

# SERENITY RIDGE METROPOLITAN DISTRICTS NO. 1 AND 2

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<https://serenityridgemd1-2.colorado.gov>

## NOTICE OF REGULAR MEETINGS AND AGENDA

### **Serenity Ridge Metropolitan District No. 1**

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Richard Frank	President	2025/May 2025
Daniel Frank	Treasurer/Assistant Secretary	2025/May 2025
Marc Cooper	Assistant Secretary	2025/May 2025
<b>VACANT</b>		2023/May 2023
<b>VACANT</b>		2023/May 2023
David Solin	Secretary	

### **Serenity Ridge Metropolitan District No. 2**

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Richard Frank	President	2025/May 2025
Daniel Frank	Treasurer/Assistant Secretary	2025/May 2025
Marc Cooper	Assistant Secretary	2025/May 2025
Fernando Dias		2023/May 2023
<b>VACANT</b>		2023/May 2023
David Solin	Secretary	

DATE: Thursday, June 16, 2022

TIME: 10:00 A.M.

PLACE: 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:

**Phone Number:** 1 (669) 900-6833

**Meeting ID:** 546 911 9353

**Passcode:** 912873

## I. ADMINISTRATIVE MATTERS

### A. Present Disclosures of Potential Conflicts of Interest.

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- B. Confirm quorums, approve Agenda and confirm location of meetings and posting of notices and designate 24-hour posting location.

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- C. Consider approval of the Minutes from October 29, 2021 Special Meeting (enclosure).

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- D. Discuss results of the May 3, 2022 Regular Directors' Elections (enclosures).

\_\_\_\_\_

- E. Consider appointment of Officers for District No. 1:

President \_\_\_\_\_

Treasurer \_\_\_\_\_

Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

- F. Consider appointment of Officers for District No. 2:

President \_\_\_\_\_

Treasurer \_\_\_\_\_

Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

Asst. Secretary \_\_\_\_\_

- G. Discuss status of Districts' website.

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- H. Consider authorizing interested Board Members to attend the 2022 Special District Association's Annual Conference in Keystone on September 13, 14 and 15, 2022.

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II. PUBLIC COMMENT

- A. \_\_\_\_\_

III. 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 Oct. 31, 2021	Period Ending Nov. 30, 2021	Period Ending Dec. 31, 2021	Period Ending Jan. 31, 2022
General Fund	\$ 5,727.48	\$ 7,616.46	\$ 8,036.20	\$ 1,571.40
Debt Service Fund	-0-	-0-	-0-	-0-
Capital Projects Fund	-0-	-0-	\$ 91,753.36	-0-
<b>Total</b>	<b>\$ 5,727.48</b>	<b>\$ 7,616.46</b>	<b>\$ 99,789.56</b>	<b>\$ 1,571.40</b>

	Period Ending Feb. 28, 2022	Period Ending Mar. 31 2022	Period Ending April 30, 2022	Period Ending May 31, 2022
General Fund	\$ 2,369.44	\$ 3,194.83	\$ 4,412.26	\$ 3,794.77
Debt Service Fund	-0-	-0-	-0-	-0-
Capital Projects Fund	-0-	-0-	-0-	-0-
<b>Total</b>	<b>\$ 2,369.44</b>	<b>\$ 3,194.83</b>	<b>\$ 4,412.26</b>	<b>\$ 3,794.77</b>

- B. Review and accept March 31, 2022 Unaudited Financial Statements and Schedules of Cash Position as of March 31, 2022 for the Districts (*enclosures*).
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- C. Review and authorize execution of Application for Exemption from Audit for 2021 for District No. 1 (*enclosure - copy of application*).
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- D. Ratify the Engagement of Morain Bakarich, CPAs to perform 2021 Audit in an amount not to exceed \$6,500 for District No.2 (*enclosure*).
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1. Discuss status of 2021 Audit for District No. 2.
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IV. OPERATIONS & MAINTENANCE MATTERS/ CAPITAL PROJECT MATTERS

- A. \_\_\_\_\_

V. LEGAL MATTERS

- A. \_\_\_\_\_

VI. OTHER BUSINESS

- A. \_\_\_\_\_

VII. ADJOURNMENT **THE NEXT REGULAR MEETINGS ARE SCHEDULED FOR  
SEPTEMBER 15, 2022**

# RECORD OF PROCEEDINGS

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## MINUTES OF SPECIAL MEETINGS OF THE BOARDS OF DIRECTORS OF THE SERENITY RIDGE METROPOLITAN DISTRICT NOS. 1 AND 2 HELD OCTOBER 29, 2021

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 29th day of October, 2021, at 10:00 A.M at McGeady Becher P.C., 450 E. 17<sup>th</sup> Avenue, Suite 400, Denver, Colorado 80202. 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 also held by conference call. The meetings were open to the public via conference call.

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### ATTENDANCE

#### Directors In Attendance Were:

Richard Frank  
Daniel Frank

The absence of Director Marc Cooper was excused.

#### Also In Attendance Were:

David Solin and James Ruthven (for a portion of the meeting); Special District Management Services, Inc. (“SDMS”) (via telephone)  
Paula Williams, Esq.; McGeady Becher P.C. (at the physical location)  
Creig Veldhuizen; Hilltop Securities Inc. (via telephone, for a portion of the meeting)  
Tiffany Leichman, Esq.; Sherman & Howard LLC (via telephone, for a portion of the meeting)  
Brooke Hutchens; D.A. Davidson & Co. (via telephone, for a portion of the meeting)

### 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. Attorney Williams reported that 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.

## RECORD OF PROCEEDINGS

### ADMINISTRATIVE MATTERS

**Agenda:** Mr. Solin reviewed with the Boards the proposed agenda for the Districts' Special Meetings.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the agenda for the Districts' Special Meetings was approved, as amended and excused the absence of Director Marc Cooper.

**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 R. Frank, seconded by Director D. Frank 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 at McGeady Becher P.C., 450 E. 17<sup>th</sup> Avenue, Suite 400, Denver, Colorado 80202, and was also 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.

**June 11, 2021 Minutes:** The Boards reviewed the Minutes of the June 11, 2021 Special Meetings.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Boards approved the Minutes of the June 11, 2021 Special Meetings, as presented.

**Resolution No. 2021-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices:** Mr. Solin discussed with the Boards Resolution No. 2021-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Boards determined to meet at 10:00 a.m. on March 17, June 16, September 15 and December 15, 2022 via conference call.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Boards adopted Resolution No. 2021-11-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

**§32-1-809, C.R.S. Reporting Requirements (Transparency Notice):** The Boards discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector

## RECORD OF PROCEEDINGS

notification for 2022 and directed staff to post the Transparency Notice on the Special District Association’s website and the Districts’ website when available.

