

**MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)  
REGULAR MEETING AGENDA**

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expiration</u>
Butch Gabrielski	President	May 2023
Wayne Reorda	Secretary/Treasurer	May 2025
Bill Gessner	Asst. Secretary/Treasurer	May 2023
Mike Fenton	Asst. Secretary/Treasurer	May 2023
Robert Guevara	Asst. Secretary/Treasurer	May 2025

**DATE:** Wednesday, December 7, 2022  
**TIME:** 10:00 a.m.  
**PLACE:** Meridian Ranch Recreation Center  
10301 Angeles Road  
Peyton, CO 80831

**The Public may participate in person or by following this link [Click here to join the meeting](#) or by telephone by calling +1 872-242-8662 and using Phone Conference ID: 397 436 481#**

**I. ADMINISTRATIVE ITEMS:**

- A. Call to Order
- B. Conflicts of Interest
- C. Approve Agenda
- D. Visitor Comments (Limited to 3 minutes per resident or household)
- E. Review and Approve November 2, 2022, Regular Board Meeting Minutes (enclosure), November 11, 2022, Special Meeting Minutes (enclosure), and November 16, 2022, Budget Workshop Minutes (enclosure). ***Pages 3-9***
- F. Various Administrative Matters for 2023
  1. Adopt Resolution No. MRMD 22-02 Concerning Annual Administrative Matters for 2023 (enclosure) ***Pages 10-20***
  2. Adopt Resolution No. MRMD 22-03 Calling Regular Election of Directors May 2023 (enclosure) ***Pages 21-23***
  3. Adopt Resolution No. MRMD 22-04 Opting out of Workers Compensation Coverage for Board Members (enclosure) ***Pages 24-25***

**II. FINANCIAL ITEMS:**

- A. Review, Ratify and Approve Monthly Payment of Claims (enclosure and/or distributed under separate cover) ***Page 26***
- B. Consider and Approve MRMD Resolution 2022-05 for Refinancing of Existing MRMD Debt ***Pages 27-38***
- C. Consider and Approve MRMD Resolution 2022-06 for MRMD 2018 Subdistrict Issuance of Bonds ***Pages 39-50***
- D. Consider and Approve IGA between MRMD and MRMD-2018 Subdistrict Regarding Future Debt/Mill Levies ***Pages 51-62***
- E. Staff Presentation of Proposed 2022 MRMD & MRMD 2018 Subdistrict Amended Budgets and Proposed 2023 MRMD & MRMD 2018 Subdistrict Budgets (enclosure) ***Pages 63-99***
- F. Consider Proposed MRMD & MRMD 2018 Subdistrict Budgets
  1. Conduct Public Hearing on Proposed 2022 MRMD & MRMD 2018 Subdistrict Amended Budgets and Proposed 2023 MRMD & MRMD 2018 Subdistrict Budgets

2. Consider and Adopt Resolution MRMD 22-07 Amending MRMD 2022 Budget Subject to Final Dollar Amounts at Refunding Closing (enclosure) **Pages 63-68**
  3. Consider and Adopt Resolution MRMD 22-08 Amending MRMD 2018 Subdistrict 2022 Budget Subject to Final Dollar Amounts at Bond Issuance (enclosure) **Pages 69-73**
  4. Consider and Adopt Resolution MRMD 22-09 Adopting MRMD 2023 Budget, Appropriations, and Certifying Mill Levies Subject to Final Dollar Amounts at Refunding Closing (enclosure) **Pages 74-86**
  5. Consider and Adopt Resolution MRMD 22-10 Adopting MRMD 2018 Subdistrict 2023 Budget, Appropriations, and Certifying Mill Levies Subject to Final Dollar Amounts at Refunding Closing (enclosure) **Pages 87-99**
- G. Consider and Approve Agreement with Haynie and Co. to complete the 2022 MRMD Audit (enclosure) **Pages 100-120**
- H. Consider and Approve Agreement with Haynie and Co. to complete the 2022 MRMD Subdistrict Audit (enclosure) **Pages 121-141**

**III. Action Items:**

**IV. DEVELOPER ITEMS:**

- A. Verbal Report from Construction Manager

**V. DIRECTOR ITEMS:**

**VI. LEGAL ITEMS:**

**VII. ADJOURNMENT:**

**The next regular meeting of the Board is scheduled for Wednesday, January 4, 2023, at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831 (subject to Board action on December 7, 2020).**

# RECORD OF PROCEEDINGS

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**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)**

**Held:** November 2, 2022, 10:00 a.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

**Attendance:** The following Directors were in attendance:

Butch Gabrielski, President  
Bill Gessner, Asst. Secretary/Treasurer  
Mike Fenton, Asst. Secretary/Treasurer  
Robert Guevara, Asst. Secretary/Treasurer

The Following Directors were excused:

Wayne Reorda, Secretary/Treasurer

Also present were:

Jim Nikkel; Meridian Service Metro District  
Jennette Coe; Meridian Service Metro District  
Beth Aldrich; Meridian Service Metro District  
Braden McCrory; Meridian Service Metro District  
Ryan Kozlowski; Meridian Service Metro District  
Karrie Dean; Meridian Service Metro District (via audioconference)  
Eileen Krauth; Meridian Service Metro District (via audioconference)  
Ron Fano; Spencer Fane  
Tom Kerby; Tech Builders  
Raul Guzman; Tech Builders (via audioconference)  
Katya Arcia; CRS (via audioconference)  
Teri Chavez; Resident  
Tom Sauer; MSMD, Secretary/Treasurer

**Call to Order** A quorum of the Board was present, and the Directors confirmed their qualification to serve. The meeting was called to order at 10:00 a.m.

**Disclosure Matter** Mr. Fano noted that written disclosures of the interests of all Directors have been filed with the Secretary of State.

**Approve Agenda** The Board reviewed the Agenda. A motion was made to approve the agenda. The motion was seconded and approved by unanimous vote of Directors present.

# RECORD OF PROCEEDINGS

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<b>Visitor Comments</b>	There were none.
<b>Approve Minutes</b>	The Board reviewed the October 5, 2022, Board Minutes, and a motion was made and seconded to approve the minutes as presented. The motion was approved by unanimous vote of Directors present.
<b>Financial Items</b>	<p><u>MRMD and MRMD 2018 Subdistrict Quarterly Cash Position Summary and Financial Statements:</u> Ms. Arcia reviewed the cash position summary and monthly financial statements for the third quarter. A motion was made and seconded to accept the cash position summary and financial statements as presented. The motion was approved by unanimous vote of Directors present.</p> <p><u>Approval of Payment of Claims:</u> Ms. Arcia reviewed the payment of claims presented for approval at this meeting represented by check numbers: 11/02/2022: 02391-02397 totaling \$3,164.40 A motion was made and seconded to approve the MRMD payment of claims. The motion was approved by unanimous vote of Directors present.</p> <p><u>Staff Report and Direction to Staff on 2022 Amended Budgets and Proposed 2023 Budgets for November Budget Workshop:</u> Ms. Arcia presented the 2022 Amended Budgets and the 2023 Proposed Budgets to the Board. Discussion was had regarding the presentation of the budgets at the public workshop.</p>
<b>Operations &amp; Engineering Items</b>	<p><u>Action Items:</u></p> <p>A. <u>Consider and Accept Raftelis Capital Buildout Plan Financing Model as a Guidance Document for Financing Future Capital Projects:</u> A motion was made and seconded to accept the corrected Raftelis Capital Buildout Plan financing model as a guidance document for financing future capital projects. The motion was approved by unanimous vote of Directors present.</p>
<b>Developer Items</b>	<p>Mr. Guzman provided a verbal report to the Board on the status of Meridian Ranch development activities.</p> <ul style="list-style-type: none"><li>• Rolling Hills Ranch, I and II have lots completed and builders are working in the area. Covington and Creekstone are expected to have two model homes completed by the end of 2022.</li><li>• Rolling Hills Ranch III lots are expected to be complete by the end of December 2022.</li><li>• Work in Rolling Hills North is on hold until the end of 2023.</li></ul>
<b>Director Items</b>	There were none.
<b>Legal Items</b>	There were none.

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### **Adjournment**

There being no further business to come before the Board, the President adjourned the meeting at 10:36 a.m.

The next regular meeting of the Board is scheduled for December 7, 2022, at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.

Respectfully submitted,

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Secretary for the Meeting

DRAFT

# RECORD OF PROCEEDINGS

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**MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)**

**Held:** November 4, 2022, 10:00 a.m., via videoconference

**Attendance:** The following Directors were in attendance:

Butch Gabrielski, President (via videoconference)  
Wayne Reorda, Secretary/Treasurer (via videoconference)  
Mike Fenton, Asst. Secretary/Treasurer (via videoconference)  
Robert Guevara, Asst. Secretary/Treasurer (via videoconference)

The following Directors were excused:

Bill Gessner, Asst. Secretary/Treasurer

Also present were:

Jim Nikkel; Meridian Service Metro District (via videoconference)  
Beth Aldrich; Meridian Service Metro District (via videoconference)  
Eileen Krauth; Meridian Service Metro District (via videoconference)  
Ron Fano; Spencer Fane (via videoconference)  
Tom Kerby; Tech Builders (via videoconference)  
Aly Blossom; Piper Sandler (via videoconference)  
Mike Sullivan; Piper Sandler (via videoconference)  
Katya Arcia; CRS (via videoconference)  
Tom Sauer; MSMD, Secretary/Treasurer (via videoconference)

**Call to Order** A quorum of the Board was present, and the Directors confirmed their qualification to serve. The meeting was called to order at 10:03 a.m.

**Disclosure Matter** Mr. Fano noted that written disclosures of the interests of all Directors have been filed with the Secretary of State.

**Approve Agenda** The Board reviewed the Agenda. A motion was made to approve the agenda. The motion was seconded and approved by unanimous vote of directors present.

**Administrative Items** Presentation by Mike Sullivan with Piper Sandler to Present Results of Requests for Term Sheets for Refunding of Existing MRMD Debt: A motion was made and seconded to move forward with the Key Bank loan, 10-year maturity 30-year amortization option as presented on the RFP Response summary sheet

## RECORD OF PROCEEDINGS

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presented by Mike Sullivan of Piper Sandler (see attached). The motion was approved by unanimous vote of Directors present.

### **Adjournment**

There being no further business to come before the Board, the President adjourned the meeting at 10:30 a.m.

The next regular meeting of the Board is scheduled for December 7, 2022 at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.

Respectfully submitted,

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Secretary for the Meeting

DRAFT

# RECORD OF PROCEEDINGS

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**MINUTES OF THE BUDGET WORKSHOP MEETING  
OF THE BOARD OF DIRECTORS OF THE  
MERIDIAN RANCH METROPOLITAN DISTRICT (MRMD)  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT (MRMD 2018 Subdistrict)**

**Held:** November 16, 2022, 6:00 p.m., at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831

**Attendance:** The following Directors were in attendance:

Butch Gabrielski, President  
Wayne Reorda, Secretary/Treasurer  
Bill Gessner, Asst. Secretary/Treasurer  
Mike Fenton, Asst. Secretary/Treasurer  
Robert Guevara, Asst. Secretary/Treasurer

Also present were:

Jim Nikkel; Meridian Service Metro District  
Jennette Coe; Meridian Service Metro District  
Braden McCrory; Meridian Service Metro District  
Ryan Kozlowski; Meridian Service Metro District  
Aleks Myszkowski; Meridian Service Metro District  
Tom Sauer; MSMD Asst. Secretary/Treasurer  
Dan VanOstrand; Resident  
Nancy Loew; Resident

**Financial Items**

Budget Workshop

1. Introductions: Director Gabrielski introduced the Board members and staff.
2. Presentation by Staff: Mr. Nikkel presented highlights of the 2022 amended and proposed 2023 MRMD budgets and the 2022 amended and proposed 2023 MRMD2018 Subdistrict budgets.
3. Questions and Discussion by Board Members:
  - Director Fenton had concerns about the current market conditions and asked for that to be reflected in the budget.
  - Director Guevara asked for clarification on some of the budget figures.
4. Questions and Comments by the Public:
  - Mr. VanOstrand repeated feedback from previous years, including a preference for Recreation Center fees to be based on the number of users in a household.



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- Ms. Lowe raised questions about the proposed 2023 budgets which were answered by staff.

**Director Items**            There were none.

**Adjournment**            There being no further business to come before the Board, the President adjourned the meeting at 6:47 p.m.

The next regular meeting of the Board is scheduled for December 7, 2022 at 10:00 a.m. at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado 80831.

Respectfully submitted,

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Secretary for the Meeting

**RESOLUTION MRMD 22-02  
OF THE BOARD OF DIRECTORS  
OF THE MERIDIAN RANCH METROPOLITAN DISTRICT AND  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
CONCERNING ANNUAL ADMINISTRATIVE MATTERS FOR 2023**

WHEREAS, the Board of Directors of the Meridian Ranch Metropolitan District and Meridian Ranch Metropolitan District 2018 Subdistrict (the “District”) has a duty to perform certain tasks and duties on a recurring basis in order to assure the efficient operation of the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Meridian Ranch Metropolitan District and Meridian Ranch Metropolitan District 2018 Subdistrict within El Paso County, Colorado, as follows:

1. Contact Person. The Board directs the *District Manager of the Meridian Ranch Metropolitan District (hereafter, “District Manager”)* to notify the Board of County Commissioners, the County Assessor, the County Treasurer, the County Clerk and Recorder, the governing body of the municipality in which the District is located, if applicable, and the Division of Local Government of the name of the Chairman of the Board, the contact person located within the District, if available, telephone number and business address of the District on or before January 15, as required by Section 32-1-104(2), C.R.S. The Board hereby names the *District Manager* as the contact person within the District. The contact person is authorized, under Section 24-10-109(3)(b), C.R.S. to accept notices of claims against the District and, if any such claim is received must promptly notify the President of the Board and the attorney for the District of such receipt.
2. Map. The Board directs the *District Manager* to prepare an accurate map as specified by the Division of Local Government for filing with the Division, the County Assessor, and the County Clerk and Recorder on or before January 1, as required by Section 32-1-306, C.R.S.
3. Budget. The Board directs its *Accountant* and *District Manager* to submit a proposed budget to the Board by October 15; to schedule a public hearing on the proposed budget; to prepare a final budget, budget resolution and budget message, the certification of mill levies, and any budget amendment(s) needed; to certify the mill levies on or before December 15; and to file the approved budget and amendment(s) with the proper governmental entities in accordance with the Local Government Budget Law of Colorado, Sections 29-1-101 to 29-1-115, C.R.S. If no mill levy is to be certified, such actions may be completed by December 31.
4. Intergovernmental Agreements. If the District receives a written request from the Division of Local Government, the Board directs the *District Manager* to prepare and file within thirty days of such request, an informational listing of all contracts in effect with other political subdivisions, in compliance with Section 29-1-205, C.R.S.
5. Notice to Electors (Transparency Notice). The Board directs that no more than sixty days prior to and not later than January 15, the *District Manager* will prepare and distribute the Notice to Electors pursuant to and in a manner prescribed by Section 32-1-809, C.R.S. The Board further directs that the Notice will be filed with the Division of Local Government and the County Clerk and Recorder and a copy made available for public inspection at the District’s business office.
6. Annual Securities Report. If required, the Board directs the *District Manager* to prepare and file the annual public securities report for nonrated public securities issued by the District (if

any), with the Department of Local Affairs on or before March 1, in accordance with Section 11-58-101 to 11-58-107, C.R.S.

7. Audit/Audit Exemption. The Board directs that an audit of the financial statements be prepared and submitted to the Board before June 30 and further directs that the Audit be filed with the State Auditor by July 31, as required by Section 29-1-603, C.R.S. In the event that the timetable will not be met, the auditor and the *District Manager* are directed to request extensions of time to file the audit as needed. If neither the revenues nor the expenditures for the past year exceed \$100,000 then the Board directs that a short form application for exemption from audit shall be prepared. If either revenues or expenditures are greater than \$100,000 but are less than or equal to \$750,000, then the Board directs that a long form application for exemption from audit shall be prepared. The short form or long form application shall be submitted to the Board and then filed with the State Auditor by March 31, as required by Section 29-1-604, C.R.S.

