b/a
CDI Environmental Contractors**

By: _____

Its: _____

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____, as _____ of CONSOLIDATED DIVISIONS, INC. d/b/a CDI Environmental Contractors

Witness my hand and official seal.

My commission expires: _____

Notary Public

District:
**SERENITY RIDGE METROPOLITAN
DISTRICT NO. 1**

By: _____

Treasurer

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____, as _____ of Serenity Ridge Metropolitan District No. 1.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
SCOPE OF SERVICES

See attached.



ENVIRONMENTAL CONTRACTOR

5585 W. Airport Rd
Sedalia, Colorado 80135

☎ 303.471.1522 📠 303.470.3197 📧 sales@cdi-services.com

To: SDMS	Contact: Robert Graham
Address: 141 Union Boulevard, Suite 150 Lakewood, CO 80228	Phone: 303-987-0835 Fax: 303-987-2032
Project Name: Serenity Ridge Detention Pond Restoration	Bid Number:
Project Location: Aurora, CO	Bid Date: 3/8/2021
Addendum #: N/a	

Item Description	Estimated Quantity	Unit	Unit Price	Total Price
Restore To Make Functional				
General Conditions - Mobilization & Demobilization	1.00	LS	\$6,562.00	\$6,562.00
Clear Grub, Gutters & Sidewalks	1.00	LS	\$516.50	\$516.50
Sanitary Facility	15.00	DY	\$46.65	\$699.75
Dust Control/Daily Clean-up	1.00	LS	\$7,305.00	\$7,305.00
Temporary Storm Water Management	1.00	LS	\$12,090.00	\$12,090.00
Remove Existing Vegetation - Includes Haul Off To Off-site Disposal Facility (Remove 2' Of Soil With Vegetation To Remove All Cattail Roots) Based On Removing 1,600 CY	20,000.00	SF	\$4.78	\$95,600.00
Revegetation	20,000.00	SF	\$0.07	\$1,400.00
Topsoil - Restore Eroded Landscape Areas 2" Depth	134.00	CY	\$173.50	\$23,249.00
Traffic Control - Based On 9 Working Days	1.00	LS	\$5,500.00	\$5,500.00
Total Price for above Restore To Make Functional Items:				<u>\$152,922.25</u>

Total Bid Price: \$152,922.25

Notes:

- Total CY removal is unknown due to unknown pond depth, if additional CY need to be removed it will be charged at the unit price.
- This bid does not include soil import, soil placement, or grading. Except for the restore eroded landscape area.
- This bid assumes that material for disposal will not require manifest.
- Any additional cost associated with material disposal that may be required because of testing if required will be a change order.
- This proposal does not include concrete repair, if needed due to equipment damage it will be repaired as a change order.
- No erosion control devices are included in this proposal unless specifically identified above.
- This bid does not include maintenance, removal or warranty of erosion control devices.
- This bid assumes that soil preparation can be performed utilizing standard agriculture equipment and does not include specialized equipment for use in heavily compacted soils or frozen soils.
- This bid does not include rock / debris picking or removal, on or below grade. Rock picking if needed will be additional at T & M rates, upon request.
- This bid does not include organic amendments or fertilizer.
- On-site water source to be provided by others at no cost to CDI.
- This bid does not include maintenance or watering of seeded areas.
- CDI will Guarantee workmanship and that materials and methodology meet specifications for the dry land native seeding.
- This bid does not include engineering, permits or testing.
- This bid does not include surveying or layout.
- This bid does not include a bond.
- The grade is to be delivered in a clean, weed-free condition at plus or minus one tenth of one foot.
- This bid does not include cutting, removal, or replacement of asphalt or concrete.
- Additional mobilizations will be charged at the unit price.
- Required job training. If required training is not disclosed at the time of estimate, labor time needed for training will be charged at a T&M rate.
- This bid is based on estimated quantities only. Final field measurements will apply at the above unit pricing.
- Bid is based on a 40 hour work week. If schedule is escalated/compressed, requiring CDI to work overtime, an additional 50% surcharge will apply to the hourly labor rates. If labor rates are not provided on original bid they will be supplied upon request of escalated schedule.



ENVIRONMENTAL CONTRACTOR

5585 W. Airport Rd
Sedalia, Colorado 80135

☎ 303.471.1522 📠 303.470.3197 ✉ sales@cdi-services.com

To: SDMS	Contact: Robert Graham
Address: 141 Union Boulevard, Suite 150 Lakewood, CO 80228	Phone: 303-987-0835 Fax: 303-987-2032
Project Name: Serenity Ridge Detention Pond Restoration	Bid Number:
Project Location: Aurora, CO	Bid Date: 3/8/2021
Addendum #: N/a	

- Owner Controlled Insurance Program (OCIP) has not been included in this bid. If enrollment in an Owner Controlled Insurance Program (OCIP) is required, a deduction in contract value is not allowed.
- Any fees for billing or project management platforms such as Textura are not included in this proposal and will be billed as an additional cost to the project.
- The work in this bid is not subject to retention.
- This proposal is good for 60 days following the date given on the proposal.
- Consolidated Divisions, Inc. dba CDI | ENVIRONMENTAL CONTRACTOR
An Equal Opportunity Employer

Payment Terms:

Payment due 30 days from invoice.

<p>ACCEPTED: The above prices, specifications and conditions are satisfactory and are hereby accepted.</p> <p>Buyer: _____</p> <p>Signature: _____</p> <p>Date of Acceptance: _____</p>	<p>CONFIRMED: Consolidated Divisions, Inc Db a CDI Environmental Contractors</p> <p>Authorized Signature: _____</p> <p>Estimator: Cory France 303-501-5697 coryf@cdi-services.com</p>
--	--

**ATTACHMENT 1 TO EXHIBIT A
MAP OF SERVICE AREA**

See attached.

EXHIBIT B
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Consultant is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Consultant obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(a) Notify the subcontractor and the District within three (3) days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

EXHIBIT C

FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20__
Increase of this Change Order: \$ _____	New Term: Expires _____, 20__
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders:

APPROVED:

By: _____

District

APPROVED:

By: _____

Contractor

TITLE	Serenity Ridge Detention Pond Maintenance Agreement
FILE NAME	Service Agreement...ance Services.pdf
DOCUMENT ID	dbdeccccb73ae7fc4b66b1cfd829bcfdd85d568
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Out For Signature

Document History



SENT

03 / 17 / 2021

00:52:19 UTC

Sent for signature to Daniel Frank (dfrank@centregrp.com) and Cory France (coryf@cdi-services.com) from dsolin@sdmsi.com
IP: 50.78.200.153



VIEWED

03 / 17 / 2021

00:52:22 UTC

Viewed by Cory France (coryf@cdi-services.com)
IP: 209.222.82.232



VIEWED

03 / 17 / 2021

15:18:04 UTC

Viewed by Daniel Frank (dfrank@centregrp.com)
IP: 96.66.77.25



SIGNED

03 / 17 / 2021

15:18:27 UTC

Signed by Daniel Frank (dfrank@centregrp.com)
IP: 96.66.77.25



INCOMPLETE

03 / 17 / 2021

15:18:27 UTC

This document has not been fully executed by all signers.