**District Website:** The Boards discussed the status of the district website, noting that the preference was to continue development through the Statewide Internet Portal Authority. There are no further updates at this time, and the Boards took no action.

**Engagement of Archipelago Web Inc. or Other Provider for Website Creation and Maintenance Services:** No action was taken by the Board.

**Termination of the Eligible Government Entity Agreement with the Colorado State Internet Portal Authority:** No action was taken by the Board.

**PUBLIC COMMENT** There were no public comments.

### **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 June 30, 2021	Period Ending July 31, 2021	Period Ending Aug. 31, 2021	Period Ending Sept. 30, 2021
General Fund	\$ 3,848.50	\$ 6,463.30	\$ 9,944.08	\$ 4,825.28
Debt Service Fund	-0-	-0-	-0-	-0-
Capital Projects Fund	-0-	-0-	61,168.90	-0-
<b>Total</b>	<b>\$ 3,848.50</b>	<b>\$ 6,463.30</b>	<b>\$ 71,112.98</b>	<b>\$ 4,825.28</b>

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

**Payment of Current Claims (District No. 1):** The Board of District No. 1 considered approval of the payment of claims for the period ending October 31, 2021, as follows:

General Fund	\$ 5,727.48
Debt Service Fund	-0-
Capital Projects Fund	-0-
<b>Total Claims:</b>	<b>\$ <u>5,727.48</u></b>

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

## RECORD OF PROCEEDINGS

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**Unaudited Financial Statements:** The Boards discussed the Districts' unaudited financial statements for the period ending September 30, 2021 and Schedules of Cash Position for the period ending September 30, 2021.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Boards accepted the Districts' unaudited financial statements for the period ending September 30, 2021 and Schedules of Cash Position for the period ending September 30, 2021.

**2021 Application for Exemption from Audit (District No. 1):** The Board of District No. 1 discussed the requirements for an audit.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Board approved the appointment of the District Accountant to prepare the Application for Exemption from Audit for 2021 for District No. 1.

**2021 Audit (District No. 2):** The Board discussed the need to engage an Auditor for the 2021 Audit for District No. 2.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, the Board approved the appointment of Director D. Frank to review and approve an Auditor engagement for District No. 2.

**2021 Budget Amendment Hearing (District No. 1):** The President opened the public hearing to consider the Resolution to Amend the 2021 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 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.

Following review and discussion, the Board determined that a 2021 Budget Amendment for District No. 1 was not necessary.

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

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution No. 2021-10-02 to Amend the 2021 Budget and the date, time and



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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 R. Frank moved to adopt the Resolution No. 2021-10-02 to Amend 2021 Budget, Director D. Frank seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-11-02 to Amend the 2021 Budget for District No. 2. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**2022 Budget Hearing (District No. 1):** The President opened the public hearing to consider the proposed 2022 Budget for District No. 1 and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 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 2021 expenditures and proposed 2022 expenditures.

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

Following discussion, the Board for District No. 1 considered the adoption of the Resolution No. 2021-10-02 to Adopt the 2022 Budget and Appropriate Sums of Money. Upon motion duly made by Director R. Frank, seconded by Director D. Frank and, upon vote, unanimously carried, Resolution No. 2021-10-02 to Adopt the 2022 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, 2021. 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, 2021. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. A copy of the adopted Resolution is attached to these Minutes and incorporated herein by this reference.

**2022 Budget Hearing (District No. 2):** The President opened the public hearing to consider the proposed 2022 Budget for District No. 2 and discuss related issues.

## RECORD OF PROCEEDINGS

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It was noted that publication of Notice stating that the Board would consider adoption of the 2022 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 2021 expenditures and the proposed 2022 expenditures.

Following discussion, the Board for District No. 2 considered the adoption of Resolution No. 2021-11-03 to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2021-11-04 to Set Mill Levies (for the General Fund at 4.422 mills and Debt Service Fund at 40.868 mills, for a total mill levy of 45.290 mills). Upon motion duly made by Director R. Frank, seconded by Director D. Frank 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, 2021. 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, 2021. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2022. Copies of the adopted Resolutions are 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.

Following discussion, upon motion duly made by Director R. Frank, seconded by Director D. Frank 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.

**2023 Budget Preparation:** The Boards discussed the preparation of the 2023 Budgets.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Boards approved the appointment of the District Accountant to prepare the 2023 Budgets.

The Boards determined to hold the public hearings to consider adoption of the 2023 Budgets on November 14, 2022, at 10:00 a.m.

## RECORD OF PROCEEDINGS

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**Resolution No. 2020-11-05 Authorizing Adjustment of the District Mill Levy in Accordance with the District's Service Plan (District No. 2):** The Board for District No. 2 reviewed Resolution No. 2021-10-05 Authorizing Adjustment of the District Mill Levy in Accordance with the District's Service Plan.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board for District No. 2 adopted Resolution No. 2021-10-05 Authorizing Adjustment of the District Mill Levy in Accordance with the District's Service Plan. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

**Resolution Authorizing the Execution and Delivery of the Series 2021A-1 Loan Agreement by and between District No. 2 and Key Government Finance, Inc.:** The Board for District No. 2 reviewed a resolution authorizing the execution and delivery of the Series 2021A-1 Loan Agreement by and between District No. 2 and Key Government Finance, Inc. for the purpose of refunding its existing general obligation indebtedness, and Series 2021A-2 Loan Agreement by and between District No. 2 and Key Government Finance, Inc. for the purpose of funding amounts to pay or reimburse costs of public improvements.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board for District No. 2 adopted the resolution authorizing the execution and delivery of the Series 2021A-1 Loan Agreement by and between District No. 2 and Key Government Finance, Inc. for the purpose of refunding its existing general obligation indebtedness, and Series 2021A-2 Loan Agreement by and between District No. 2 and Key Government Finance, Inc. for the purpose of funding amounts to pay or reimburse costs of public improvements, subject to finalization of language regarding remedies. The Board further designated Director D. Frank as the Sales Delegate and Board Representative for the transactions.

**Engagement of Sherman & Howard L.L.C. as Bond Counsel for the District No. 2 Loan Agreement:** The Board for District No. 2 discussed the engagement of Sherman & Howard L.L.C. as bond counsel for the District No. 2 Loan Agreement.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board ratified the engagement of Sherman & Howard L.L.C. as bond counsel for the District No. 2 Loan Agreement.

**Engagement of D.A. Davidson & Co. as Placement Agent for the District No. 2 Loan Agreement:** The Board for District No. 2 discussed the the engagement of D.A. Davidson & Co. as placement agent for the District No. 2 Loan Agreement.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board approved the engagement of D.A. Davidson & Co. as placement agent for the District No. 2 Loan Agreement.