8. Unclaimed Property. The Board directs the *District Manager* to prepare the Unclaimed Property Act report and forward it to the State Treasurer by November 1 if there is District property presumed abandoned and subject to custody as unclaimed property, in accordance with Section 38-13-110, C.R.S.

9. Public Records. The Board designates the *Board Secretary* as the official custodian of public records as such term is used in Section 24-72-202, C.R.S., with the functions thereof hereby delegated to the *District Manager* as the custodian as defined in Section 24-72-202(1), C.R.S. The custodian is authorized to develop such procedures as may be reasonably required for the protection and retention of such records. On behalf of the District, the custodian may charge the maximum fees allowed by law for copies, research and retrieval, development of privilege log, and such other services as are authorized by law.

10. CORA Policy. Pursuant to Section 24-72-205, C.R.S., the Board has adopted a policy concerning research and retrieval fees for public records. The Board directs the *District Manager* to update the District's Notice to Electors (Transparency Notice) with the District's CORA policy information as required by the statute.

11. E-mail Policy. Pursuant to Section 24-72-204.5, C.R.S., the Board hereby adopts a written policy that District management may monitor electronic mail communications at any time, with or without cause, and further states that correspondence of any employee in the form of electronic mail may be a public record under the public records law and may be subject to public inspection under Section 24-72-203, C.R.S.

Specifically, the electronic mail policy includes the following:

A. All employees of the District may have access to the District's electronic mail communications system, which access may include utilization of a District-assigned email address for use in both internal and external email communications.

B. Employees cannot expect a right of privacy in their use of the District's electronic communications system.

C. Employees understand, acknowledge and agree that all communications in the form of electronic mail may be considered a public record pursuant to CORA and may be subject to public inspection pursuant to C.R.S. Section 24-72-203 of CORA.

D. The District reserves the right to monitor an employee's electronic mail communication(s) including, but not limited to, circumstances where the District, in its sole discretion, reasonably believes that such communication(s) may be considered a public record pursuant to C.R.S. § 24-72-203 of CORA.

12. Fair Campaign Practices Act – Gifts and Honoraria. The Board is reminded that in accordance with the Fair Campaign Practices Act, each Board member is required to report to, and in a manner prescribed by, the Secretary of State certain items received in connection with their service, such report to be filed on or before January 15, April 15, July 15 and October 15 of each year, as required by Sections 1-45-109 and 24-6-203, C.R.S. No report needs to be filed unless a director receives \$65 or more in cash or loans, or real or personal property having a value of \$65 or more. Further, the Board is reminded that in accordance with Section 24-6-203, C.R.S., if a Board member receives annual compensation from the District of more than \$2,400, then the Board member is required to file a quarterly report in the prescribed manner with the Secretary of State.

13. Newspaper. The Board designates The Transcript as the newspaper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District, and directs that all legal notices shall be published in the afore named newspaper, in accordance with Section 32-1-103(15), C.R.S. If publication in such newspaper is impossible or impracticable, then any legal newspaper published in the county may be used as an alternative. In addition, it is the Board's desire to publish all legal notices in The Falcon Herald whenever possible.

14. Director Compensation/FICA. The Board of Directors of the District determines that each director shall receive compensation for services as directors, at the maximum rate allowed by law, in accordance with Sections 32-1-902(3)(a)(I) & (II), C.R.S. The Board recognizes that the Internal Revenue Service has determined that directors of special districts are considered employees of the district and as such will pay federal employment taxes on the compensation they receive for services performed as a director. The Board, therefore, directs the District's accountant to withhold federal employment taxes from the amount that the directors receive in compensation and to furnish each director with an annual IRS W-2 form.

15. Director Qualification. Pursuant to Section 32-1-901, C.R.S., the District determines that each present and future member of the Board shall have in the District files, with annual confirmation thereof by the District's custodian of public records, a complete and executed Certificate of Appointment (if Board member is appointed), current Oath of Office and applicable Surety Bond, and that copies of each be submitted to the Division of Local Government and the District Court as necessary and as may be requested.

16. Officers. The District has elected, in accordance with Section 32-1-902, C.R.S., the following officers for the District:

President:	Milton B. Gabrielski
Secretary/Treasurer:	Wayne Reorda
Asst. Secretary/Treasurer:	Mike Fenton
Asst. Secretary/Treasurer:	Bill Gessner
Asst. Secretary/Treasurer:	Robert Guevara

Unless the District acts to elect new officers, or an officer resigns his office, such officers shall serve indefinitely.

17. Director/Employee Indemnification. The Board of Directors of the District extends the current indemnification resolution (adopted on December 6, 2017) to allow the resolution to continue in effect as written. In the event an indemnification resolution is not in effect, then the approval of this administrative matters resolution shall be deemed to authorize indemnification of the Directors and Employees of the District when acting in good faith within the scope of their duties and in the best interests of the District, to the fullest extent allowed by law.

18. Designated Posting Location. Pursuant to Sections 24-6-402(2)(c)(I) and 32-1-903, C.R.S., the Board of Directors of the District has adopted a Resolution Concerning Online Notice of Public Meetings, which authorizes the Board to post notices of its public meetings, including specific agenda information, on the following public website: [www.meridianservice.org](http://www.meridianservice.org) no less than twenty-four hours prior to the holding of the meeting. In the event the District is unable to post a notice online in exigent or emergency circumstances, such as a power outage or an interruption in internet service that prevents the public from accessing the notice online, in accordance with Section 24-6-402(2)(c)(III), C.R.S., the Board designates the following location within the District's boundaries as the official designated posting place for the posting of meeting agendas no less than twenty-four hours prior to the meeting: Meridian Ranch Metropolitan District Office, 11886 Stapleton Drive, Falcon, CO 80831.

19. Meetings. Consistent with the provisions of Section 32-1-903, C.R.S., as amended by HB21-1278, the District may hold meetings of the Board at a physical location or by telephonic, electronic, or virtual means, or a combination of the foregoing. The meeting notice of all meetings of the Board that are held telephonically, electronically, or by other means not including physical presence shall include the method or procedure, including the conference number or link, by which members of the public can attend the meeting.

The Board determines to hold regular meetings during 2023 at 10:00 a.m. on the following dates (all Wednesdays), except for November 15 which will be an informal budget workshop from 6:00-8:00 p.m.:

January 4	August 2
February 8	September 6
March 8	October 4
April 5	November 8
May 3	November 15 budget workshop, 6:00-8:00 p.m.
June 7	December 6
July 5	

The location of the meetings will be at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado. In addition, regular and special meeting notices shall be posted as identified in paragraph 18 above in accordance with Section 24-6-402(2)(c), C.R.S.

The Board directs the *District Manager* to prepare notices for posting in accordance with Section 32-1-903, C.R.S.. *Legal Counsel* shall revise the notices when the Board intends to make a final determination to issue or refund general obligation indebtedness, to consolidate the District,

to dissolve the District, to file a plan for adjustment of debt under federal bankruptcy law, or to enter into a private contract with a director, or not to make a scheduled bond payment.

20. Elections. *Sue Blair of Community Resource Services of Colorado, LLC* is hereby appointed as the “Designated Election Official” of the Board for any elections to be held by the District. In accordance with Section 1-1-111(2), C.R.S. and Title 1, Article 13.5, Colorado Revised Statutes, or applicable law, the Board hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official and that the election shall be held and conducted in accordance with the Local Government Election Code, applicable portions of the Uniform Election Code of 1992, as amended and supplemented by Const. Colo. Art. X, Sec 20, the Current Rules and Regulations Governing Election Procedures of the Secretary of State of the state of Colorado, and Title 32, Article 1, Part 8, Colorado Revised Statutes, and other relevant Colorado and federal law. Further, the Board directs the Designated Election Official to notify the Division of Local Government of the results of any election held by the District, including business address, telephone number and the contact person; and to certify the results of any election to incur general obligation indebtedness to the Board of County Commissioners or the governing body of a municipality, in accordance with Sections 1-11-103, 32-1-104(1), and 32-1-1101.5, C.R.S.

21. Elections; Call for Nominations. The District was formed on November 8, 2000. For Districts formed after January 1, 2000, the call for nominations required by Section 1-13.5-501 shall be made by:

(1) Emailing the notice to each active registered elector of the District as specified in the registration list provided by the County Clerk and Recorder as of the date that is one hundred fifty days prior to the date of the regular election; where the active registered elector does not have an e-mail address on file for such purpose with the County Clerk and Recorder as of the date that is not later than one hundred fifty days prior to the date of the regular election, by mailing the notice, at the lowest cost option, to each address at which one or more active registered electors of the District resides as specified in the registration list provided by the County Clerk and Recorder as of the date that is one hundred fifty days prior to the date of the regular election; and

(2) select only one of the following:

publication.

posting the information on the official website of the District.

provided the District has fewer than one thousand eligible electors and is wholly located within a county the population of which is less than thirty thousand people, posting the notice in at least three public places within the territorial boundaries of the District and, in addition, posting a notice in the office of the Clerk and Recorder of the County in which the District is located; any such notices must remain posted until the day after the call for nominations closes.

22. Independent Mail Ballot Elections. The Board deems it expedient for the convenience of the electors that all regular and special elections of the District shall be conducted as an independent mail

ballot election in accordance with Section 1-13.5-1101, C.R.S., unless a polling place election is deemed necessary and expressed in a separate election resolution.

23. Notice of Indebtedness. In accordance with Sections 32-1-1604 and 1101.5(1), C.R.S., the Board directs the *District Manager* to issue notice of indebtedness to the Board of County Commissioners and to record such notice with the County Clerk and Recorder within 30 days of incurring or authorizing of any indebtedness.

24. Quinquennial Findings. If requested, the Board directs the *District Manager* to prepare and file with the Board of County Commissioners, the quinquennial finding of reasonable diligence, in accordance with Section 32-1-1101.5(1.5) and (2), C.R.S.

25. Annual Report. If requested or required, the Board directs the *District Manager* to prepare and file the special district annual report, in accordance with Section 32-1-207(3)(c), C.R.S.

Since the District was formed after July 1, 2000, the District shall prepare and file (not more than once a year) an annual report for the preceding year on or before October 1st of each year (unless the requirement is waived or otherwise requested by an earlier date by the board of county commissioners or by the governing body of the municipality in which the District is wholly or partially located, commencing in 2023 for the 2022 calendar year, the annual report must be provided by October 1 of each year).

The annual report must be electronically filed with (1) the governing body that approved the District's service plan or, if the jurisdiction has changed due to annexation into a municipality, the current governing body with jurisdiction over the District, (2) the Division of Local Government, (3) the State Auditor, and (4) the County Clerk and Recorder for public inspection, and a copy of the report must be made available by the District on the District's website pursuant to section 32-1-104.5 (3), C.R.S.

The report must include, as applicable for the reporting year, but shall not be limited to:

(A) boundary changes made;

(B) intergovernmental agreements entered into or terminated with other governmental entities;

(C) access information to obtain a copy of rules and regulations adopted by the Board;

(D) a summary of litigation involving public improvements owned by the District;

(E) the status of the construction of public improvements by the District;

(F) a list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality;

(G) the final assessed valuation of the special district as of December 31 of the reporting year;

(H) a copy of the current year's budget;

(I) a copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, Part 6 of Article 1 of Title 29, or the application for exemption from audit, as applicable;

(J) notice of any uncured defaults existing for more than ninety days under any debt instrument of the District; and

(K) any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

26. Disclosure of Potential Conflict of Interest. The Board has determined that Legal Counsel may file general conflict of interest disclosure forms, if any, provided by board members with the Secretary of State each year, which forms may be updated on an annual basis through information given to Legal Counsel by board members. If a specific conflict arises regarding a certain transaction of the Board, the Board member is required to notify Legal Counsel at least five days prior to the date of the meeting so that the transactional disclosure form may be filed in a timely manner, in accordance with Sections 32-1-902(3) and 18-8-308, C.R.S. Additionally, at the beginning of every term, Legal Counsel may request that each board member submit information regarding actual or potential conflicts of interest.

27. Special District Association. If the District is currently a member of the Special District Association (“SDA”), the Board directs its *District Manager* to pay the annual SDA membership dues in a timely manner.

28. Insurance. The Board directs the *District Manager* to at least biannually review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

29. Promissory Notes. The District has no outstanding promissory note(s).

30. Outstanding General Obligation Indebtedness. At the time of the adoption of this Resolution, the District has the following outstanding general obligation bonds or multiple fiscal year financial obligations:

- Senior Tax-Exempt Loan, Refunding and Improvement Issue, Series 2013 (principal balance of \$31,570,000 as of December 31, 2015)
- Senior Tax-Exempt Loan, Series 2014 (principal balance of \$3,425,000 as of December 31, 2015)
- Subordinate General Obligation Limited Tax Refunding Bonds, Series 2008 (\$7,000,000 due December 15, 2037)

31. Continuing Disclosure. The *District Manager* shall provide continuing disclosure service if and as applicable to the bonds and other financial obligations of the District.

32. Workers’ Compensation. Pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the elected and appointed officials of the District shall not be deemed to be an employee within the meaning of Section 8-40-202(1)(a), C.R.S. Such exclusion, if elected by the Board, shall apply for all policy years until such time as the exclusion may be repealed by the Board of Directors of the District or unless the *District Manager* at the direction of the Board acquires coverage. For purposes of this section, the General Manager shall not be considered an “appointed official” and is therefore an employee within the meaning of the referenced statute.



33. PDPA. Pursuant to the provisions of the Colorado Public Deposit Protection Act §11-10.5-101, et seq., C.R.S., the Board appoints Board's *Treasurer* as the official custodian of public deposits.
34. Public Disclosure Statement. Pursuant to Section 32-1-104.8, C.R.S., the Board directs the *District Manager* to prepare and record a special district public disclosure document, including a map showing the boundaries of the District, with the County Clerk and Recorder. Such recording shall have been made on or before December 31, 2021, or as soon as practical after the approval of this Resolution, and at the same time as any subsequent order or decree approving an inclusion of property into the District is recorded with the County Clerk and Recorder.
35. Water or Sewer Fees. The Board directs that any Board action to fix or increase fees, rates, tolls, penalties or charges for domestic water or sanitary sewer service will be taken after consideration at a public meeting. Such public meeting will be held at least thirty days after providing notice to the customers receiving the water or sewer services from the District. Notice will be made pursuant to and in a matter prescribed by Section 32-1-1001(2)(a), C.R.S.
36. Inclusions/Exclusions of Property. The Board directs *Legal Counsel* to handle all procedures required under the Colorado state statutes regarding the inclusion and exclusion of property into and out of the District's boundaries.
37. Underground and Aboveground Storage Tanks. If applicable, the Board directs the *District Manager* to register and renew annually all underground and/or aboveground storage tanks with the state inspector of oils.
38. Underground Facility Locating. If applicable, the Board directs the *District Manager* to provide accurate information regarding the boundaries of the District's service area, the type of underground facility that may be encountered within such service area, and the name, address and telephone number of a person who shall be the designated contact person for the information regarding the District's underground facilities along with information concerning underground facilities that the District owns or operates which are not located within the designated service area to the Utility Notification Center of Colorado. The Board further authorizes the District to maintain its membership in the notification association.
39. Recording of Conveyances of Real Property to the District. Pursuant to Section 38-35-109.5(2), C.R.S., the *District Manager* is designated as an appropriate official to record conveyances of real property to the District within 30 days of such conveyance.
40. Ratification of Past Actions. The Board members have reviewed the minutes of every meeting of the Board conducted in 2022, and the Board, being fully advised of the premises, hereby ratifies and affirms each and every action of the Board taken in 2022.
41. Emergency Liaison Officer. The Board designates the President of the District, in his/her capacity as elected official for the District, as the Emergency Liaison Officer responsible for facilitating the cooperation and protection of the District in the work of disaster prevention, preparedness, response, and recovery with the Colorado Office of Emergency Management and any local disaster agencies. The Emergency Liaison Officer shall have the authority to designate such agents as (s)he shall determine appropriate to perform any and all acts necessary to facilitate the responsibilities of the Emergency Liaison Officer.