**Engagement of Hilltop Securities Inc. as Municipal Advisor for the District No. 2 Loan Agreement:** The Board for District No. 2 entered into discussion regarding the engagement of Hilltop Securities Inc. as municipal advisor for the District No. 2 Loan Agreement.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board approved the engagement of Hilltop Securities Inc. as municipal advisor for the District No. 2 Loan Agreement.

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

**Letter from Aurora:** Mr. Solin provided an update to the Boards on a letter from the City of Aurora regarding trash being dumped. It was determined that the trash was not on any Districts' property

**Detention Pond Repairs:** Mr. Solin provided an update to the Boards on the status of the detention pond repairs. It was noted that there would be an additional change order for rip rap installation at the outfall.

**Signage Warning of Trespassing:** Mr. Solin provided an update to the Boards on the status of the installation of signage warning of trespassing on District property.

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### **LEGAL MATTERS**

**Resolution to Call the May 3, 2022 Regular Election (District No. 1):** The Board for District No. 1 discussed the upcoming election and Resolution No. 2021-10-03 to Call the May 3, 2022 Regular Election.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board for District No. 1 adopted Resolution No. 2021-10-03 to Call the May 3, 2022 regular Election and appointed David Solin as the Designated Election Official and authorized him to perform all tasks required for the May 3, 2022 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**Resolution to Call the May 3, 2022 Regular Election (District No. 2):** The Board for District No. 2 discussed the upcoming election and Resolution No. 2021-10-07 to Call the May 3, 2022 Regular Election.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board for District No. 2 adopted Resolution No. 2021-10-07 to Call the May 3, 2022 regular Election and appointed David Solin as the Designated Election Official and authorized him to perform all tasks required for the May 3, 2022 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**Resolution Regarding Continuing Disclosure Policies and Procedures for District No. 2:** The Board for District No. 2 reviewed a Resolution Regarding Continuing Disclosure Policies and Procedures for District No. 2.

Following discussion, upon motion duly made by Director D. Frank, seconded by Director R. Frank and, upon vote, unanimously carried, the Board adopted the Resolution Regarding Continuing Disclosure Policies and Procedures for District No. 2.

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### **OTHER BUSINESS**

There was no other business.

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### **ADJOURNMENT**

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

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

**RESOLUTION OF DESIGNATED ELECTION OFFICIAL  
REGARDING CANCELLATION OF ELECTION AND  
DECLARATION DEEMING CANDIDATES ELECTED**

SERENITY RIDGE METROPOLITAN DISTRICT NO. 1  
Arapahoe County, Colorado

A. The Designated Election Official of the Serenity Ridge Metropolitan District No. 1 (“**District**”) has been duly authorized by the Board of Directors of the District to cancel the election and declare candidates elected at the close of business on the sixty-third (63<sup>rd</sup>) day before the election to be conducted on May 3, 2022, pursuant to that certain Resolution Calling Election attached hereto as **Exhibit A**.

B. On the sixty-third (63<sup>rd</sup>) day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.


NOW, THEREFORE, be it resolved by the Designated Election Official of the District that:

1. The regular election to be conducted on May 3, 2022, is hereby cancelled pursuant to Section 1-13.5-513, C.R.S.
2. The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Marc Cooper	Second Regular Election, May 2025
Daniel Frank	Second Regular Election, May 2025
Richard A. Frank	Second Regular Election, May 2025
Vacant	Next Regular Election, May 2023
Vacant	Next Regular Election, May 2023

DATED this 2nd day of March, 2022.

SERENITY RIDGE METROPOLITAN  
DISTRICT NO. 1

By:   
\_\_\_\_\_  
David Solin, Designated Election Official  
Serenity Ridge Metropolitan  
District No. 1  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228  
Phone: (303) 987-0835

**EXHIBIT A**

Resolution Calling Election

**RESOLUTION NO. 2021-10-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
SERENITY RIDGE METROPOLITAN DISTRICT NO. 1  
CALLING A REGULAR ELECTION FOR DIRECTORS  
MAY 3, 2022**

A. The terms of the offices of Directors Richard Frank, Daniel Frank, and Marc Cooper shall expire upon the election of their successors at the regular election, to be held on May 3, 2022 (“**Election**”), and upon such successors taking office.

B. Two (2) vacancies currently exist on the Board of directors of the District.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the next regular election, to occur May 2, 2023, and three (3) Directors to serve until the second regular election, to occur May 6, 2025.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Serenity Ridge Metropolitan District No. 1 (the “**District**”) of the County of Arapahoe, Colorado:

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

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

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

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

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



6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o Special District Management Services, Ins., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 26, 2022).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from the Designated Election Official for Serenity Ridge Metropolitan District No. 1, at the above address.

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

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

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

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

**[SIGNATURE PAGE FOLLOWS]**

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

RESOLUTION APPROVED AND ADOPTED on October 29, 2021.

**SERENITY RIDGE METROPOLITAN  
DISTRICT NO. 1**

By: richard a. frank  
President

Attest:



\_\_\_\_\_  
Secretary

**RESOLUTION OF DESIGNATED ELECTION OFFICIAL  
REGARDING CANCELLATION OF ELECTION AND  
DECLARATION DEEMING CANDIDATES ELECTED**

SERENITY RIDGE METROPOLITAN DISTRICT NO. 2  
Arapahoe County, Colorado

A. The Designated Election Official of the Serenity Ridge Metropolitan District No. 2 (“**District**”) has been duly authorized by the Board of Directors of the District to cancel the election and declare candidates elected at the close of business on the sixty-third (63<sup>rd</sup>) day before the election to be conducted on May 3, 2022, pursuant to that certain Resolution Calling Election attached hereto as **Exhibit A**.

B. On the sixty-third (63<sup>rd</sup>) day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.


NOW, THEREFORE, be it resolved by the Designated Election Official of the District that:

1. The regular election to be conducted on May 3, 2022, is hereby cancelled pursuant to Section 1-13.5-513, C.R.S.
2. The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Marc Cooper	Second Regular Election, May 2025
Daniel Frank	Second Regular Election, May 2025
Richard A. Frank	Second Regular Election, May 2025
Fernando Dias	Next Regular Election, May 2023
Vacant	Next Regular Election, May 2023

DATED this 2nd day of March, 2022.

SERENITY RIDGE METROPOLITAN  
DISTRICT NO. 2

By:   
\_\_\_\_\_  
David Solin, Designated Election Official  
Serenity Ridge Metropolitan  
District No. 2  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228  
Phone: (303) 987-0835

**EXHIBIT A**

Resolution Calling Election

**RESOLUTION NO. 2021-10-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
SERENITY RIDGE METROPOLITAN DISTRICT NO. 2  
CALLING A REGULAR ELECTION FOR DIRECTORS  
MAY 3, 2022**

A. The terms of the offices of Directors Richard Frank, Daniel Frank, and Marc Cooper shall expire upon the election of their successors at the regular election, to be held on May 3, 2022 (“**Election**”), and upon such successors taking office.

B. Two (2) vacancies currently exist on the Board of directors of the District.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the next regular election, to occur May 2, 2023, and three (3) Directors to serve until the second regular election, to occur May 6, 2025.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Serenity Ridge Metropolitan District No. 2 (the “**District**”) of the County of Arapahoe, Colorado:

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

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

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

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

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

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o Special District Management Services, Ins., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 26, 2022).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from the Designated Election Official for Serenity Ridge Metropolitan District No. 2, at the above address.

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

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

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

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

**[SIGNATURE PAGE FOLLOWS]**

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

RESOLUTION APPROVED AND ADOPTED on October 29, 2021.

**SERENITY RIDGE METROPOLITAN  
DISTRICT NO. 2**

By: richard a. frank  
President

Attest:



\_\_\_\_\_  
Secretary

**Serenity Ridge Metropolitan District No.1  
October-21**

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
CO Special Districts P&L Pool	POL-0007056	9/8/2021	9/8/2021	\$ 450.00	Prepaid Expenses	1143
CO Special Districts P&L Pool	POL-0007052	9/8/2021	9/8/2021	\$ 450.00	Prepaid Expenses	1143
Designscapes	111311	10/1/2021	10/31/2021	\$ 2,199.00	Detention Pond Mtce	1695
McGeady Becher P.C.	1017W 08/2021	8/31/2021	8/31/2021	\$ 1,436.50	Legal	1675
Special Dist Management Srvs	D1 09/2021	9/30/2021	9/30/2021	\$ 352.00	Management	1680
Special Dist Management Srvs	D1 09/2021	9/30/2021	9/30/2021	\$ 378.00	Accounting	1612
Special Dist Management Srvs	D1 09/2021	9/30/2021	9/30/2021	\$ 25.98	Miscellaneous	1685
Special Dist Management Srvs	D2 09/2021	9/30/2021	9/30/2021	\$ 238.00	Management	1680
Special Dist Management Srvs	D2 09/2021	9/30/2021	9/30/2021	\$ 196.00	Accounting	1612
Special Dist Management Srvs	D2 09/2021	9/30/2021	9/30/2021	\$ 2.00	Miscellaneous	1685
				\$5,727.48		



Serenity Ridge Metropolitan District No.1  
October-21

	General	Debt	Capital	Totals
Disbursements	\$ 5,727.48			\$ 5,727.48
	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$5,727.48</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$5,727.48</b>

**Serenity Ridge Metropolitan District No.1**  
**November-21**

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
Aurora Media Group	101469	10/28/2021	11/12/2021	\$ 38.40	Miscellaneous	1685
Designscapes	111890	11/1/2021	12/1/2021	\$ 2,199.00	Detention Pond Mtce	1695
Fusion Sign & Design Inc	183853	11/5/2021	12/5/2021	\$ 288.00	Miscellaneous	1685
McGeady Becher P.C.	1017W 9-2021	9/30/2021	9/30/2021	\$ 897.50	Legal	1675
Special Dist Management Srvs	D2 10-2021	10/31/2021	10/31/2021	\$ 311.00	Management	1680
Special Dist Management Srvs	D2 10-2021	10/31/2021	10/31/2021	\$ 728.00	Accounting	1612
Special Dist Management Srvs	D2 10-2021	10/31/2021	10/31/2021	\$ 46.16	Miscellaneous	1685
Special Dist Management Srvs	D1 10-2021	10/31/2021	10/31/2021	\$ 2,236.00	Management	1680
Special Dist Management Srvs	D1 10-2021	10/31/2021	10/31/2021	\$ 798.00	Accounting	1612
Special Dist Management Srvs	D1 10-2021	10/31/2021	10/31/2021	\$ 74.40	Miscellaneous	1685
				\$ 7,616.46		

Serenity Ridge Metropolitan District No.1  
November-21

	General	Debt	Capital	Totals
Disbursements	\$ 7,616.46			\$ 7,616.46
	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$7,616.46</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$7,616.46</b>

Serenity Ridge Metropolitan District No.1  
December-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
CO Special Districts P&L Pool	60887 9-2021	9/26/2021	9/26/2021	1,898.00	Prepaid Expenses	1143
CO Special Districts P&L Pool	60888 9-2021	9/26/2021	9/26/2021	1,881.00	Prepaid Expenses	1143
Consolidated Divisions Inc.	2001962	10/1/2021	10/1/2021	76,614.18	Capital Improvements	3785
Consolidated Divisions Inc.	2002191	11/22/2021	12/7/2021	15,139.18	Capital Improvements	3785
McGeady Becher P.C.	1017W 10-2021	10/31/2021	10/31/2021	689.00	Legal	1675
Special Dist Management Svcs	D2 11-2021	12/10/2021	12/10/2021	56.00	Management	1680
Special Dist Management Svcs	D2 11-2021	12/10/2021	12/10/2021	1,176.00	Accounting	1612
Special Dist Management Svcs	D2 11-2021	12/10/2021	12/10/2021	3.89	Miscellaneous	1685
Special Dist Management Svcs	D1 11-2021	12/10/2021	12/10/2021	773.50	Management	1680
Special Dist Management Svcs	D1 11-2021	12/10/2021	12/10/2021	490.00	Accounting	1612
Special Dist Management Svcs	D1 11-2021	12/10/2021	12/10/2021	78.81	Miscellaneous	1685
T. Charles Wilson Insurance Se	10381	10/26/2021	1/1/2022	495.00	Prepaid Expenses	1143
T. Charles Wilson Insurance Se	10387	10/26/2021	1/1/2022	495.00	Prepaid Expenses	1143
				99,789.56		

Serenity Ridge Metropolitan District No.1  
December-21

	General	Debt	Capital	Totals
Disbursements	\$ 8,036.20		\$ 91,753.36	\$ 99,789.56
	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$8,036.20</b>	<b>\$0.00</b>	<b>\$91,753.36</b>	<b>\$99,789.56</b>

**Serenity Ridge Metropolitan District No.1**  
**January-22**

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
McGeady Becher P.C.	1017W 11-2021	11/30/2021	11/30/2021	\$ -	Legal	1675
Special Dist Management Srvs	D2 12-2021	12/31/2021	12/31/2021	\$ 182.00	Management	1680
Special Dist Management Srvs	D2 12-2021	12/31/2021	12/31/2021	\$ 630.00	Accounting	1612
Special Dist Management Srvs	D2 12-2021	12/31/2021	12/31/2021	\$ 0.20	Miscellaneous	1685
Special Dist Management Srvs	D1 12-2021	12/31/2021	12/31/2021	\$ 252.00	Management	1680
Special Dist Management Srvs	D1 12-2021	12/31/2021	12/31/2021	\$ 504.00	Accounting	1612
Special Dist Management Srvs	D1 12-2021	12/31/2021	12/31/2021	\$ 3.20	Miscellaneous	1685
				\$ 1,571.40		