42. Execution of District Documents By Electronic Methods. Where necessary, convenient and permissible by law, the Board authorizes the execution of District documents on behalf of the Board through electronic methods such as DocuSign, electronic PDF, or similar means and in multiple counterparts, all of which shall constitute single, valid documents of the Board as if signed in paper format.

43. Official District Website. If requested or required, the Board directs the *District Manager* to establish and maintain an official District website.

Since the District was formed after January 1, 2000, within one year of the date of the order and decree forming the District, or by January 1, 2023 (if the District was formed prior to January 1, 2022) the District shall establish, maintain, and, unless otherwise specified, annually update an official website in a form that is readily accessible to the public that contains the following information:

(i) the names, terms, and contact information for the current directors of the Board of the District and of the manager of the District, if applicable;

(ii) the current fiscal year budget of the District and, within thirty days of adoption by the Board of the District, any amendments to the budget;

(iii) the prior year's audited financial statements of the District, if applicable, or an application for exemption from an audit prepared in accordance with the "Colorado Local Government Audit Law", Part 6 of Article 1 of Title 29, C.R.S., within thirty days of the filing of the application with the State Auditor;

(iv) the annual report of the District in accordance with section 32-1-207 (3)(c), C.R.S.;

(v) by January 30 of each year, the date, time, and location of scheduled regular meetings of the District's Board for the current fiscal year;

(vi) if required by Section 1-13.5-501(1.5), C.R.S., by no later than seventy-five days prior to a regular election for an election at which members of a Board of Directors for the District will be considered, the call for nominations pursuant to Section 1-13.5-501(1);

(vii) not more than thirty days after an election, certified election results for an election conducted within the current fiscal year;

(viii) a current map depicting the boundaries of the District as of January 1 of the current fiscal year; and

(ix) any other information deemed appropriate by the Board of Directors of the District.

44. Dates Herein. All dates set forth in this Resolution shall be in 2023 unless otherwise specified.

45. Automatic Renewal. This Resolution shall be deemed renewed each year until terminated or a new resolution is adopted.

*[Remainder of Page Intentionally Left Blank]*

Adopted and approved this 7th day of December, 2022.

MERIDIAN RANCH METROPOLITAN DISTRICT AND  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018  
SUBDISTRICT

By: \_\_\_\_\_  
President

ATTEST:

By: \_\_\_\_\_  
Secretary/Treasurer

**RESOLUTION MRMD 22-03  
OF THE BOARD OF DIRECTORS OF THE  
MERIDIAN RANCH METROPOLITAN DISTRICT  
AND  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
CONCERNING REGULAR ELECTION TO BE HELD MAY 2, 2023**

WHEREAS, the Meridian Ranch Metropolitan District and Meridian Ranch Metropolitan District 2018 Subdistrict of the County of El Paso, State of Colorado (collectively, the “District”), is a duly organized and existing quasi-municipal corporation and political subdivision of the State of Colorado, existing and operating under and by virtue of the Constitution and laws of the State of Colorado, including but not limited to Parts 1 through 16 of Article 1 of Title 32, C.R.S., as amended (the "Special District Act"); and

WHEREAS, a regular election is to be held on the Tuesday succeeding the first Monday of May in every odd-numbered year, for the purpose of electing members to the Board of Directors of the Meridian Ranch Metropolitan District and Meridian Ranch Metropolitan District 2018 Subdistrict (collectively, the “Board”); and

WHEREAS, three (3) four-year terms shall be open at the regular election to be held on May 2, 2023, by the District; and

WHEREAS, accordingly, the Board of Directors of the District has determined to submit to the electors of the District, at the regular biennial local district election to be held on May 2, 2023, the election of directors; and

WHEREAS, a designated election official shall be appointed by the Board of Directors to be responsible for conducting the election.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Meridian Ranch Metropolitan District and Meridian Ranch Metropolitan District 2018 Subdistrict of the County of El Paso, State of Colorado:

1. That a regular election to be conducted by mail ballot be called and held within the District on Tuesday, the 2nd day of May, 2023, at which election the electors shall vote for up to three (3) Directors;

2. That the terms of office for Michael Fenton, Milton Gabrielski and William Gessner shall expire following the regular election to be held on the 2nd day of May, 2023, and there are no vacancies on the Board;

3. That Sue Blair of Community Resource Services of Colorado, LLC is hereby appointed to serve as the Designated Election Official for the conduct of the election. The Designated Election Official is hereby granted the authority to undertake all reasonable actions that are necessary or convenient for the conduct of the election;

4. That the election shall be held and conducted in accordance with the Colorado

Local Government Election Code, Article 13.5 of Title 1, C.R.S., as supplemented by Const. Colo. Art. X, Sec. 20, the Uniform Election Code of 1992 as amended, the applicable Current Rules and Regulations Governing Election Procedures of the Secretary of State of the state of Colorado, and Title 32, Article 1, Part 8, Colorado Revised Statutes, C.R.S. 32-1-305.5, and other relevant Colorado and federal law (collectively, hereafter all such law and rules shall be referred to as the "Relevant Law");

5. That on or about January 3, 2023, the District Manager shall post or cause to be posted on the District's website information regarding the May 2, 2023 election including the number of Board seats that will be up for election and the relevant dates/deadlines for submission of self-nomination forms and affidavits of intent to be a write-in candidate. Such posting shall be in addition to the statutorily required notices to be given to electors of the District by the Designated Election Official of the District. Following the certification of eligible candidates by the Designated Election Official after the self-nomination and write-in candidate affidavit deadlines, the Designated Election Official shall notify the eligible candidates that the District requests that they submit by March 30 a biography and/or factual statement regarding their qualifications and/or basis for their desire to serve on the Board (200 word limit) for posting and dissemination by the District in advance of the election. Following the March 30 deadline for submittal, the District Manager shall publish the candidates' biographies/statements as submitted on the District website, at the District offices and at the District's Recreation Center. Thereafter, but no later than April 15, 2023, the District Manager shall e-mail the candidates biographies/statements to all residents of the District. If a candidate does not submit a biography or statement, the posting and e-mail shall simply state next to the candidate's name: "No information has been submitted."

6. That a nomination for Director to serve for any designated vacancy shall be made by written self-nomination and acceptance form or letter and filed with the Designated Election Official not less than sixty-seven (67) days prior to the date of said election and that an affidavit of intent to be a write-in candidate for Director to serve for any designated vacancy shall be filed with the Designated Election Official not less than sixty-four (64) days prior to the date of said election;

7. That pursuant to the provisions of Section 1-13.5-513, C.R.S., as amended, if the only matter before the eligible electors is the election of persons to office and if, at the close of business on the sixty-third day before the election or any time thereafter, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent, the Designated Election Official is authorized and instructed to cancel the election and declare the candidates elected. If the election is canceled, the Board of Directors by delegation to the Designated Election Official herein shall: (a) provide notice by publication of the cancellation of the election; (b) post a copy of the published notice at each polling location within the District, at the office of the Designated Election Official, and at the office of the clerk and recorder for each county in which the District is located; and (c) file a copy of the published notice with the Division of Local Government. The Board of Directors shall notify the candidates that the election was canceled and that they were elected by acclamation. If the election is canceled, the canvass board will not meet, and the Designated Election Official shall note the cancellation on the Certificate of Election and shall indicate which candidates were elected by acclamation;

8. That no person will receive a ballot in this election unless the person is an eligible elector of the District, as defined in Section 32-1-103(5), Colorado Revised Statutes;

9. That the Designated Election Official shall file within 30 days after the election, the results of election, including the business address, the telephone number, and the name of the contact person of the District with the Division of Local Government. (C.R.S. 1-11-103(3), 32-1-104(1))

10. That should any part or provision of this Resolution be adjudged unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the intention that the various provisions hereof are severable;

11. That all acts, orders, resolutions, or parts thereof, of the District that are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict;

12. That the provisions of this Resolution shall take effect immediately;

13. That all past actions taken by the District, its Board members individually and collectively, officers, agents, attorneys, and consultants directed toward the lawful conduct of the election were done in the best interests of the District and said actions are hereby ratified and confirmed as if originally taken with full authority.

14. That in the event of a conflict between this Resolution and Relevant Law, the Relevant Law shall control.

ADOPTED AND APPROVED this 7th day of December, 2022.

MERIDIAN RANCH METROPOLITAN  
DISTRICT

MERIDIAN RANCH METROPOLITAN  
DISTRICT 2018 SUBDISTRICT

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

RESOLUTION MRMD 22-04  
OF THE BOARD OF DIRECTORS OF  
MERIDIAN RANCH METROPOLITAN DISTRICT  
PROVIDING FOR DIRECTORS' EXCLUSION FROM  
WORKERS COMPENSATION COVERAGE

WHEREAS, the Meridian Ranch Metropolitan District ("District") is a quasi-municipal corporation and political subdivision of the state of Colorado; and

WHEREAS, pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the District may exclude appointed officials from the definition of "employee" within the meaning of Section 8-40-202(1)(a), C.R.S.; and

WHEREAS, the District has found and does hereby find that it is in the best interests of the District to exclude appointed officials from workers compensation coverage as permitted by such statute.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Meridian Ranch Metropolitan District, County of El Paso, Colorado, that:

1. Pursuant to Section 8-40-202(1)(a)(I)(B), C.R.S., the elected officials of Meridian Ranch Metropolitan District shall not be deemed to be employees within the meaning of Section 8-40-202(1)(a), C.R.S. Such exclusion shall apply for all policy years until such time as the exclusion may be repealed by the Board of Directors of the District.
2. The Secretary of the District shall provide notice to such excluded officials promptly.
3. This Resolution shall be effective immediately.

RESOLVED this 7th day of December, 2022.

MERIDIAN RANCH METROPOLITAN  
DISTRICT

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary



## EXCLUSION OF UNCOMPENSATED PUBLIC OFFICIALS

Name of Agency: Meridian Ranch Metropolitan District

Federal Employer Identification # (FEIN): 84-1572798

Business Phone #: (303) 839-3800

Mailing Address: 1700 Lincoln Street, Suite 2000, Denver, Colorado 80203

If Self-Insured Employer, enter the Permit Number:

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

Upcoming Policy Period:

From: Jan 1, 2023  
Month / Year

To: Dec. 31, 2023  
Month / Year

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

Name of Governing Body: Board of Directors of Meridian Ranch Metropolitan, El Paso County, Colorado

Category

Name of Official

\_Director \_\_\_\_\_  
\_Director \_\_\_\_\_  
\_Director \_\_\_\_\_  
\_Director \_\_\_\_\_  
\_Director \_\_\_\_\_

Butch Gabrielski  
Wayne Reorda  
Mike Fenton  
Bill Gessner  
Robert Guevara

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

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

Signature:

Print Name:

Date: 12/7/2022

Title: President

**Submit this form with the Governing Body's Resolution to: Division of Workers' Compensation, Coverage Enforcement Unit, 633 17th St., Suite 400, Denver, CO 80202-3660. If insured, please make a copy of this completed form and send it to your insurance carrier. If you have any questions, contact the Division of Workers' Compensation Customer Ranch Unit at 303.318.8700.**

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

Meridian Ranch Metropolitan Di  
 VENDOR CHECK REGISTER REPORT  
 Payables Management

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	12/7/2022
Vendor ID	First	Last	Checkbook ID	First
Vendor Name	First	Last		Last

Sorted By: Check Date

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
02398	CRS	CRS of Colorado	12/7/2022	WF CHECKING	PMCHK00000294	\$3,230.50
02399	FENTON	Michael J Fenton	12/7/2022	WF CHECKING	PMCHK00000294	\$277.05
02400	GABRIELSKI	MILTON B. GABRIELSKI	12/7/2022	WF CHECKING	PMCHK00000294	\$277.05
02401	SPENCERFANEBRIT	Spencer Fane LLP	12/7/2022	WF CHECKING	PMCHK00000294	\$924.00
02402	REORDA	Wayne Reorda	12/7/2022	WF CHECKING	PMCHK00000294	\$184.70
02403	GESSNER	William Gessner	12/7/2022	WF CHECKING	PMCHK00000294	\$184.70
-----						
Total Checks:	6				Total Amount of Checks:	\$5,078.00
						=====

**CERTIFIED RECORD**

**OF**

**PROCEEDINGS**

**MERIDIAN RANCH METROPOLITAN DISTRICT**

**EL PASO COUNTY, COLORADO**

**RELATING TO**

**THE EXECUTION OF A LOAN AGREEMENT AND RELATED DOCUMENTS BETWEEN THE  
DISTRICT AND KEY GOVERNMENT FINANCE, INC.**

(Attach copy of notice of meeting, as posted)

STATE OF COLORADO )  
 )  
EL PASO COUNTY )  
 )  
MERIDIAN RANCH METROPOLITAN DISTRICT )

The Board of Directors of Meridian Ranch Metropolitan District, El Paso County, Colorado, met in regular session at the Meridian Ranch Recreation Center, 10301 Angeles Road, in Peyton, Colorado, 80831, on Wednesday, the 7th day of December, 2022, at the hour of 10:00 a.m. Such meeting was also made accessible via teleconference by dialing the following: +1 872-242-8662,,397436481#

In accordance with §11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a conference telephone, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

The following members of the Board of Directors were present, constituting a quorum:

President and Chairman:  
Treasurer:  
Secretary:  
Assistant Secretaries:

Absent:

Thereupon there was introduced the following resolution:

## RESOLUTION

**WHEREAS**, Meridian Ranch Metropolitan District, El Paso County, Colorado (the “District”), is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to the constitution and laws of the State of Colorado; and

**WHEREAS**, at an election of the qualified electors of the District, duly called and held on Tuesday, November 7, 2000 (the “2000 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2000 Election voted in favor of, *inter alia*, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities and refunding debt for the same; and

**WHEREAS**, the returns of the 2000 Election were duly canvassed and the result thereof duly declared; and

**WHEREAS**, the result of the 2000 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S., in accordance with law; and

**WHEREAS**, subsequent to the 2000 Election and from the authorization thereof, the District issued various series of bonds and debt obligations, and currently has outstanding the following obligations:

- (i) Subordinate General Obligation Limited Tax Refunding Bonds, Series 2008, originally issued in the aggregate principal amount of \$27,715,000 and currently outstanding in the aggregate principal amount of \$7,000,000 (the “Series 2008 Bonds”);
- (ii) Promissory Note, Series 2013, originally issued in the aggregate principal amount of \$33,500,000, and currently outstanding in the aggregate principal amount of \$25,210,000 (the “Series 2013 Loan”); and
- (iii) Promissory Note, Series 2014, originally issued in the aggregate principal amount of \$3,500,000, and currently outstanding in the aggregate principal amount of \$2,760,000 (the “Series 2014 Loan”); and
- (iv) Promissory Note, Series 2018, originally issued in the aggregate principal amount of \$24,000,000, and currently outstanding in the aggregate principal amount of \$22,800,000 (the “Series 2018 Loan”); and

**WHEREAS**, the Series 2008 Bonds, Series 2013 Loan, the Series 2014 Loan, and the Series 2018 Loan are the only currently outstanding general obligations of the District; and