Serenity Ridge Metropolitan District No.1  
January-22

	General	Debt	Capital	Totals
Disbursements	\$ 1,571.40			\$ 1,571.40
	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$1,571.40</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,571.40</b>

Serenity Ridge Metropolitan District No.1

February-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
McGeady Becher P.C.	1017W 12-2021	12/31/2021	12/31/2021	\$ 554.50	Legal	1675
Special Dist Management Srvs	D2 1-2022	1/31/2022	1/31/2022	\$ 236.80	Management	1680
Special Dist Management Srvs	D2 1-2022	1/31/2022	1/31/2022	\$ 281.20	Accounting	1612
Special Dist Management Srvs	D2 1-2022	1/31/2022	1/31/2022	\$ 56.67	Miscellaneous	1685
Special Dist Management Srvs	D1 1-2022	1/31/2022	1/31/2022	\$ 384.80	Management	1680
Special Dist Management Srvs	D1 1-2022	1/31/2022	1/31/2022	\$ 814.00	Accounting	1612
Special Dist Management Srvs	D1 1-2022	1/31/2022	1/31/2022	\$ 41.47	Miscellaneous	1685
				\$ 2,369.44		



Serenity Ridge Metropolitan District No.1  
February-22

	General	Debt	Capital	Totals
Disbursements	\$ 2,369.44			\$ 2,369.44
	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$2,369.44</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,369.44</b>

Serenity Ridge Metropolitan District No.1

March-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Aurora Media Group	102183	2/7/2022	2/22/2022	\$ 49.45	Election	1635
McGeady Becher P.C.	1017W 1-2022	1/31/2022	1/31/2022	\$ -	Legal	1675
Special Dist Management Srvs	D1 02-2022	2/28/2022	2/28/2022	\$ 281.20	Management	1680
Special Dist Management Srvs	D1 02-2022	2/28/2022	2/28/2022	\$ 769.60	Accounting	1612
Special Dist Management Srvs	D1 02-2022	2/28/2022	2/28/2022	\$ 266.40	Election	1635
Special Dist Management Srvs	D1 02-2022	2/28/2022	2/28/2022	\$ 32.22	Miscellaneous	1685
Special Dist Management Srvs	D2 02-2022	2/28/2022	2/28/2022	\$ 177.60	Management	1680
Special Dist Management Srvs	D2 02-2022	2/28/2022	2/28/2022	\$ 325.60	Accounting	1612
Special Dist Management Srvs	D2 02-2022	2/28/2022	2/28/2022	\$ 414.40	Election	1635
Special Dist Management Srvs	D2 02-2022	2/28/2022	2/28/2022	\$ 298.05	Miscellaneous	1685
Special District Association	D2 02-2022	2/28/2022	2/28/2022	\$ 227.81	Insurance/SDA Dues	1670
Special District Association	D1 2022 SDA	2/28/2022	2/28/2022	\$ 352.50	Insurance/SDA Dues	1670
				\$ 3,194.83		

**Serenity Ridge Metropolitan District No.1**  
**March-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
<b>Disbursements</b>	\$ 3,194.83			\$ 3,194.83
	\$ -	\$ -	\$ -	\$ -
<b>Total Disbursements from Checking Acct</b>	<b>\$3,194.83</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,194.83</b>

Serenity Ridge Metropolitan District No.1

April-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Aurora Media Group	102445	3/14/2022	3/29/2022	\$ 40.10	Election	1635
Aurora Media Group	102446	3/14/2022	3/29/2022	\$ 40.95	Election	1635
McGeady Becher P.C.	1017W 3-2022	3/31/2022	3/31/2022	\$ -	Legal	1675
McGeady Becher P.C.	1017W 2-2022	2/28/2022	2/28/2022	\$ -	Legal	1675
Special Dist Management Svcs	D1 3-2022	3/31/2022	3/31/2022	\$ 2,575.20	Management	1680
Special Dist Management Svcs	D1 3-2022	3/31/2022	3/31/2022	\$ 902.80	Accounting	1612
Special Dist Management Svcs	D1 3-2022	3/31/2022	3/31/2022	\$ 118.40	Election	1635
Special Dist Management Svcs	D1 3-2022	3/31/2022	3/31/2022	\$ 40.21	Miscellaneous	1685
Special Dist Management Svcs	D2 3-2022	3/31/2022	3/31/2022	\$ 103.60	Management	1680
Special Dist Management Svcs	D2 3-2022	3/31/2022	3/31/2022	\$ 473.60	Accounting	1612
Special Dist Management Svcs	D2 3-2022	3/31/2022	3/31/2022	\$ 88.80	Election	1635
Special Dist Management Svcs	D2 3-2022	3/31/2022	3/31/2022	\$ 28.60	Miscellaneous	1685
				\$ 4,412.26		

**Serenity Ridge Metropolitan District No.1**  
**April-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,412.26			\$ 4,412.26
		\$ -		
<b>Total Disbursements from Checking Acct</b>	<b>\$4,412.26</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,412.26</b>

Serenity Ridge Metropolitan District No.1

May-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Designscapes	114971	4/1/2022	5/1/2022	\$ 2,199.00	Detention Pond Mtce	1695
Special Dist Management Srvs	D1 4-2022	4/30/2022	4/30/2022	\$ 393.64	Management	1680
Special Dist Management Srvs	D1 4-2022	4/30/2022	4/30/2022	\$ 429.20	Accounting	1612
Special Dist Management Srvs	D1 4-2022	4/30/2022	4/30/2022	\$ 59.20	Election	1635
Special Dist Management Srvs	D1 4-2022	4/30/2022	4/30/2022	\$ 2.40	Miscellaneous	1685
Special Dist Management Srvs	D2 4-2022	4/30/2022	4/30/2022	\$ 103.60	Management	1680
Special Dist Management Srvs	D2 4-2022	4/30/2022	4/30/2022	\$ 547.60	Accounting	1612
Special Dist Management Srvs	D2 4-2022	4/30/2022	4/30/2022	\$ 59.20	Election	1635
Special Dist Management Srvs	D2 4-2022	4/30/2022	4/30/2022	\$ 0.93	Miscellaneous	1685
				\$ 3,794.77		

Serenity Ridge Metropolitan District No.1  
May-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,794.77			\$ 3,794.77
		\$ -		
<b>Total Disbursements from Checking Acct</b>	<b>\$3,794.77</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,794.77</b>