**WHEREAS**, the Board of Directors of the District (the “Board”) has determined and hereby determines that by entering into a refunding program with respect to all or a designated

portion of the Series 2008 Bonds, Series 2013 Loan, the Series 2014 Loan, and the Series 2018 Loan (such portion, which may be all of the Series 2008 Bonds, Series 2013 Loan, the Series 2014 Loan, and the Series 2018 Loan as determined pursuant hereto and referred to herein as the “Refunded Obligations”), the District can (i) avoid or terminate any default in the payment of interest on or principal of, or both principal of and interest on, the District’s currently outstanding obligations; (ii) reduce certain interest costs; (iii) modify or eliminate restrictive contractual limitations relating to the incurring of additional indebtedness or to any system or facility, or improvement thereto; (iv) effect other economies; or (v) any combination of the foregoing purposes; and

**WHEREAS**, the Board has determined that it is in the best interests of the District, and the residents and taxpayers thereof, such Refunded Obligations be refunded via the execution and delivery of a loan agreement, as evidenced by a promissory note; and

**WHEREAS**, the District has requested Key Government Finance, Inc. (the “Lender”) to provide financing for such purposes by making available to the District a loan in the maximum aggregate principal amount of \$65,000,000 (the “Loan”); and

**WHEREAS**, the Loan will be incurred pursuant to that certain Loan Agreement (the “Loan Agreement”) between the District and the Lender, and the promissory note in the forms set forth in the Loan Agreement (the “Note”); and

**WHEREAS**, the Loan shall be incurred pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., and all other laws thereunto enabling; and

**WHEREAS**, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Loan; and

**WHEREAS**, the Loan shall be payable solely from the Pledged Revenue (as defined in the Loan Agreement); and

**WHEREAS**, the incurrence of the Loan shall not involve a public offering, and shall be made exclusively to the Lender as an “accredited investor”, as that term is defined under sections 3(b) and (4)(2) of the federal “Securities Act of 1933” by regulation adopted thereunder by the securities and exchange commission, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

**WHEREAS**, the Loan is being issued only to the Lender, which is a financial institution or institutional investor within the meaning of §32-1-1101 (6)(a)(IV), C.R.S.; and

**WHEREAS**, the principal amount of the Loan, as finally determined pursuant to the Loan Agreement and the Delegated Authority (as defined herein) shall be allocated to the 2000 Election in the manner set forth in the Loan Agreement; and

**WHEREAS**, the Board has engaged Piper Sandler & Co. (the “Placement Agent”) to act as placement agent with respect to the Loan, and intends to execute that certain Placement Agent Agreement (the “Placement Agent Agreement”) between the District and the Placement Agent; and

**WHEREAS**, after consideration, the Board has determined that the incurrence of the Loan on the terms and conditions set forth herein and in the Loan Agreement, and the engagement of the Placement Agent pursuant to the Placement Agent Agreement, is in the best interests of the District and the residents thereof; and

**WHEREAS**, none of the members of the Board have any potential conflicting interests in connection with the authorization, execution, or delivery of the Loan, or the use of the proceeds thereof; and

**WHEREAS**, in order to establish and delineate certain maximum debt service mill levy limitations as set forth in the Service Plan of the District between the District and Meridian Ranch Metropolitan District 2018 Subdistrict, El Paso County, Colorado (the “Subdistrict”) , the Board also desires to approve that certain form of Intergovernmental Agreement Regarding Maximum Debt Service Mill Levy and Additional Debt Obligations between the District and the Subdistrict (the “Debt Service Mill Levy IGA”), to be finalized on or around the time of delivery of the Loan; and

**WHEREAS**, there has been presented to this meeting of the Board the current forms of the Financing Agreements (as defined hereafter); and

**WHEREAS**, the Board desires to authorize the incurrence of the Loan and the execution of the Financing Agreements pursuant to the Delegated Authority;

**THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MERIDIAN RANCH METROPOLITAN DISTRICT:**

**Section 1. Definitions.** Unless the context indicates otherwise, as used herein, capitalized terms used herein and not otherwise defined shall have the meanings ascribed by the preambles hereto and the Loan Agreement, and the following capitalized terms shall have the respective meanings set forth below:

Authorized Officer: the person or persons authorized to sign the Financing Agreements, which shall be any member of the Board of Directors of the District.

Delegated Authority: the authority delegated by this Authorizing Resolution to any Authorized Officer to sign the Financing Agreements and to make the following determinations with respect to the Loan therein, which determinations shall be subject to the restrictions and parameters set forth below:

- (1) the rate or rates of interest on the Loan;
- (2) the conditions on which and the prices at which the Loan may be prepaid before maturity;
- (3) the existence and amount of any capitalized interest or reserve funds;
- (4) the price or prices at which the Note will be sold;



- (5) the principal amount and denominations of the Loan;
- (6) the amount of principal maturing in any particular year;
- (7) the dates on which principal and interest shall be paid; and
- (8) the obligations to be refunded (*i.e.*, the portion of the Series 2008 Bonds, Series 2013 Loan, the Series 2014 Loan, and the Series 2018 Loan which are to be refunded, which may be all or any portion thereof).

The foregoing authority shall be subject to the following restrictions and parameters:

- (1) the interest rate or rates on the Loan shall be such that the Loan bears interest at a net effective interest rate which does not exceed the net effective interest rate permitted under the 2000 Election;
- (2) the total repayment cost of the Loan and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the 2000 Election;
- (3) the sale price of the Note shall be 100% of the aggregate principal amount of the Loan;
- (4) the Loan shall mature not later than December 1, 2035; and
- (5) the principal amount of the Loan shall not exceed \$65,000,000.

Financing Agreements: collectively, the Loan Agreement, the Note, the Debt Service Mill Levy IGA, and the Placement Agent Agreement.

**Section 2. Approvals, Authorizations, and Amendments.** The Financing Agreements are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Agreements in the form of such documents presented at this meeting, with only such changes as are not inconsistent herewith. Any Authorized Officer is hereby authorized and directed to execute the Financing Agreements and to affix the seal of the District thereto, and further to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue and secure the Loan. Such documents are to be executed in substantially the form presented at this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Authorizing Resolution. Copies of all of the Financing Agreements shall be delivered, filed, and recorded as provided therein.

Upon execution and delivery of the Financing Agreements, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The proper officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Loan and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by an Authorized Officer of the District in connection with the issuance, sale, or delivery of the Loan not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

**Section 3. Authorization.** In accordance with the Constitution of the State of Colorado; the Supplemental Act; Title 32, Article 1, Parts 11 and 13, C.R.S.; the 2000 Election; and all other laws of the State of Colorado thereunto enabling, the Loan shall be incurred pursuant to the Financing Agreements for the purpose of: (i) paying the costs of refunding and defeasing the Refunded Obligations; and (ii) paying issuance and other costs in connection with the Loan. The District hereby elects to apply all of the provisions of the Supplemental Act to the Loan.

**Section 4. Delegated Authority.** The Loan shall be payable at such time or times, shall be subject to redemption prior to maturity, and otherwise shall be as determined in the Financing Agreements. Pursuant to § 11-57-205, C.R.S., of the Supplemental Act the Board hereby delegates the Delegated Authority to an Authorized Officer and authorizes the signing of the Financing Agreements pursuant thereto.

**Section 5. Determination as to Required Mill Levy.** The definition of “Required Mill Levy” in the Loan Agreement provides that if the method of calculating assessed valuation is or was changed after May 25, 2000, the mill levy limitation set forth therein shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. In accordance with such definition, the Board hereby determines that:

(a) the method of calculating assessed valuation has changed since May 25, 2000;

(b) as of the date of this Resolution, the maximum mill levy set forth in such definition is 48 mills; and

(c) the foregoing adjustments were determined by the Board in good faith in such a manner that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result thereof.

**Section 6. Permitted Amendments to Authorizing Resolution.** The District may amend this Authorizing Resolution in the same manner, and subject to the same terms and conditions as apply to an amendment or supplement to the Loan Agreement.

**Section 7. Authorization to Execute Documents.** The Authorized Officers of the District are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Authorizing Resolution, including but not limited to the execution

of the Financing Agreements and such certificates and affidavits as may be reasonably required by the Lender.

**Section 8. Costs and Expenses.** All costs and expenses incurred in connection with the incurrence and payment of the Loan shall be paid either from the proceeds of the Loan or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

**Section 9. Ratification and Approval of Prior Actions.** All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Authorizing Resolution, relating to the Loan or the refunding of the Refunded Obligations, are hereby ratified, approved, and confirmed.

**Section 10. Authorizing Resolution Irrepealable.** After the Loan has been closed, this Authorizing Resolution shall constitute a contract between the Lender and the District, and shall be and remain irrepealable until the Loan and all amounts due in connection therewith have been fully paid, satisfied, and discharged in accordance with the Financing Agreements.

**Section 11. Repealer.** All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Authorizing Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

**Section 12. Severability.** If any section, paragraph, clause, or provision of this Authorizing Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Authorizing Resolution, the intent being that the same are severable.

**Section 13. Effective Date.** This Authorizing Resolution shall take effect immediately upon its adoption and approval.

**ADOPTED AND APPROVED** This 7th day of December, 2022.

( S E A L )

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President or Vice President

ATTESTED:

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Secretary or Assistant Secretary

Thereupon, Director \_\_\_\_\_ moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director \_\_\_\_\_, put to a vote, and carried on the following recorded vote:

Those voting AYE:

Those voting NAY:

Thereupon the President, as Chairman of the meeting, declared the Authorizing Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO )  
 )  
EL PASO COUNTY )  
 )  
MERIDIAN RANCH METROPOLITAN DISTRICT )

The undersigned, as the Secretary or an Assistant Secretary of Meridian Ranch Metropolitan District, El Paso County, Colorado, hereby certifies that the foregoing pages constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the adoption of a resolution authorizing the incurrence of a loan between the District and Key Government Finance, Inc., and the execution of a loan agreement and related documents, adopted at a regular meeting of the Board held at the Meridian Ranch Recreation Center, 10301 Angeles Road, in Peyton, Colorado, 80831, on Wednesday, the 7th day of December, 2022, at the hour of 10:00 a.m. Such meeting was also made accessible via teleconference by dialing the following: +1 872-242-8662,,397436481#

as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; that each director of the Board was informed of the date, time, place, and purpose of the special meeting; and that a notice of meeting, in the form herein set forth at page 1, was posted at one public place within the Subdistrict not less than 24 hours prior to the meeting and/or on the Subdistrict's public website not less than 24 hours prior to the meeting, in accordance with law.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the District, as of the 7th day of December, 2022.

( S E A L )

\_\_\_\_\_  
Secretary or Assistant Secretary

**CERTIFIED RECORD**  
**OF**  
**PROCEEDINGS**

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**  
**EL PASO COUNTY, COLORADO**  
**RELATING TO**  
**GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2022**

(Attach copy of notice of meeting, as posted)



STATE OF COLORADO )  
 )  
EL PASO COUNTY )  
 )  
MERIDIAN RANCH METROPOLITAN )  
DISTRICT 2018 SUBDISTRICT )

The Board of Directors of Meridian Ranch Metropolitan District 2018 Subdistrict, El Paso County, Colorado, met in regular session at the Meridian Ranch Recreation Center, 10301 Angeles Road, in Peyton, Colorado, 80831, on Wednesday, the 7th day of December, 2022, at the hour of 10:00 a.m. Such meeting was also made accessible via teleconference by dialing the following: +1 872-242-8662,,397436481#

*In accordance with §11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a conference telephone, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.*

The following members of the Board of Directors were present, constituting a quorum:

President and Chair: \_\_\_\_\_  
Vice President: \_\_\_\_\_  
Secretary/Treasurer: \_\_\_\_\_  
Assistant Secretaries: \_\_\_\_\_  
\_\_\_\_\_

Absent: \_\_\_\_\_

Thereupon there was introduced the following resolution:

## RESOLUTION

**WHEREAS**, Meridian Ranch Metropolitan District 2018 Subdistrict, El Paso County, Colorado (the “Subdistrict”), is a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district subdistrict under the constitution and laws of the State of Colorado, including particularly Title 32, Article 1, C.R.S.; and

**WHEREAS**, the Subdistrict is a subdistrict of Meridian Ranch Metropolitan District (“Meridian Ranch MD”), a quasi-municipal corporation and political subdivision of the State duly organized and existing as a special district under the constitution and laws of the State of Colorado; and

**WHEREAS**, the Subdistrict was duly created by Resolution No. 2018-7, adopted by the Board of Directors of Meridian Ranch MD, on July 11, 2018, in accordance with and pursuant to Section 32-1-1101(1)(f), C.R.S., and all other laws thereunto enabling; and

**WHEREAS**, in accordance with and pursuant to Section 32-1-1101(1)(f)(I), C.R.S., Meridian Ranch MD has heretofore provided notice of its intent to create the Subdistrict to the Board of County Commissioners of El Paso County, Colorado (the “County”), and the County has provided notice to the Board (as defined herein) that it would not elect to treat the creation of the Subdistrict as a material modification of the Meridian Ranch MD Service Plan; and

**WHEREAS**, at an election of the eligible electors of the Subdistrict, duly called and held on Tuesday, November 6, 2018 (the “2018 Subdistrict Election”), in accordance with law and pursuant to due notice, a majority of those eligible to vote and voting at the 2018 Subdistrict Election voted in favor of, *inter alia*, the issuance of general obligation subdistrict indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities; and

**WHEREAS**, the returns of the 2018 Subdistrict Election were duly canvassed and the result thereof duly declared; and

**WHEREAS**, the result of the 2018 Subdistrict Election was certified by the Subdistrict by certified mail to the board of county commissioners of each county in which the Subdistrict is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S., in accordance with law; and

**WHEREAS**, the Subdistrict has not heretofore issued any indebtedness authorized by the 2018 Subdistrict Election; and

**WHEREAS**, the Board of Directors of the Subdistrict (the “Board”) has determined and does hereby determine that it is necessary to pay the costs of acquiring, constructing, and installing a portion of the facilities the debt for which was approved at the 2018 Subdistrict Election (the “Project”); and

**WHEREAS**, the Board has determined and hereby determines that it is in the best interests of the Subdistrict, and the residents and taxpayers thereof, that the Project be financed by the issuance of bonds; and

**WHEREAS**, for the purpose of paying the costs of the Project, the Board has determined and hereby determines that it is in the best interests of the Subdistrict, and the residents and taxpayers thereof, that the Subdistrict should issue its General Obligation Limited Tax Bonds, Series 2022, in the maximum aggregate principal amount of \$25,000,000 (the “Bonds”); and

**WHEREAS**, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., and all other laws thereunto enabling; and

**WHEREAS**, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

**WHEREAS**, the Bonds will be issued and secured by that certain Indenture of Trust (the “Indenture”), between the Subdistrict and BOKF, N.A., as trustee (the “Trustee”); and

**WHEREAS**, the Bonds shall be limited mill levy obligations of the Subdistrict, payable solely from the Pledged Revenue, all as defined and described in the Indenture; and

**WHEREAS**, the Bonds are being issued only to financial institutions or institutional investors within the meaning of §32-1-1101 (6)(a)(IV), C.R.S., and thus are permitted pursuant to such statute; and

**WHEREAS**, the Bonds shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and not less than five days prior to the date of issuance of the Bonds, the Subdistrict filed for an exemption from registration for the Bonds under the Colorado Municipal Bond Supervision Act based upon the foregoing, and the Bonds are thus exempt from registration under such act; and

**WHEREAS**, the allocation of the Bonds to the authorized but unissued indebtedness from the 2018 Subdistrict Election shall be as set forth in the Indenture, and shall be determined based upon the expected use of the proceeds thereof as of the date of issuance of the Bonds; and

**WHEREAS**, the Board has been presented with a proposal in the form of a Bond Purchase Agreement (the “Bond Purchase Agreement”) from Piper Sandler & Co., of Denver, Colorado (the “Underwriter”), to purchase the Bonds; and

**WHEREAS**, after consideration, the Board has determined that the sale of the Bonds to the Underwriter is in the best interests of the Subdistrict and the residents thereof; and

**WHEREAS**, none of the members of the Board have any potential conflicting interests in connection with the authorization, issuance, or sale of the Bonds, or the use of the proceeds thereof; and

**WHEREAS**, in order to establish and delineate certain maximum debt service mill levy limitations as set forth in the Service Plan of the District between the Subdistrict and Meridian Ranch Metropolitan District, El Paso County, Colorado (“Meridian Ranch MD”) , the Board also desires to approve that certain form of Intergovernmental Agreement Regarding Maximum Debt Service Mill Levy and Additional Debt Obligations between Meridian Ranch MD and the Subdistrict (the “Debt Service Mill Levy IGA”), to be finalized on or around the time of delivery of the Bonds; and

**WHEREAS**, there has been presented to this meeting of the Board the current forms of the “Financing Documents” as defined hereafter; and

**WHEREAS**, the Board desires to authorize the issuance and sale of the Bonds and the execution of the Financing Documents;

**THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT:**

**Section 1. Definitions.** Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the Indenture, and the following capitalized terms shall have the respective meanings set forth below:

Authorized Officer: the person or persons authorized to sign the Indenture and the Bond Purchase Agreement pursuant to the Delegated Authority, and to sign other documents pertaining to the Bonds as provided in this Bond Resolution, which shall be any member of the Board.