**SERENITY RIDGE METROPOLITAN DISTRICT NO. 1**  
**Schedule of Cash Position**  
**March 31, 2022**

	<u>Operating</u>
<b>Checking:</b>	
Cash in Bank-Independent Bank	\$ 10,229.09
<b>TOTAL FUNDS:</b>	<u><u>\$ 10,229.09</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, 2022**

**SERENITY RIDGE METROPOLITAN DISTRICT NO. 1**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**March 31, 2022**

	<u>GENERAL</u>	<u>FIXED ASSETS</u>	<u>TOTAL</u>
<b>Assets</b>			
Cash in Bank-Independent Bank	\$ 10,229	\$ -	\$ 10,229
Total Current Assets	<u>10,229</u>	<u>-</u>	<u>10,229</u>
<b>Fixed Assets</b>			
Fixed Assets	-	7,857,375	7,857,375
Total Fixed Assets	<u>-</u>	<u>7,857,375</u>	<u>7,857,375</u>
<b>Total Assets</b>	<u>\$ 10,229</u>	<u>\$ 7,857,375</u>	<u>\$ 7,867,604</u>
<b>Liabilities</b>			
Due to Serenity MD #2	\$ 38,208	\$ -	\$ 38,208
Total Liabilities	<u>38,208</u>	<u>-</u>	<u>38,208</u>
<b>Fund Balance</b>			
Investment in Fixed Assets	-	7,857,375	7,857,375
Fund Balance	(17,425)	-	(17,425)
Current Year Earnings	(10,554)	-	(10,554)
Total Fund Balances	<u>(27,979)</u>	<u>7,857,375</u>	<u>7,829,396</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 10,229</u>	<u>\$ 7,857,375</u>	<u>\$ 7,867,604</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, 2022**  
**General Fund**

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
<b>Expenditures</b>					
Audit	\$ -	\$ -	\$ 7,750	\$ 7,750	0.0%
Accounting	2,190	2,190	10,000	7,810	21.9%
Election	730	730	10,000	9,270	7.3%
Insurance/SDA Dues	6,249	6,249	8,250	2,001	75.7%
Legal	(300)	(300)	15,500	15,800	-1.9%
Management	1,080	1,080	20,000	18,920	5.4%
Miscellaneous	603	603	1,000	397	60.3%
Detention Pond Mtce	-	-	15,000	15,000	0.0%
Contingency	-	-	13,500	13,500	0.0%
Maintenance Reserve	-	-	5,000	5,000	0.0%
	<u>10,554</u>	<u>10,554</u>	<u>106,000</u>	<u>95,446</u>	<u>10.0%</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,554)	(10,554)	(106,000)	95,446	10.0%
<b>Other Financing Sources (Uses)</b>					
Transfer from District No. 2	-	-	100,000	(100,000)	
Emergency Reserve	-	-	(3,000)	3,000	
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>97,000</u>	<u>(97,000)</u>	
Change in Fund Balance	(10,554)	(10,554)	(9,000)	(1,554)	
Beginning Fund Balance	(17,425)	(17,425)	4,321	(21,746)	
<b>Ending Fund Balance</b>	<u>\$ (27,979)</u>	<u>\$ (27,979)</u>	<u>\$ (4,679)</u>	<u>\$ (23,300)</u>	

**SERENITY RIDGE METROPOLITAN DISTRICT NO. 2**  
**Schedule of Cash Position**  
**March 31, 2022**

	Rate	Operating	Debt Service	Total
<b>Investments:</b>				
Cash in Bank-ColoTrust	0.2522%	\$ 325,758.79	\$ 455,597.99	\$ 781,356.78
<b>TOTAL FUNDS:</b>		\$ 325,758.79	\$ 455,597.99	\$ 781,356.78

**2022 Mill Levy Information**

General Fund	4.422
Debt Service Fund	40.868
Total Certified Mill Levy	45.290

**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, 2022**

**SERENITY RIDGE METROPOLITAN DISTRICT NO. 2**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**March 31, 2022**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>FIXED ASSETS</u>	<u>LONG-TERM DEBT</u>	<u>TOTAL</u>
<b>Assets</b>					
Cash in Bank-ColoTrust	\$ 325,759	\$ 455,598	\$ -	\$ -	\$ 781,357
Property Taxes Receivable	79,740	736,951	-	-	816,691
Receivable District No. 1	37,100	1,108	-	-	38,208
Total Current Assets	<u>442,599</u>	<u>1,193,657</u>	<u>-</u>	<u>-</u>	<u>1,636,256</u>
<b>Other Debits</b>					
Amount in Debt Service Fund	-	-	-	456,706	456,706
Amount to be Provided for Debt	-	-	-	16,938,294	16,938,294
Total Other Debits	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,395,000</u>	<u>17,395,000</u>
<b>Capital Assets</b>					
Construction in Progress	-	-	7,137,939	-	7,137,939
Total Capital Assets	<u>-</u>	<u>-</u>	<u>7,137,939</u>	<u>-</u>	<u>7,137,939</u>
<b>Total Assets</b>	<u>\$ 442,599</u>	<u>\$ 1,193,657</u>	<u>\$ 7,137,939</u>	<u>\$ 17,395,000</u>	<u>\$ 26,169,195</u>
<b>Liabilities</b>					
2021A-1 Refunding Loan	\$ -	\$ -	\$ -	\$ 16,320,000	\$ 16,320,000
2021A-2 Refunding Loan	-	-	-	1,075,000	1,075,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,395,000</u>	<u>17,395,000</u>
<b>Deferred Inflows of Resources</b>					
Deferred Property Taxes	79,740	736,951	-	-	816,691
Total Deferred Inflows of Resources	<u>79,740</u>	<u>736,951</u>	<u>-</u>	<u>-</u>	<u>816,691</u>
<b>Fund Balance</b>					
Investment in Fixed Assets	-	-	7,137,939	-	7,137,939
Fund Balance	316,798	32,560	-	-	349,358
Current Year Earnings	46,061	424,146	-	-	470,207
Total Fund Balances	<u>362,859</u>	<u>456,706</u>	<u>-</u>	<u>-</u>	<u>7,957,504</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 442,599</u>	<u>\$ 1,193,657</u>	<u>\$ 7,137,939</u>	<u>\$ 17,395,000</u>	<u>\$ 26,169,195</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, 2022**  
**General Fund**