Bond Resolution: this resolution which authorizes the issuance of the Bonds and the execution of the Indenture, and any amendment or supplement lawfully made hereto.

Continuing Disclosure Obligation: an agreement, certificate, or undertaking of the Subdistrict to provide certain post-issuance information as described in the Limited Offering Memorandum.

Delegated Authority: the authority delegated by this Bond Resolution to any Authorized Officer to sign the Bond Purchase Agreement and to make the following determinations with respect to the Bonds in the Indenture, which determinations shall be subject to the restrictions and parameters set forth below:

- (1) the rate or rates of interest on the Bonds;
- (2) the conditions on which and the prices at which the Bonds may be redeemed before maturity;
- (3) the existence and amount of any capitalized interest or reserve funds;
- (4) the price or prices at which the Bonds will be sold;
- (5) the principal amount and denominations of the Bonds;

- (6) the amount of principal maturing in any particular year; and
- (7) the dates on which principal and interest shall be paid.

The foregoing authority shall be subject to the following restrictions and parameters:

- (1) the interest rate or rates on the Bonds shall be such that the Bonds bear interest at a net effective interest rate which does not exceed 12%;
- (2) the total repayment cost of the Bonds and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the 2018 Subdistrict Election;
- (3) the sale price of the Bonds shall be an amount not less than 95% of the aggregate principal amount of the Bonds;
- (4) the Bonds shall mature not later than December 1, 2054; and
- (5) the principal amount of the Bonds shall not exceed \$25,000,000.

Financing Documents: collectively, the Indenture, the Continuing Disclosure Obligation, the Letter of Representations, the Debt Service Mill Levy IGA, and the Bond Purchase Agreement.

Letter of Representations: the letter of representations from the Subdistrict to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Limited Offering Memorandum: the final version of the Preliminary Limited Offering Memorandum.

Preliminary Limited Offering Memorandum: the Preliminary Limited Offering Memorandum dated November 23, 2022, concerning the Bonds and the Subdistrict.

**Section 2. Approvals, Authorizations, and Amendments.** The Financing Documents are incorporated herein by reference and are hereby approved. All Authorized Officers are hereby authorized and directed to execute the Financing Documents and to affix the seal of the Subdistrict thereto, and further to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue and secure the Bonds. Such documents are to be executed in substantially the form presented at this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Bond Resolution. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution and delivery of the Financing Documents, the covenants, agreements, recitals, and representations of the Subdistrict therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The proper officers of the Subdistrict are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the Subdistrict relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by an Authorized Officer of the Subdistrict in connection with the issuance, sale, or delivery of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the Subdistrict of such instrument in accordance with the terms thereof and hereof.

**Section 3. Authorization.** In accordance with the Constitution of the State of Colorado; the Supplemental Act; Title 32, Article 1, Part 11, C.R.S.; the 2018 Subdistrict Election; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purpose of: (i) paying the Project Costs; and (ii) paying issuance and other costs in connection with the Bonds. The Bonds shall constitute limited tax obligations of the Subdistrict as provided in the Indenture. The Subdistrict hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

**Section 4. Bond Details; Delegated Authority.** The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the Subdistrict shall otherwise direct, the Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-". The Bonds shall be dated as of the date of issuance, and shall be payable at such time or times, shall be subject to redemption prior to maturity, and otherwise shall be as determined in the Indenture. Pursuant to §11-57-205, C.R.S., of the Supplemental Act the Board hereby delegates the Delegated Authority to an Authorized Officer and authorizes the signing of the Indenture and the Bond Purchase Agreement pursuant thereto.

**Section 5. Determination as to Required Mill Levy.** The definition of "Required Mill Levy" in the Indenture provides that if the method of calculating assessed valuation is or was changed after May 25, 2000, the mill levy limitations set forth therein shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. In accordance with such definition, the Board hereby determines that:

(a) the method of calculating assessed valuation has changed since May 25, 2000;

(b) as of the date of this Bond Resolution, the minimum mill levy set forth in such definition is 20 mills, and the maximum mill levy set forth in such definition is 20 mills; and

(c) the foregoing adjustments were determined by the Board in good faith in such a manner that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result thereof.

**Section 6. Permitted Amendments to Bond Resolution.** The Subdistrict may amend this Bond Resolution in the same manner and subject to the same terms and conditions as apply to an amendment or supplement to the Indenture.

**Section 7. Authorization to Execute Documents.** The officers of the Subdistrict are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Bond Resolution, including but not limited to the execution of such certificates and affidavits as may be reasonably required by the Underwriter.

**Section 8. Appointment of Subdistrict Representative.** \_\_\_\_\_ is hereby appointed Subdistrict Representative, as defined in the Indenture. A different Subdistrict Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

**Section 9. Costs and Expenses.** All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the Subdistrict, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

**Section 10. Acceptance of Bond Purchase Agreement.** The Board hereby reaffirms its determination to accept the Bond Purchase Agreement as submitted by the Underwriter, and to sell the Bonds to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement, subject to the Delegated Authority. All Authorized Officers are hereby authorized to execute the Bond Purchase Agreement and to attest to such execution, all on behalf of the Subdistrict.

**Section 11. Limited Offering Memorandum.** The Preliminary Limited Offering Memorandum is hereby authorized and approved. The Board hereby authorizes the use and distribution by the Underwriter of the Preliminary Limited Offering Memorandum in connection with the marketing of the Bonds, and the preparation and distribution of a final Limited Offering Memorandum in conjunction with an offer of the Bonds to investors. The final Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. All Authorized Officers are hereby authorized to execute copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum on behalf of the Subdistrict.

**Section 12. Ratification and Approval of Prior Actions.** All actions heretofore taken by any Authorized Officer or the officers, agents, attorneys, or employees of the Subdistrict, not inconsistent with the provisions of this Bond Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

**Section 13. Bond Resolution Irrepealable.** After any of the Bonds have been issued, this Bond Resolution shall constitute a contract between the Owners and the Subdistrict, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged in accordance with the Indenture.

**Section 14. Repealer.** All orders, bylaws, and resolutions of the Subdistrict, or parts thereof, inconsistent or in conflict with this Bond Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

**Section 15. Severability.** If any section, paragraph, clause, or provision of this Bond Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Bond Resolution, the intent being that the same are severable.

**Section 16. Effective Date.** This Bond Resolution shall take effect immediately upon its adoption and approval.

**ADOPTED AND APPROVED** this 7<sup>th</sup> day of December, 2022.

( S E A L )

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President or Vice President

ATTESTED:

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Secretary or Assistant Secretary



Thereupon, Director \_\_\_\_\_ moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director \_\_\_\_\_, put to a vote, and carried on the following recorded vote:

Those voting AYE:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Those voting NAY:

\_\_\_\_\_

Thereupon the President, as Chair of the meeting, declared the Bond Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO )  
 )  
EL PASO COUNTY )  
 )  
MERIDIAN RANCH METROPOLITAN )  
DISTRICT 2018 SUBDISTRICT )

The undersigned, as the Secretary or an Assistant Secretary of Meridian Ranch Metropolitan District 2018 Subdistrict, hereby certifies that the foregoing pages constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the adoption of a resolution authorizing the issuance of its General Obligation Limited Tax Bonds, Series 2022, adopted at a regular meeting of the Board held at the Meridian Ranch Recreation Center, 10301 Angeles Road, in Peyton, Colorado, 80831, on Wednesday, the 7th day of December, 2022, at the hour of 10:00 a.m. Such meeting was also made accessible via teleconference by dialing the following: +1 872-242-8662,,397436481#

as recorded in the official record of proceedings of said Subdistrict kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; that each director of the Board was informed of the date, time, place, and purpose of the special meeting; and that a notice of meeting, in the form herein set forth at page 1, was posted at one public place within the Subdistrict not less than 24 hours prior to the meeting and/or on the Subdistrict's public website not less than 24 hours prior to the meeting, in accordance with law.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the Subdistrict, as of the 7<sup>th</sup> day of December, 2022.

( S E A L )

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Secretary or Assistant Secretary

**INTERGOVERNMENTAL AGREEMENT REGARDING  
MAXIMUM DEBT SERVICE MILL LEVY AND ADDITIONAL DEBT OBLIGATIONS**

This **INTERGOVERNMENTAL AGREEMENT REGARDING MAXIMUM DEBT SERVICE MILL LEVY AND ADDITIONAL DEBT OBLIGATIONS** (this “Agreement”), is made and entered into as of December \_\_, 2022, by and between **MERIDIAN RANCH METROPOLITAN DISTRICT** (“Meridian Ranch MD”) and **MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT** (the “Subdistrict”), both quasi municipal corporations and political subdivisions of the State of Colorado. All capitalized terms used herein and not otherwise defined shall have the meanings assigned them in Article I hereof.

**RECITALS**

**WHEREAS**, Meridian Ranch MD and the Subdistrict are each a quasi-municipal corporation and political subdivision of the State of Colorado (the “State”) duly organized and existing as a special district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended (“C.R.S.”); and

**WHEREAS**, the Subdistrict was duly created by Resolution No. 2018-7, adopted by the Board of Directors of Meridian Ranch MD, on July 11, 2018, in accordance with and pursuant to Section 32-1-1101(1)(f), C.R.S., and all other laws thereunto enabling; and

**WHEREAS**, in accordance with and pursuant to Section 32-1-1101(1)(f)(I), C.R.S., Meridian Ranch MD has heretofore provided notice of its intent to create the Subdistrict to the Board of County Commissioners of El Paso County, Colorado (the “County”), and the County has provided notice to the Board of Directors of Meridian Ranch MD (the “Meridian Ranch MD Board”) that it would not elect to treat the creation of the Subdistrict as a material modification of the Meridian Ranch MD Service Plan (the “Service Plan”); and

**WHEREAS**, at an election of the eligible electors of the Subdistrict, duly called and held on Tuesday, November 6, 2018 (the “2018 Subdistrict Election”), in accordance with law and pursuant to due notice, a majority of those eligible to vote and voting at the 2018 Subdistrict Election voted in favor of, *inter alia*, the issuance of general obligation subdistrict indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities; and

**WHEREAS**, the Board of Directors of the Subdistrict (the “Subdistrict Board”) has heretofore determined that it is necessary to pay the costs of acquiring, constructing, and installing a portion of the facilities the debt for which was approved by the 2018 Subdistrict Election (the “Subdistrict Project”); and

**WHEREAS**, the Subdistrict Board has determined that it is in the best interests of the Subdistrict, and the residents and taxpayers thereof, that that the Subdistrict Project be financed by the issuance of bonds, and that for such purpose there shall be issued bonds of the Subdistrict in the approximate principal amount of \$20,495,000 (the “Subdistrict Series 2022 Bonds”); and

**WHEREAS**, at an election of the qualified electors of Meridian Ranch MD, duly called and held on Tuesday, November 7, 2000 (the “2000 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2000 Election voted in favor of, *inter alia*, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities and refunding debt for the same; and

**WHEREAS**, subsequent to the 2000 Election and from the authorization thereof, Meridian Ranch MD issued various series of bonds and debt obligations, and currently has outstanding the following obligations:

(i) Subordinate General Obligation Limited Tax Refunding Bonds, Series 2008, originally issued in the aggregate principal amount of \$27,715,000 and currently outstanding in the aggregate principal amount of \$7,000,000 (the “Series 2008 Bonds”);

(ii) Promissory Note, Series 2013, originally issued in the aggregate principal amount of \$33,500,000, and currently outstanding in the aggregate principal amount of \$25,210,000 (the “Series 2013 Loan”); and

(iii) Promissory Note, Series 2014, originally issued in the aggregate principal amount of \$3,500,000, and currently outstanding in the aggregate principal amount of \$2,760,000 (the “Series 2014 Loan”); and

(iv) Promissory Note, Series 2018, originally issued in the aggregate principal amount of \$24,000,000, and currently outstanding in the aggregate principal amount of \$22,800,000 (the “Series 2018 Loan” and, together with the Series 2008 Bonds, the Series 2013 Loan, and the Series 2014 Loan, the “Meridian Ranch MD Outstanding Obligations”); and

**WHEREAS**, the Series 2008 Bonds, Series 2013 Loan, the Series 2014 Loan, and the Series 2018 Loan are the only currently outstanding general obligations of Meridian Ranch MD; and

**WHEREAS**, Meridian Ranch MD Board has determined that by entering into a refunding program with respect to the Series 2008 Bonds, Series 2013 Loan, the Series 2014 Loan, and the Series 2018 Loan, Meridian Ranch MD can (i) avoid or terminate any default in the payment of interest on or principal of, or both principal of and interest on, Meridian Ranch MD’s currently outstanding obligations; (ii) reduce certain interest costs; (iii) modify or eliminate restrictive contractual limitations relating to the incurring of additional indebtedness or to any system or facility, or improvement thereto; (iv) effect other economies; or (v) any combination of the foregoing purposes; and

**WHEREAS**, the Meridian Ranch MD Board has determined that it is in the best interests of Meridian Ranch MD, and the residents and taxpayers thereof, that the Meridian Ranch MD Outstanding Obligations be refunded, and that for such purpose there shall be issued and delivered a note or notes of Meridian Ranch MD in the approximate principal amount of \$56,930,000 (the “Meridian Ranch MD Series 2022 Note”); and

**WHEREAS**, in accordance with the Service Plan, the ad valorem property taxes imposed by Meridian Ranch MD and the Subdistrict for the payment of debt obligations may not exceed, in the aggregate, the Maximum Debt Service Mill Levy Cap (as described and defined in the Service Plan) and, as a result, the number of mills available to be pledged by the Subdistrict and Meridian Ranch MD for payment of the Meridian Ranch MD Series 2022 Note and the Subdistrict Series 2022 Bonds is limited to 50 mills, subject to adjustment as described in the Service Plan; and

**WHEREAS**, in order to facilitate the issuance of the Subdistrict Series 2022 Bonds, the Meridian Ranch MD Series 2022 Note, and any additional general obligations of either such party in the future, the parties desire to enter into this Agreement for the purpose of limiting the issuance of additional indebtedness by Meridian Ranch MD and the Subdistrict and limiting the number of mills that Meridian Ranch MD and the Subdistrict may impose for the payment of general obligation indebtedness; and

**WHEREAS**, the Subdistrict and Meridian Ranch MD have determined and hereby determine that the execution of this Agreement, the issuance of the Subdistrict Series 2022 Bonds, any Subdistrict Refunding Bonds, and the Meridian Ranch MD Series 2022 Note are in the best interests of the Subdistrict, Meridian Ranch MD, and the residents, property owners, and taxpayers thereof and in furtherance of the purposes of the Subdistrict and Meridian Ranch MD, as set forth in the Service Plan.

## **COVENANTS**

**NOW, THEREFORE**, for and in consideration of the foregoing recitals which are incorporated by reference as though fully set forth below, the promises and the mutual covenants and stipulations herein, and other good and valuable consideration the receipt and sufficiency of which are acknowledged by the parties, the Subdistrict and Meridian Ranch MD hereby agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01. Interpretation.** In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

(a) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of the Agreement; and the term “hereafter” means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in Section 1.02 hereof or the preambles hereto, as applicable.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

**Section 1.02. Definitions.** As used herein, unless the context expressly indicates otherwise or as otherwise defined in the preambles hereto, the words defined below and capitalized throughout the text of this Agreement shall have the respective meanings set forth below.

“*Additional Debt Obligations*” means any other indebtedness or obligation of Meridian Ranch MD or the Subdistrict payable from an ad valorem property tax debt service mill levy which, pursuant to the terms of the Service Plan, is subject to the Maximum Debt Service Mill Levy Cap (as defined and described in the Service Plan).

“*Agreement*” shall mean this Agreement and any amendment hereto made in accordance herewith.

“*Business Day*” means a day on which the Trustee or banks or trust companies in Denver, Colorado, or in New York, New York, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

“*Effective Date*” shall mean the date on which the Subdistrict issues and delivers the Subdistrict Series 2022 Bonds.

“*Maximum Debt Service Mill Levy Cap*” shall have the meaning as described in and as ascribed thereto in the Service Plan.

“*Meridian Districts Obligation Beneficiaries*” means the holders of: the Subdistrict Series 2022 Bonds; the Meridian Ranch MD Series 2022 Note; any other holders or beneficial owners of Refunding Obligations.

“*Meridian Ranch MD Series 2022 Note*” means that certain promissory note anticipated to be issued by Meridian Ranch MD in December 2022 in the approximate principal amount of \$56,930,000 pursuant to that certain Loan Agreement to be executed and delivered by Meridian Ranch MD and Key Government Finance, Inc., as lender.

“*Meridian Ranch Districts*” means, collectively, Meridian Ranch MD and the Subdistrict.

“*Refunding Obligations*” means debt obligations issued in accordance with C.R.S. 32-1-1301, et seq. by Meridian Ranch MD or the Subdistrict solely for the purpose of refunding all or any portion of the Subdistrict Series 2022 Bonds or the Meridian Ranch MD Series 2022 Note; and for which the aggregate maximum ad valorem property tax levy pledged to the payment of any such Refunding Obligations will not, in combination with any other debt obligations outstanding of the Meridian Ranch Districts, exceed the Maximum Debt Service Mill Levy Cap,

and provided, however, that proceeds of such Refunding Obligations may also be applied to pay all expenses in connection with such refunding, to fund reserve funds and capitalized interest, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products and other costs of issuance pertaining to such refunding.

“*Service Plan*” has the meaning assigned it in the recitals hereto.

“*Subdistrict Series 2022 Bonds*” means the General Obligation Limited Tax Bonds, Series 2022, anticipated to be issued in the approximate principal amount of \$20,495,000 dated as of the date of issuance, and issued by the Subdistrict pursuant to the Subdistrict Series 2022 Bonds Indenture.

“*Subdistrict Series 2022 Bonds Indenture*” means the Indenture of Trust anticipated to be issued and executed in December 2022, by and between the Subdistrict and BOKF, N.A., as trustee, pursuant to which the Subdistrict 2022 Bonds will be issued.

“*Subdistrict Refunding Bonds*” means any bonds, notes or other obligations issued by the Subdistrict for the purpose of refunding the Subdistrict Series 2022 Bonds or any refundings thereof and shall exclude the issuance of any new money debt.

“*Term*” means the period commencing on the Effective Date, and ending on the date upon which all amounts due with respect to the Subdistrict Series 2022 Bonds, any Subdistrict Refunding Bonds, and any Additional Debt Obligations issued by the Subdistrict have been defeased and/or paid in full, in accordance with the Subdistrict Series 2022 Bonds Indenture and any other resolution, indenture, loan agreement or other agreement or instrument pursuant to which Subdistrict Refunding Bonds or Additional Debt Obligations, as applicable, are issued.

“*Trustee*” means BOKF, N.A., as trustee under the Subdistrict Series 2022 Bonds Indenture, or any successor trustee appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of the Subdistrict Series 2022 Bonds Indenture.

## ARTICLE II

### MERIDIAN RANCH MD AND SUBDISTRICT COVENANTS RELATING TO ADDITIONAL DEBT

**Section 2.01. Limitations on Issuance of Debt Obligations.** Each of the Meridian Ranch Districts covenants that for so long as the Meridian Ranch MD Series 2022 Note, the Subdistrict Series 2022 Bonds, or any Refunding Obligations of either such debt obligation is outstanding, it will not issue or incur any Additional Debt Obligations without the consent of the other Meridian Ranch District, provided, however, that:

(a) Meridian Ranch MD may issue the Meridian Ranch MD Series 2022 Note, the Subdistrict may issue the Subdistrict Series 2022 Bonds, and each of the Meridian Ranch Districts may issue any Refunding Obligations thereof without the prior written consent of the other Meridian Ranch District; and

(b) Meridian Ranch MD may issue Additional Debt Obligations without the prior written consent of the Subdistrict so long as the maximum debt service mill levy pledged for the repayment of such Additional Debt Obligations is equal to or less than 48 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, *as of collection year 2023*, at which such time the residential assessment rate is 6.95%), provided however, that if, on or after collection year 2023, there are further changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the maximum mill levy provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Meridian Ranch MD Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(c) The Subdistrict may issue Additional Debt Obligations without the prior written consent of Meridian Ranch MD so long as the maximum debt service mill levy pledged for the repayment of such Additional Debt Obligations is equal to or less than 20 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, *as of collection year 2023*, at which such time the residential assessment rate is 6.95%), provided however, that if, on or after collection year 2023, there are further changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the maximum mill levy provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Subdistrict Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

**Section 2.02. Additional Covenants.** For so long as the Meridian Ranch MD Series 2022 Note, the Subdistrict Series 2022 Bonds, or any Refunding Obligations of either such debt obligation is outstanding:

(a) Each of the Meridian Ranch Districts irrevocably covenants that it will maintain its existence and shall not merge or otherwise alter its corporate structure, and will continue to operate and manage such Meridian Ranch District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) Meridian Ranch MD irrevocably covenants that at least once a year it will cause an audit to be performed of the records relating to its revenues and expenditures, and reflecting the Subdistrict and its revenues and expenditures as a component unit of Meridian Ranch MD. Meridian Ranch MD shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar



year. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, each of the Meridian Ranch Districts will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) Meridian Ranch MD irrevocably covenants that it will carry general liability, public officials liability, and such other forms of insurance coverage on insurable Meridian Ranch MD property upon the terms and conditions, and in such amount, as in the judgment of Meridian Ranch MD will protect Meridian Ranch MD and its operations and the Subdistrict and its operations, and, as necessary, will cause separate bonding or insurance coverage for the Subdistrict in accordance with the requirements of the indenture of trust relating to the issuance of the Subdistrict Series 2022 Bonds and the loan agreement pursuant to which the Meridian Ranch MD Series 2022 Note is delivered.

(d) Meridian Ranch MD irrevocably covenants that each Meridian Ranch MD official or other person having custody of any Meridian Ranch MD funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times and, as necessary, will cause bonding or insurance coverage for the Subdistrict in accordance with the requirements of the indenture of trust relating to the issuance of the Subdistrict Series 2022 Bonds and the loan agreement pursuant to which the Meridian Ranch MD Series 2022 Note is delivered.

### ARTICLE III

#### EVENTS OF DEFAULT AND REMEDIES

**Section 3.01. Events of Default.** The occurrence or existence of any one or more of the following events shall be an “Event of Default” hereunder, and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon the other party;

(b) any party fails in the performance of any other of its covenants in this Agreement, and such failure continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to such party; or

(c) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, the Trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there

shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within ninety (90) days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within ninety (90) days from the entry thereof, or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

**Section 3.02. Remedies for Events of Default.** Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance; provided the parties waive any claims against each other for special, incidental, consequential, economic or punitive damages of any kind arising out of or related to the performance or non-performance of the Agreement. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall be entitled, as part of its judgment or award, to its reasonable attorneys' fees and costs.

## ARTICLE IV

### MISCELLANEOUS

**Section 4.01. Representations and Warranties of the Districts.** Each of the Meridian Ranch Districts makes the following representations and warranties with respect to itself:

(a) The District is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado.

(b) The District has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement. The District's execution, delivery, and performance of this Agreement has been duly authorized by all necessary action.

(c) The District is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect the ability of the District to perform its obligations hereunder. The execution, delivery and performance by the District of this Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting the operations or activities of the District in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any

provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of the revenues or other assets of the District pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which the District is a party or which purports to be binding upon the District or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) The District has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by the District of this Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best knowledge of the District threatened, in connection with any of the transactions contemplated by this Agreement nor, to the best knowledge of the District is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of the District to perform its obligations under, this Agreement.

(f) This Agreement constitutes the legal, valid, and binding obligation of the District, enforceable against the District in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

**Section 4.02. Notices.** Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

**Subdistrict:** Meridian Ranch Metropolitan District 2018 Subdistrict  
11886 Stapleton Drive  
Falcon, Colorado 80831  
Email: j.nikkel@meridianservice.org

With copy to:  
Meridian Ranch Metropolitan District 2018 Subdistrict  
c/o Ron Fano, Esq., Spencer Fane LLP  
1700 Lincoln St., Suite 2000  
Denver, Colorado 80203  
Email: rfano@spencerfane.com

**Meridian Ranch MD:** Meridian Ranch Metropolitan District  
11886 Stapleton Drive  
Falcon, Colorado 80831  
Email: j.nikkel@meridianservice.org

With copy to:  
Meridian Ranch Metropolitan District  
c/o Spencer Fane LLP  
1700 Lincoln St., Suite 2000  
Denver, Colorado 80203  
Email: rfano@spencerfane.com

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one (1) day after hand delivery or three (3) days after mailing. Any notice party by written notice so provided may change the address to which future notices shall be sent.

**Section 4.03. Miscellaneous.**

(a) This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. In the event of any conflict between provisions of this Agreement and any other agreement between the parties, provisions of this Agreement shall control. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Agreement.

(b) If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) It is intended that there be no third party beneficiaries of this Agreement, other than the Trustee and the Meridian Districts Obligation Beneficiaries. The Trustee and the Meridian Districts Obligation Beneficiaries are hereby made express third party beneficiaries to this Agreement with respect to the provisions of Articles II and III, including, without limitations, the covenants and undertakings of the Meridian Ranch Districts and Additional Debt Obligations. Nothing contained herein, expressed or implied, is intended to give to any person other than the parties hereto, Meridian Districts Obligation Beneficiaries and the Trustee any claim, remedy, or right under or pursuant hereto, and any agreement, condition, covenant, or term contained herein required to be observed or performed by or on behalf of any party hereto shall be for the sole and exclusive benefit of the other party.

(d) This Agreement may not be assigned or transferred by any party without the prior written consent of each of the other party.

(e) This Agreement shall be governed by and construed under the applicable laws of the State of Colorado.

(f) Venue for any and all claims brought by either Party to enforce any provision of this Agreement shall be the District Court in and for the County.

(g) This Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties; and further provided that any such amendment or supplement shall be subject to the limitations set forth in the Indenture.

(h) If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which banks in Denver, Colorado are authorized or required by law to remain closed.

(i) Each party has participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(j) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 4.04. Effective Date; Term.** This Agreement shall become effective on the Effective Date and shall cease and terminate upon the expiration of the Term, as defined herein.

**Section 4.05. Electronic Execution and Storage.** The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. Without limiting the foregoing, the parties agree that any individual or individuals who are authorized to execute or consent to this Agreement or any supplement or consent relating thereto on behalf of the Subdistrict or Meridian Ranch MD are hereby authorized to execute the same electronically via facsimile or email signature. This agreement by the parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Agreement or any supplement or consent relating thereto shall carry the full legal force and effect of any original, handwritten signature.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Subdistrict and Meridian Ranch MD have executed this Agreement as of the day and year first above written.

**MERIDIAN RANCH METROPOLITAN  
DISTRICT 2018 SUBDISTRICT**

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**MERIDIAN RANCH METROPOLITAN  
DISTRICT**

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**RESOLUTION (MRMD \_\_\_\_\_) TO AMEND 2022 BUDGET  
MERIDIAN RANCH METROPOLITAN DISTRICT**

WHEREAS, the Board of Directors of the **MERIDIAN RANCH METROPOLITAN DISTRICT** appropriated funds for the fiscal year 2022 as follows:

General Fund	\$ 461,095
Debt Service Fund	\$ 4,393,865
Conservation Trust Fund	\$ 55,000

; and

WHEREAS, the necessity has arisen for additional expenditures or appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2022; and

WHEREAS, the expenditures are a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, the necessity has arisen for additional appropriations and expenditures of funds as reflected by satisfactory evidence presented to the Board of Directors at this meeting and set out in the amended budget attached hereto as **Exhibit A**; and

WHEREAS, funds are available for such expenditures from revenue funds available to the District; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget amendment was available for inspection by the public at a designated public office, a public hearing was held on December 7, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget amendment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the **MERIDIAN RANCH METROPOLITAN DISTRICT** shall, and hereby does, amend the budget for the fiscal year 2022 as follows:

General Fund	\$ 483,966
Debt Service Fund	\$67,052,582
Conservation Trust Fund	\$ 60,000

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the Funds referenced above for the purposes stated.

Adopted this 7<sup>th</sup> day of December, 2022.

**MERIDIAN RANCH  
METROPOLITAN DISTRICT**

By: \_\_\_\_\_  
Milton B. Gabrielski, President

ATTEST:

\_\_\_\_\_  
Wayne Reorda, Secretary/Treasurer



**EXHIBIT A**  
**(Amended Budget for Fiscal Year 2022)**

**MERIDIAN RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
2022 BUDGET AMENDMENT**

	<b>BUDGET AMOUNTS</b>	
	<b>ADOPTED</b>	<b>AMENDED</b>
<b>REVENUES</b>		
Property taxes	\$ 538,466	\$ 538,466
Specific ownership taxes	46,378	53,000
Interest income	500	10,000
Miscellaneous	-	1,195
<b>Total revenues</b>	<b>585,344</b>	<b>602,661</b>
<b>EXPENDITURES</b>		
Audit	10,000	10,906
District management and accounting	30,000	21,000
Certified UB - MSMD	-	-
County Treasurer's fees	8,077	8,077
Directors fees	12,000	12,000
Dues and subscriptions	1,500	1,500
Election	20,000	44,965
Insurance	5,000	5,000
Legal	5,000	5,000
Miscellaneous	1,000	7,000
Payroll taxes	918	918
IGA - Meridian Service	350,000	350,000
Contingency reserve	17,600	17,600
<b>Total expenditures</b>	<b>461,095</b>	<b>483,966</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>124,249</b>	<b>118,695</b>
<b>BEGINNING FUND BALANCE</b>	<b>858,559</b>	<b>862,300</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 982,808</b>	<b>\$ 980,995</b>