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
<b>Revenues</b>					
Property Tax Revenue	\$ 45,239	\$ 45,239	\$ 124,982	\$ (79,743)	36.2%
Specific Ownership Taxes	1,329	1,329	10,000	(8,671)	13.3%
Interest Income	171	171	150	21	114.0%
<b>Total Revenues</b>	<u>46,739</u>	<u>46,739</u>	<u>135,132</u>	<u>(88,393)</u>	<u>34.6%</u>
<b>Expenditures</b>					
Treasurer's Fees	679	679	1,875	1,196	36.2%
Emergency Reserve	-	-	4,054	4,054	0.0%
<b>Total Expenditures</b>	<u>679</u>	<u>679</u>	<u>5,929</u>	<u>5,250</u>	<u>11.4%</u>
Excess (Deficiency) of Revenues Over Expenditures	46,061	46,061	129,203	(83,142)	
<b>Other Financing Sources (Uses)</b>					
Transfer to District No. 1	-	-	(100,000)	100,000	
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>100,000</u>	
Change in Fund Balance	46,061	46,061	29,203	16,858	
Beginning Fund Balance	316,798	316,798	516,232	(199,434)	
<b>Ending Fund Balance</b>	<u>\$ 362,859</u>	<u>\$ 362,859</u>	<u>\$ 545,435</u>	<u>\$ (182,576)</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, 2022**  
**Debt Service Fund**

	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
<b>Revenues</b>					
Property Tax Revenue	\$ 418,110	\$ 418,110	\$ 1,155,077	\$ (736,967)	36.2%
Specific Ownership Taxes	12,285	12,285	69,305	(57,020)	17.7%
Interest Income	23	23	2,000	(1,977)	1.1%
<b>Total Revenues</b>	<u>430,417</u>	<u>430,417</u>	<u>1,226,382</u>	<u>(795,965)</u>	<u>35.1%</u>
<b>Expenditures</b>					
Bond Principal	-	-	260,000	260,000	0.0%
Bond Interest	-	-	710,232	710,232	0.0%
Audit	-	-	6,500	6,500	0.0%
Paying Agent Fees	-	-	6,200	6,200	0.0%
Miscellaneous	-	-	2,500	2,500	0.0%
Treasurer's Fees	6,272	6,272	17,326	11,054	36.2%
<b>Total Expenditures</b>	<u>6,272</u>	<u>6,272</u>	<u>1,002,758</u>	<u>996,486</u>	<u>0.6%</u>
Excess (Deficiency) of Revenues Over Expenditures	424,146	424,146	223,624	200,522	
Beginning Fund Balance	32,560	32,560	2,571,887	(2,539,327)	
<b>Ending Fund Balance</b>	<u>\$ 456,706</u>	<u>\$ 456,706</u>	<u>\$ 2,795,511</u>	<u>\$ (2,338,805)</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 electronically?
  - If yes, have you read and understand the new Electronic Signature Policy? See 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/osa/lq>

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

**QUESTIONS?** Email: [osa.lg@state.co.us](mailto:osa.lg@state.co.us) or Phone: 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	Serenity Ridge Metropolitan District No. 1
ADDRESS	c/o Special District Management Services, Inc. 141 Union Blvd., Suite 150 Lakewood, CO 80228-1898
CONTACT PERSON	David Solin
PHONE	303-987-0835
EMAIL	dsolin@sdmsi.com
FAX	

For the Year Ended  
12/31/2021  
or fiscal year ended:

## 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	3/8/2022
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 <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	If Yes, date filed:

# PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds	
		General	Fund*		Fund*	Fund*
<b>Assets</b>				<b>Assets</b>		
1-1	Cash & Cash Equivalents	\$ 17,540	\$ -	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	\$ -	\$ -
1-5	Property Tax Receivable	\$ -	\$ -	Other Current Assets [specify...]	\$ -	\$ -
	All Other Assets [specify...]				\$ -	\$ -
1-6	Prepaid insurance	\$ 5,669	\$ -	<b>Total Current Assets</b>	\$ -	\$ -
1-7		\$ -	\$ -	Capital Assets, net (from Part 6-4)	\$ -	\$ -
1-8		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -
1-9		\$ -	\$ -		\$ -	\$ -
1-10		\$ -	\$ -		\$ -	\$ -
1-11	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	<b>\$ 23,209</b>	<b>\$ -</b>	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred Outflows of Resources</b>				<b>Deferred Outflows of Resources</b>		
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -
1-14	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 23,209</b>	<b>\$ -</b>	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities</b>				<b>Liabilities</b>		
1-16	Accounts Payable	\$ 2,426	\$ -	Accounts Payable	\$ -	\$ -
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -
1-18	Unearned Property Tax Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -
1-19	Due to Other Entities or Funds	\$ 38,208	\$ -	Due to Other Entities or Funds	\$ -	\$ -
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -
1-21	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	<b>\$ 40,634</b>	<b>\$ -</b>	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -
1-24		\$ -	\$ -		\$ -	\$ -
1-25		\$ -	\$ -		\$ -	\$ -
1-26		\$ -	\$ -		\$ -	\$ -
1-27	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	<b>\$ 40,634</b>	<b>\$ -</b>	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred Inflows of Resources</b>				<b>Deferred Inflows of Resources</b>		
1-28	Deferred Property Taxes	\$ -	\$ -	Pension Related	\$ -	\$ -
1-29	Other [specify...]	\$ -	\$ -	Other [specify...]	\$ -	\$ -
1-30	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance</b>				<b>Net Position</b>		
1-31	Nonspendable Prepaid	\$ -	\$ -	Net Investment in Capital Assets	\$ -	\$ -
1-32	Nonspendable Inventory	\$ -	\$ -			
1-33	Restricted [specify...]	\$ -	\$ -	Emergency Reserves	\$ -	\$ -
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -
1-36	Unassigned:	\$ (17,425)	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -
1-37	<b>Add lines 1-31 through 1-36</b> This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	<b>\$ (17,425)</b>	<b>\$ -</b>	<b>Add lines 1-31 through 1-36</b> This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>
1-38	<b>Add lines 1-27, 1-30 and 1-37</b> This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 23,209</b>	<b>\$ -</b>	<b>Add lines 1-27, 1-30 and 1-37</b> This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>

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

**PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES**

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*	
<b>Tax Revenue</b>				<b>Tax Revenue</b>			
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	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	<b>Add lines 2-1 through 2-7 TOTAL TAX REVENUE</b>	\$ -	\$ -	
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	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	<b>Add lines 2-8 through 2-23 TOTAL REVENUES</b>	\$ -	\$ -	
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-27	Other: transfer from Serenity MD #2	\$ 324,630	\$ -	Other [specify...]:	\$ -	\$ -	
2-28	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ 324,630	\$ -	<b>Add lines 2-25 through 2-27 TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>GRAND TOTALS</b>
2-29	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ 324,630	\$ -	<b>Add lines 2-24 and 2-28 TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	\$ -	\$ -	<b>\$ 324,630</b>

**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*	
	<b>Expenditures</b>			<b>Expenses</b>			
3-1	General Government	\$ 299,913	\$ -	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	\$ -	\$ -	
	<b>Debt Service</b>			<b>Debt Service</b>			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
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	<b>Add lines 3-1 through 3-21</b>	\$ 305,913	\$ -	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	
	<b>TOTAL EXPENDITURES</b>			<b>TOTAL EXPENSES</b>			<b>GRAND TOTAL</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 305,913
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 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>			<b>(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -		\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ 18,717	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ (36,142)	\$ -	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			Net Position, December 31			
	Sum of Lines 3-30, 3-31, and 3-32			Sum of Lines 3-30, 3-31, and 3-32			
	This total should be the same as line 1-37.	\$ (17,425)	\$ -	This total should be the same as line 1-37.	\$ -	\$ -	

**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

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):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 235,890</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 235,890</b>

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

\*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 [Section 29-1-605(2) C.R.S.]?  YES     NO

If yes: How much?