**MERIDIAN RANCH METROPOLITAN DISTRICT  
DEBT FUND  
2022 BUDGET AMENDMENT**

	<b>BUDGET AMOUNTS</b>	
	<b><u>ADOPTED</u></b>	<b><u>AMENDED</u></b>
<b>REVENUES</b>		
Property taxes	\$ 2,153,669	\$ 2,153,669
Specific ownership taxes	185,510	185,510
Facilities fees transferred from Meridian Service	4,750,000	4,750,000
Interest income	1,500	45,000
<b>Total revenues</b>	<b><u>7,090,679</u></b>	<b><u>7,134,179</u></b>
<b>EXPENDITURES</b>		
County treasurer's fees	32,305	32,305
Bond interest - Series 2008	350,000	360,000
Bond principal - Series 2008	-	7,000,000
Loan interest - Series 2013	807,036	850,000
Loan principal - Series 2013	1,060,000	26,270,000
Loan interest - Series 2014	92,243	95,000
Loan principal - Series 2014	110,000	2,870,000
Loan interest - Series 2018	840,281	875,000
Loan principal - Series 2018	350,000	23,150,000
Paying agent fees	1,000	1,000
IGA - Meridian Service	750,000	5,061,135
Miscellaneous	1,000	1,000
<b>Total expenditures</b>	<b><u>4,393,865</u></b>	<b><u>66,565,440</u></b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b><u>2,696,814</u></b>	<b><u>(59,431,261)</u></b>
<b>OTHER FINANCING USES</b>		
Bond proceeds	-	58,330,000
Cost of issuance	-	(487,142)
<b>Total other financing uses</b>	<b><u>-</u></b>	<b><u>57,842,858</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,696,814</b>	<b>(1,588,403)</b>
<b>BEGINNING FUND BALANCE</b>	<b><u>6,588,935</u></b>	<b><u>7,585,136</u></b>
<b>ENDING FUND BALANCE</b>	<b><u>\$ 9,285,749</u></b>	<b><u>\$ 5,996,733</u></b>

**MERIDIAN RANCH METROPOLITAN DISTRICT  
CTF FUND  
2022 BUDGET AMENDMENT**

	<b>BUDGET AMOUNTS</b>	
	<b>ADOPTED</b>	<b>AMENDED</b>
<b>REVENUES</b>		
Conservation Trust funds	\$ 55,000	\$ 60,000
<b>Total revenues</b>	55,000	60,000
<b>EXPENDITURES</b>		
Transfer to Meridian Service	55,000	60,000
<b>Total expenditures</b>	55,000	60,000
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	-	-
<b>BEGINNING FUND BALANCE</b>	-	-
<b>ENDING FUND BALANCE</b>	\$ -	\$ -

**RESOLUTION (MRMD 2018 SD \_\_\_\_\_) TO AMEND 2022 BUDGET  
MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**

WHEREAS, the Board of Directors of the **MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT** appropriated funds for the fiscal year 2022 as follows:

General Fund	\$ 19,729
Debt Service Fund	\$ 0

; and

WHEREAS, the necessity has arisen for additional expenditures or appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2022; and

WHEREAS, the expenditures are a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, the necessity has arisen for additional appropriations and expenditures of funds as reflected by satisfactory evidence presented to the Board of Directors at this meeting and set out in the amended budget attached hereto as **Exhibit A**; and

WHEREAS, funds are available for such expenditures from revenue funds available to the District; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget amendment was available for inspection by the public at a designated public office, a public hearing was held on December 7, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget amendment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the **MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT** shall, and hereby does, amend the budget for the fiscal year 2022 as follows:

General Fund	\$ 36,383
Debt Service	\$659,900

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the Funds referenced above for the purposes stated.

Adopted this 7<sup>th</sup> day of December, 2022.

**MERIDIAN RANCH METROPOLITAN  
DISTRICT 2018 SUBDISTRICT**

By: \_\_\_\_\_  
Milton B. Gabrielski, President

ATTEST:

\_\_\_\_\_  
Wayne Reorda, Secretary/Treasurer

**EXHIBIT A**  
**(Amended Budget for Fiscal Year 2022)**

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
GENERAL FUND  
2022 BUDGET AMENDMENT**

	<b>BUDGET AMOUNTS</b>	
	<b>ADOPTED</b>	<b>AMENDED</b>
<b>REVENUES</b>		
Property taxes	\$ 145,594	\$ 145,594
Specific ownership taxes	5,824	14,160
Interest income	50	1,800
<b>Total revenues</b>	<b>151,468</b>	<b>161,554</b>
<b>EXPENDITURES</b>		
Accounting and management	5,000	5,000
Audit	1,000	524
Election	6,000	3,130
Legal	1,000	1,000
County treasurer fees	2,189	2,189
Miscellaneous	-	20,000
3% TABOR reserve	4,540	4,540
<b>Total expenditures</b>	<b>19,729</b>	<b>36,383</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>131,739</b>	<b>125,171</b>
<b>BEGINNING FUND BALANCE</b>	<b>78,897</b>	<b>79,743</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 210,636</b>	<b>\$ 204,914</b>



**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
DEBT FUND  
2022 BUDGET AMENDMENT**

	<b>BUDGET AMOUNTS</b>	
	<b>ADOPTED</b>	<b>AMENDED</b>
<b>REVENUES</b>		
Revenues	\$ -	\$ -
<b>Total revenues</b>	-	-
<b>EXPENDITURES</b>		
Expenses	-	-
<b>Total expenditures</b>	-	-
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	-	-
<b>OTHER FINANCING SOURCES (USES)</b>		
Bond issuance proceeds	-	20,495,000
Bond issuance cost	-	(659,900)
<b>Total other financing sources (uses)</b>	-	19,835,100
<b>NET CHANGE IN FUND BALANCE</b>	-	19,835,100
 <b>BEGINNING FUND BALANCE</b>	 -	 -
<b>ENDING FUND BALANCE</b>	\$ -	\$ 19,835,100

**BUDGET RESOLUTION  
(2023)**

**CERTIFIED COPY OF RESOLUTION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF EL PASO )

At the regular meeting of the Board of Directors of the Meridian Ranch Metropolitan District, El Paso County, Colorado, held at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, 80831 at 10:00 a.m., on December 7, 2022, there were present:

Milton "Butch" Gabrielski  
Wayne Reorda  
Mike Fenton  
William Gessner  
Robert Guevara

Also present were:

Jim Nikkel, General Manager, Meridian Service Metropolitan District  
Ron Fano, Esq.

The General Manager reported that, prior to the meeting, each of the directors of the date, time and place of this meeting and the purpose for which it was called, and further reported that this is a regular meeting of the Board of Directors of the District and that a notice of the meeting was posted in accordance with statute.

Thereupon, Director \_\_\_\_\_ introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MERIDIAN RANCH METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023 AND ENDING ON THE LAST DAY OF DECEMBER, 2023.

WHEREAS, the Board of Directors (the “Board”) of the Meridian Ranch Metropolitan District (the “District”) has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, published in a newspaper having general circulation within the boundaries of the District, in accordance with Colorado law said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 am on December 7, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MERIDIAN RANCH METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$567,772, and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$103,231,360. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 5.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2023.

Section 4. 2023 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$2,683,809 and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$103,231,360. That for the purposes of meeting all debt retirement expenses of the strict during the 2023 budget year, there is hereby levied a tax of 25.998 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2023.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the El Paso County Board of County Commissioners, no later than December 15, 2022, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director \_\_\_\_\_.

RESOLUTION APPROVED AND ADOPTED ON DECEMBER 7, 2022.

MERIDIAN RANCH METROPOLITAN DISTRICT

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF COLORADO  
COUNTY OF EL PASO  
MERIDIAN RANCH METROPOLITAN DISTRICT

I, Wayne Reorda, hereby certify that I am a director and the duly elected and qualified Secretary of Meridian Ranch Metropolitan District (the “District”), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 10:00 a.m. on December 7, 2022, at Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, 80831 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2023 Budget as approved by the Board of Directors.

Subscribed and sworn to this 7<sup>th</sup> day of December, 2022.

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Secretary

**EXHIBIT A**  
**2023 BUDGET DOCUMENT & BUDGET MESSAGE FOR**  
**MERIDIAN RANCH METROPOLITAN DISTRICT**

**MERIDIAN RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
2023 PROPOSED BUDGET  
WITH 2021 ACTUAL, 2022 BUDGET, 2022 YTD ACTUAL AND 2022 ESTIMATED AMOUNTS  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	Modified Accrual Basis		Cash Basis	Modified Accrual Basis	
	2021 Actual	2022 Budget	YTD Actual 9/30/2022	2022 Estimated	2023 Proposed
<b>REVENUES</b>					
Property taxes	\$ 432,179	\$ 538,466	\$ 535,020	\$ 538,466	\$ 567,772
Specific ownership taxes	50,755	46,378	41,234	53,000	48,854
Interest	-	500	8,267	10,000	5,000
Miscellaneous	-	-	1,195	1,195	-
<b>Total revenues</b>	<b>482,934</b>	<b>585,344</b>	<b>585,716</b>	<b>602,661</b>	<b>621,626</b>
<b>EXPENDITURES</b>					
Audit	10,854	10,000	3,556	10,906	13,000
Accounting and management	21,592	30,000	15,683	21,000	30,000
County treasurer fees	6,487	8,077	8,030	8,077	8,517
Director fees	7,900	12,000	4,576	12,000	12,000
Dues and memberships	598	1,500	1,238	1,500	1,500
Election	472	20,000	44,965	44,965	45,000
Insurance	4,702	5,000	250	5,000	5,000
Legal	142	5,000	772	5,000	5,000
Miscellaneous	1,213	1,000	5,078	7,000	1,000
Payroll taxes	604	918	421	918	918
IGA expense - MSMD General Fund	260,000	350,000	350,000	350,000	350,000
3% TABOR reserve	-	17,600	-	-	14,200
<b>Total expenditures</b>	<b>314,564</b>	<b>461,095</b>	<b>434,569</b>	<b>466,366</b>	<b>486,135</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>168,370</b>	<b>124,249</b>	<b>151,147</b>	<b>136,295</b>	<b>135,491</b>
<b>OTHER FINANCING USES</b>					
Transfer to other funds	(232)	-	-	-	-
<b>Total other financing uses</b>	<b>(232)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>168,138</b>	<b>\$ 124,249</b>	<b>\$ 151,147</b>	<b>136,295</b>	<b>135,491</b>
<b>BEGINNING FUND BALANCE</b>	<b>694,162</b>			<b>862,300</b>	<b>998,595</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 862,300</b>			<b>\$ 998,595</b>	<b>\$ 1,134,086</b>

**MERIDIAN RANCH METROPOLITAN DISTRICT  
DEBT FUND  
2023 PROPOSED BUDGET  
WITH 2021 ACTUAL, 2022 BUDGET, 2022 YTD ACTUAL AND 2022 ESTIMATED AMOUNTS  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	Modified Accrual Basis		Cash Basis	Modified Accrual Basis	
	2021 Actual	2022 Adopted Budget	YTD Actual 9/30/2022	2022 Estimated	2023 Proposed
<b>REVENUES</b>					
Property taxes	\$ 1,728,555	\$ 2,153,669	\$ 2,139,887	\$ 2,153,669	\$ 2,683,809
Specific ownership taxes	203,022	185,510	164,932	185,510	230,926
Facilities fees transferred from MSMD	3,964,500	4,750,000	4,611,000	4,750,000	1,000,000
Interest	2,009	1,500	35,535	45,000	15,000
<b>Total revenues</b>	<b>5,898,086</b>	<b>7,090,679</b>	<b>6,951,354</b>	<b>7,134,179</b>	<b>3,929,735</b>
<b>EXPENDITURES</b>					
County treasurer fees	25,945	32,305	32,114	32,305	40,257
Bond interest (Subordinate)	350,000	350,000	-	356,806	-
Bond principal (Subordinate)	-	-	-	7,000,000	-
Loan interest (2013 \$33.5 M)	837,450	807,036	402,413	821,889	-
Loan principal (2013 \$33.5M)	990,000	1,060,000	-	26,270,000	-
Loan interest (2014 \$3.5 M)	95,617	92,243	45,995	93,945	-
Loan principal (2014 \$3.5M)	105,000	110,000	-	2,870,000	-
Loan interest (2018 \$24M)	851,170	840,281	418,989	856,152	-
Loan principal (2018 \$24M)	300,000	350,000	-	23,150,000	-
Gen Obligation Refunding 2022 - Principal	-	-	-	-	245,000
Gen Obligation Refunding 2022 - Interest	-	-	-	-	2,743,710
Paying agent fees	200	1,000	200	1,000	1,000
Transfer to Meridian Service MD	-	750,000	5,061,135	5,061,135	3,800,000
Miscellaneous	511	1,000	-	1,000	1,000
<b>Total expenditures</b>	<b>3,555,893</b>	<b>4,393,865</b>	<b>5,960,846</b>	<b>66,514,232</b>	<b>6,830,967</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,342,193</b>	<b>2,696,814</b>	<b>990,508</b>	<b>(59,380,053)</b>	<b>(2,901,232)</b>
<b>OTHER FINANCING SOURCES</b>					
Transfer from other funds	232	-	-	-	-
Bond proceeds	-	-	-	58,330,000	-
Cost of issuance	-	-	-	(487,142)	-
<b>Total other financing sources</b>	<b>232</b>	<b>-</b>	<b>-</b>	<b>57,842,858</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,342,425</b>	<b>\$ 2,696,814</b>	<b>\$ 990,508</b>	<b>(1,537,195)</b>	<b>(2,901,232)</b>
<b>BEGINNING FUND BALANCE</b>	<b>5,242,711</b>			<b>7,585,136</b>	<b>6,047,941</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 7,585,136</b>			<b>\$ 6,047,941</b>	<b>\$ 3,146,709</b>



**MERIDIAN RANCH METROPOLITAN DISTRICT  
 CONSERVATION TRUST FUND  
 2023 PROPOSED BUDGET  
 WITH 2021 ACTUAL, 2022 BUDGET, 2022 YTD ACTUAL AND 2022 ESTIMATED AMOUNTS  
 FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>Modified Accrual Basis</u>		<u>Cash Basis</u>	<u>Modified Accrual Basis</u>	
	<u>2021 Actual</u>	<u>2022 Adopted Budget</u>	<u>YTD Actual 9/30/2022</u>	<u>2022 Estimated</u>	<u>2023 Proposed</u>
<b>REVENUES</b>					
Conservation trust entitlements	\$ 51,017	\$ 55,000	\$ 41,489	\$ 60,000	\$ 65,000
<b>Total revenues</b>	<u>51,017</u>	<u>55,000</u>	<u>41,489</u>	<u>60,000</u>	<u>65,000</u>
<b>EXPENDITURES</b>					
Transfer to Meridian Service MD	51,017	55,000	41,489	60,000	65,000
<b>Total expenditures</b>	<u>51,017</u>	<u>55,000</u>	<u>41,489</u>	<u>60,000</u>	<u>65,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	<u>\$ -</u>	-	-	-
<b>BEGINNING FUND BALANCE</b>	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DRAFT - FOR DISCUSSION PURPOSES

MERIDIAN RANCH METROPOLITAN DISTRICT										
TAX SUMMARY INFORMATION										
For the Years Ended and Ending December 31,										
	Received	Sept 2015	Nov 2016	Nov 2017	Sept 2018	Sept 2019	Sept 2020	Nov 2021	Nov 2022	
		Final 2016	Final 2017	Final 2018	Final 2019	Final 2020	Final 2021	Final 2022	Final 2023	
<b>ASSESSED VALUATION - EL PASO</b>										
	Residential	\$ 35,099,160	\$ 39,286,830	\$ 43,348,000	\$ 49,870,830	\$ 63,510,450	\$ 69,150,580	\$ 86,626,340	\$ 90,529,070	
	Commercial	351,860	824,080	1,456,140	1,581,120	1,310,270	1,715,800	2,073,070	2,162,110	
	Agricultural	-	-	-	-	-	-	-	-	
	Natural Resources	-	-	-	-	-	-	-	150	
	Vacant Land	4,291,050	4,965,770	5,926,100	8,305,730	7,090,960	6,316,810	7,614,100	9,170,430	
	State Assessed	740,210	1,085,120	1,221,980	1,113,520	1,341,680	1,404,730	1,589,440	1,369,600	
	Certified Assessed Value	\$ 40,482,280	\$ 46,161,800	\$ 51,952,220	\$ 60,871,200	\$ 73,253,360	\$ 78,587,920	\$ 97,902,950	\$ 103,231,360	
<b>MILL LEVY</b>										
	GENERAL FUND	5.000	5.000	5.500	5.500	5.500	5.500	5.500	5.500	5.500
	DEBT SERVICE FUND	20.000	20.000	21.998	21.998	21.998	21.998	21.998	21.998	25.998
	Total Mill Levy	25.000	25.000	27.498	27.498	27.498	27.498	27.498	31.498	
<b>PROPERTY TAXES</b>										
	GENERAL FUND	\$ 202,411	\$ 230,809	\$ 285,737	\$ 334,792	\$ 402,893	\$ 432,234	\$ 538,466	\$ 567,772	
	DEBT SERVICE FUND	809,646	923,236	1,142,845	1,339,045	1,611,427	1,728,777	2,153,669	2,683,809	
	Total Property Taxes	\$ 1,012,057	\$ 1,154,045	\$ 1,428,582	\$ 1,673,836	\$ 2,014,320	\$ 2,161,011	\$ 2,692,135	\$ 3,251,581	
	Specific Ownership Taxes	\$ 7,245	\$ 7,607	\$ 7,988	\$ 8,387	\$ 13,419	\$ 21,148	\$ 22,205	\$ 23,315	
		12	12	12	12	12	12	12	12	
		\$ 86,940	\$ 91,287	\$ 95,851	\$ 100,644	\$ 161,030	\$ 253,777	\$ 266,460	\$ 279,780	
	17%	17,388	18,257	19,170	20,129	32,206	50,755	53,292	48,854	
	83%	69,552	73,030	76,681	80,515	128,824	203,022	213,168	230,926	
		86,940	91,287	95,851	100,644	161,030	253,777	266,460	279,780	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of EL PASO COUNTY, Colorado.