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

5-2 Certificates of deposit

**TOTAL CASH DEPOSITS**

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

5-3

**TOTAL INVESTMENTS**

**TOTAL CASH AND INVESTMENTS**

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 <sup>1</sup>	Additions <sup>2</sup>	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ 7,857,375	\$ -	\$ -	\$ 7,857,375
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 7,857,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,857,375</b>

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)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Must agree to prior year-end balance  
 - Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

## PART 7 - PENSION INFORMATION

\* YES  NO  Please use this space to provide any explanations or comments:

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

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$	-
State contribution amount:	\$	-
Other (gifts, donations, etc.):	\$	-
<b>TOTAL</b>	<b>\$</b>	<b>-</b>
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 appropriated for each fund separately for the year reported

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 299,055
	\$ -
	\$ -
	\$ -

**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)]? <small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small>	<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 type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
10-2	Has the entity changed its name in the past or current year? If Yes: NEW name <input type="text"/> PRIOR name <input 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 type="text" value="water, streets, traffic and safety controls, parks, open space and recreation, sewer, drainage and stormwater improvements"/>	<input 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 type="text" value="Serenity Metropolitan District No. 2 - own, operate and construct facilities noted in 10-4"/>	<input checked="" 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
<b>Total mills</b>	<b>0.000</b>

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



**OSA USE ONLY**

<b>Entity Wide:</b>		<b>General Fund</b>		<b>Governmental Funds</b>		<b>Notes</b>
Unrestricted Cash & Investments	\$ 17,540	Unrestricted Fund Balan	\$ (17,425)	Total Tax Revenue	\$ -	
Current Liabilities	\$ 40,634	Total Fund Balance	\$ (17,425)	Revenue Paying Debt Service	\$ -	
Deferred Inflow	\$ -	PY Fund Balance	\$ (36,142)	Total Revenue	\$ 324,630	
		Total Revenue	\$ 324,630	Total Debt Service Principal	\$ -	
		Total Expenditures	\$ 305,913	Total Debt Service Interest	\$ -	
		Interfund In	\$ -			
<b>Governmental</b>		Interfund Out	\$ -	<b>Enterprise Funds</b>		
Total Cash & Investments	\$ 17,540			Net Position	\$ -	
Transfers In	\$ -	- <b>Proprietary</b>		- PY Net Position	\$ -	
Transfers Out	\$ -	- Current Assets	\$ -	- <b>Government-Wide</b>		
Property Tax	\$ -	- Deferred Outflow	\$ -	- Total Outstanding Debt	\$ 235,890	
Debt Service Principal	\$ -	- Current Liabilities	\$ -	- Authorized but Unissued	\$ -	
Total Expenditures	\$ 305,913	Deferred Inflow	\$ -	- Year Authorized	\$ 1/0/1900	
Total Developer Advances	\$ -	- Cash & Investments	\$ -			
Total Developer Repayments	\$ -	- Principal Expense	\$ -			

**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. Signed _____ Date: _____ My term Expires: May 2022
1	Richard A. Frank	I, Richard A. Frank, 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. Signed <u>Richard A. Frank</u> Date: <u>03 / 22 / 2022</u> My term Expires: May 2022
2	Daniel Frank	I, Daniel Frank, 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. Signed <u>[Signature]</u> Date: <u>03 / 22 / 2022</u> My term Expires: May 2022
3	Marc Cooper	I, Marc Cooper, 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. Signed <u>[Signature]</u> Date: <u>03 / 22 / 2022</u> My term Expires: May 2022
4	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. Signed _____ Date: _____ My term Expires: _____
5	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. Signed _____ Date: _____ My term Expires: _____
6	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. Signed _____ Date: _____ My term Expires: _____
7	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. 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/ordained 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.

<u>Type or Print Names of Members of Governing Body</u>	<u>Date Term Expires</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MORAIN | BAKARICH  
CERTIFIED PUBLIC ACCOUNTANTS

November 24, 2021

To Board of Directors and David Solin, Special District Management Services Inc.

Serenity Ridge Metropolitan District No. 2  
141 Union Boulevard, Ste. 150  
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide Serenity Ridge Metropolitan District No. 2 for the year ended December 31, 2021.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Serenity Ridge Metropolitan District No. 2 as of and for the year ended December 31, 2021. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement Serenity Ridge Metropolitan District No. 2’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Serenity Ridge Metropolitan District No. 2’s RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- 1) Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies Serenity Ridge Metropolitan District No. 2’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor’s report on the financial statements:

- 2) Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Capital Projects Fund
- 3) Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Debt Service Fund

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Improper revenue recognition due to fraud
- Misappropriation of assets due to fraud

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Serenity Ridge Metropolitan District No. 2's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

### **Other Services**

We will also prepare the financial statements of Serenity Ridge Metropolitan District No. 2's in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Morain Bakarich, CPA's and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulatory agencies or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Morain Bakarich, CPA's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulatory agencies or its designee. The regulatory agencies or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Michael A. Bakarich, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately February 2022 and to issue our reports no later than July 31, 2022.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$6,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### **Reporting**

We will issue a written report upon completion of our audit of Serenity Ridge Metropolitan District No. 2's financial statements. Our report will be addressed to the Board of Directors and management of Serenity Ridge Metropolitan District No. 2. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Serenity Ridge Metropolitan District No. 2 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy, and return it to us.

Very truly yours,

*Morain Bakarich, CPAs*

Morain Bakarich, CPAs

**RESPONSE:**

This letter correctly sets forth the understanding of Serenity Ridge Metropolitan District No. 2.

Management signature:  \_\_\_\_\_  
Title: District Manager  
Date: 05 / 04 / 2022

Governance signature:  \_\_\_\_\_  
Title: Director  
Date: 05 / 05 / 2022