On behalf of the MERIDIAN RANCH METROPOLITAN DISTRICT (taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS (governing body)<sup>B</sup>

of the MERIDIAN RANCH METROPOLITAN DISTRICT (local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 103,231,360 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/7/2022 for budget/fiscal year 2023 (not later than Dec. 15) (dd/mm/yyyy) (yyyy)

Table with 3 columns: PURPOSE (see end notes for definitions and examples), LEVY<sup>2</sup>, and REVENUE<sup>2</sup>. Rows include General Operating Expenses, Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction, General Obligation Bonds and Interest, Contractual Obligations, Capital Expenditures, Refunds/Abatements, and Other. Total: 31.498 mills, \$ 3,251,581.

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960 Signed: Title: District Manager

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

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

**CERTIFICATION OF TAX LEVIES, continued**  
**MERIDIAN RANCH METROPOLITAN DISTRICT**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.).**

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

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

**BONDS<sup>J</sup>:**

- 1. Purpose of Issue: Capital Improvements  
 Series: 2008  
 Date of Issue: October 1,2008  
 Coupon Rate: 3.00 % - 8.00 %  
 Maturity Date: December 15, 2037  
 Levy: 25.998  
 Revenue: \$3,251,581
  
- 2. Purpose of Issue: Capital Improvements  
 Series: 2013  
 Date of Issue: March 28, 2013  
 Coupon Rate: Variable  
 Maturity Date: December 1, 2042  
 Levy: Included Above  
 Revenue: Included Above

**CONTRACTS<sup>K</sup>:**

- 3. Purpose of Contract: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Principal Amount: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_
  
- 4. Purpose of Contract: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Principal Amount: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to report all bond and contractual obligations.

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**BUDGET RESOLUTION**

**(2023)**

**CERTIFIED COPY OF RESOLUTION**

STATE OF COLORADO )  
 ) ss.  
COUNTY OF EL PASO )

At the regular meeting of the Board of Directors of the Meridian Ranch Metropolitan 2018 Subdistrict, El Paso County, Colorado, held at the Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, 80831 at 10:00 a.m., on December 7, 2022, there were present:

- Milton "Butch" Gabrielski
- Wayne Reorda
- Mike Fenton
- William Gessner
- Robert Guevara

Also present were:

- Ron Fano, Esq.
- Jim Nikkel, General Manager

The District Manager reported that, prior to the meeting, each of the directors of the date, time and place of this meeting and the purpose for which it was called. The District Manager further reported that this is a regular meeting of the Board of Directors of the District and that a notice of the meeting was posted in accordance with statute.

Thereupon, Director \_\_\_\_\_ introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MERIDIAN RANCH METROPOLITAN 2018 SUBDISTRICT, EL PASO COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2023 AND ENDING ON THE LAST DAY OF DECEMBER, 2023.

WHEREAS, the Board of Directors (the “Board”) of the Meridian Ranch Metropolitan 2018 Subdistrict (the “District”) has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, published in a newspaper having general circulation within the boundaries of the District, in accordance with Colorado law said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 am on December 7, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MERIDIAN RANCH METROPOLITAN 2018 SUBDISTRICT, EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.



Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$0.00 and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$21,108,730. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2023.

Section 4. 2023 Levy of Debt Retirement Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expenses is \$422,040.00 and that the 2023 valuation for assessment, as certified by the El Paso County Assessor, is \$21,108,730. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of 20.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2023.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the El Paso County Board of County Commissioners, no later than December 15, 2022, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director \_\_\_\_\_.

RESOLUTION APPROVED AND ADOPTED on December 7, 2022.

MERIDIAN RANCH METROPOLITAN 2018  
SUBDISTRICT

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF COLORADO  
COUNTY OF EL PASO  
MERIDIAN RANCH METROPOLITAN 2018 SUBDISTRICT

I, \_\_\_\_\_, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Meridian Ranch Metropolitan 2018 Subdistrict (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 10:00 a.m. on December 7, 2022, at Meridian Ranch Recreation Center, 10301 Angeles Road, Peyton, Colorado, 80831 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2021 Budget as approved by the Board of Directors.

Subscribed and sworn to this 7<sup>th</sup> day of December, 2022.

---

Secretary

**EXHIBIT A**  
**2023 BUDGET DOCUMENT & BUDGET MESSAGE FOR**  
**MERIDIAN RANCH METROPOLITAN 2018 SUBDISTRICT**

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
GENERAL FUND  
2023 PROPOSED BUDGET  
WITH 2021 ACTUAL, 2022 BUDGET, 2022 YTD ACTUAL AND 2022 ESTIMATED AMOUNTS  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>Modified Accrual Basis</u>		<u>Cash Basis</u>	<u>Modified Accrual Basis</u>	
	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>YTD Actual 9/30/2022</u>	<u>2022 Estimated</u>	<u>2023 Proposed</u>
<b>REVENUES</b>					
Property taxes	\$ 57,022	\$ 145,594	\$ 143,246	\$ 145,594	\$ -
Specific ownership taxes	6,711	5,824	10,620	14,160	-
Interest	47	50	1,797	1,800	500
<b>Total revenues</b>	<u>63,780</u>	<u>151,468</u>	<u>155,663</u>	<u>161,554</u>	<u>500</u>
<b>EXPENDITURES</b>					
Accounting and management	4,161	5,000	3,287	5,000	5,000
Audit	798	1,000	524	524	10,000
Election	-	6,000	3,130	3,130	12,000
Legal	-	1,000	-	1,000	1,000
County treasurer fees	858	2,189	2,151	2,189	-
Miscellaneous	-	-	10,000	20,000	500
3% TABOR reserve	-	4,540	-	-	860
<b>Total expenditures</b>	<u>5,817</u>	<u>19,729</u>	<u>19,092</u>	<u>31,843</u>	<u>29,360</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>57,963</u>	<u>131,739</u>	<u>136,571</u>	<u>129,711</u>	<u>(28,860)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer from MSMD	-	-	-	-	30,000
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	57,963	<u>\$ 131,739</u>	<u>\$ 136,571</u>	129,711	1,140
<b>BEGINNING FUND BALANCE</b>	<u>21,780</u>			<u>79,743</u>	<u>209,454</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 79,743</u>			<u>\$ 209,454</u>	<u>\$ 210,594</u>

**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
DEBT FUND  
2023 PROPOSED BUDGET  
WITH 2021 ACTUAL, 2022 BUDGET, 2022 YTD ACTUAL AND 2022 ESTIMATED AMOUNTS  
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	<u>Modified Accrual Basis</u>		<u>Cash Basis</u>	<u>Modified Accrual Basis</u>	
	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>YTD Actual 9/30/2022</u>	<u>2022 Estimated</u>	<u>2023 Proposed</u>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 422,040
Specific ownership taxes	-	-	-	-	14,868
Interest	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,908</u>
<b>EXPENDITURES</b>					
County treasurer fees	-	-	-	-	6,331
Gen Obligation Bond 2022 - Principal	-	-	-	-	-
Gen Obligation Bond 2022 - Interest	-	-	-	-	1,322,924
Transfer to MSMD	-	-	-	-	1,900,000
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,229,255</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,792,347)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond issuance proceeds	-	-	-	20,495,000	-
Bond issuance cost	-	-	-	(659,900)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,835,100</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>19,835,100</u>	<u>(2,792,347)</u>
<b>BEGINNING FUND BALANCE</b>	<u>-</u>			<u>-</u>	<u>19,835,100</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>			<u>\$ 19,835,100</u>	<u>\$ 17,042,753</u>

**MERIDIAN RANCH METROPOLITAN DISTRICT  
TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

Received

Final 2019	Final 2020	Final 2021	Final 2022	Final 2023
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**ASSESSED VALUATION - EL PASO**

Residential	\$ -	\$ 212,020	\$ 2,407,420	\$ 8,983,220	\$ 12,197,270
Commercial	\$ -	\$ 60	\$ 440	\$ 3,100	\$ 3,660
Agricultural	\$ -	\$ -	\$ -	\$ -	\$ -
Natural Resources	\$ -	\$ -	\$ -	\$ -	\$ -
Vacant Land	\$ 605,750	\$ 2,298,460	\$ 3,123,460	\$ 5,421,990	\$ 8,702,090
State Assessed	\$ -	\$ 25,080	\$ 183,340	\$ 186,150	\$ 198,990
Certified As	<u>\$ 605,750</u>	<u>\$ 2,535,620</u>	<u>\$ 5,714,660</u>	<u>\$ 14,594,460</u>	<u>\$ 21,102,010</u>

**MILL LEVY**

GENERAL FUND	10.000	10.000	10.000	10.000	0.000
DEBT SERVICE FUND	0.000	0.000	0.000	0.000	20.000
Total Mill Levy	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>	<u>20.000</u>

**PROPERTY TAXES**

GENERAL FUND	\$6,057.50	\$25,356.20	\$57,146.60	\$ 145,945	\$ -
DEBT SERVICE FUND	0.00	0.00	0.00	\$ -	\$ 422,040
Total Property Taxes	<u>\$6,057.50</u>	<u>\$25,356.20</u>	<u>\$57,146.60</u>	<u>\$ 145,945</u>	<u>\$ 422,040</u>

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of EL PASO COUNTY, Colorado.

On behalf of the MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT,  
(taxing entity)<sup>A</sup>

the BOARD OF DIRECTORS  
(governing body)<sup>B</sup>

of the MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 21,102,010 assessed valuation of: (GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: (NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATIN OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

**Submitted:** 12/7/2022 for budget/fiscal year 2023.  
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

<u>PURPOSE</u> (see end notes for definitions and examples)	<u>LEVY</u> <sup>2</sup>	<u>REVENUE</u> <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>        </u> > mills	\$ < <u>        </u> >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>0</u> mills	\$ <u>0</u>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>20.000</u> mills	\$ <u>422,040</u>
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b>20.000</b> mills	\$ <b>422,040</b>

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960  
Signed: \_\_\_\_\_ Title: District Manager

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

**CERTIFICATION OF TAX LEVIES, continued**

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



**MERIDIAN RANCH METROPOLITAN DISTRICT 2018 SUBDISTRICT**

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

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

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

**BONDS<sup>J</sup>:**

- 1. Purpose of Issue: \_\_\_\_\_  
 Series: \_\_\_\_\_  
 Date of Issue: \_\_\_\_\_  
 Coupon Rate: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_
  
- 2. Purpose of Issue: \_\_\_\_\_  
 Series: \_\_\_\_\_  
 Date of Issue: \_\_\_\_\_  
 Coupon Rate: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

**CONTRACTS<sup>K</sup>:**

- 3. Purpose of Contract: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Principal Amount: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_
  
- 4. Purpose of Contract: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Principal Amount: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to report all bond and contractual obligations.

Notes:

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

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

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

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

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

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

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

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

**<sup>H</sup> General Operating Expenses (DLG 70 Page 1 Line 1)**—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for

purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

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

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

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

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

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

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

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



# Meridian Ranch Metropolitan District

Professional Audit Services

For the Year Ending December 31, 2022

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## Your Engagement

Thank you for the opportunity to submit this proposal to the Meridian Ranch Metropolitan District, hereafter referred to as the "District," for the year ending December 31, 2022. This proposal describes the professional qualifications and services that Haynie & Company can offer to meet your needs.

The objective and scope of the prospective engagement includes an audit, in accordance with Generally Accepted Auditing Standards (GAAS), of the financial statements as of December 31, 2022 and for the year then ended. We will issue an opinion on these financial statements.

You will receive a letter to management containing comments on compliance, recommendations for improvements, and any other comments deemed pertinent relating to the financial statements, internal control and accounting related matters.

GAAS requires that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit will also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that upfront and consistent communication is key to a successful audit. We have an experienced audit team who will ensure that your audit is completed efficiently and in a timely manner.

We appreciate this opportunity to submit our proposal and look forward to working with you.

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## What We Can Do For You

- We provide a full range of external auditing, accounting, income tax, consulting, internal auditing, litigation support, and management advisory services.
- Haynie & Company was recently recognized as both a Top 100 Firm for 2022 by *Accounting Today* and a 2022 Top Workplaces Culture Excellence by *Energy*.
- Our clients include a wide variety of small and mid-sized governments, public and private businesses and not-for-profit entities.
- We have well-trained staff with excellent credentials. They have proven their ability to effectively manage and control large audit and review engagements. Our work will always be efficient and to the highest professional standards.
- Each of our service teams, from supervisory senior to partner, have many years of combined experience serving clients.
- We have more than 25 qualified staff members experienced in working with various public entities. Many of our employees started their careers with “Big 4” accounting firms.
- We take a “business approach” to our audits that minimize insignificant matters and maximize constructive suggestions.
- We strive for a culture of service. Our team focuses on building long-term relationships based on mutual trust and communication. We are committed to meet your needs in a timely manner and make our key people accessible to you.

### INDEPENDENCE

Haynie & Company and its personnel are independent of the Meridian Ranch Metropolitan District. Haynie & Company has not performed any work for the District in the past five years and, therefore, has no conflict of interest regarding this proposed engagement.

### LICENSING

Haynie & Company and all key engagement personnel are properly licensed in Colorado and there are no complaints or disciplinary actions against the firm or its personnel currently, nor in the past five years. All professional staff are current with their continuing professional education according to the requirements contained in the *Government Auditing Standards*.

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## QUALITY CONTROL

Haynie & Company meets the external quality control review requirements contained in the current U.S. General Accounting Office's *Government Auditing Standards*. A copy of our firm's most recent Peer Review Report, issued on December 18, 2020, is included as Attachment A (page 9.) The firm is not currently involved in any court proceedings.

## NON-DISCRIMINATION

Our firm does not discriminate against any individual due to race, religion, gender, sex, color, age, handicap or national origin, and these are not factors in consideration for employment, selection of training, promotion, transfers, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

Please see Attachment B (page 10) for a detailed Firm Profile & Affiliations.

## Our Team

The Littleton office will be the primary office to perform the work on this audit with support from our other locations, as needed. All individuals involved that would be assigned to the audit have extensive experience in government audit and accounting.

Haynie & Company has traditionally experienced below average turnover in our industry. We are committed to maintaining the continuity of the audit team on the District's engagement for the duration of the audit. We feel strongly regarding the importance of staff continuity, especially at the partner and manager level.

All personnel receive regular continuing professional education through internal and external training. This training includes updates on new and significant accounting changes and industry-focused training, including training for all staff in the areas of governmental accounting and Single Audits. All staff are current with their continuing professional education requirements, including relevant training on significant recent GASB pronouncements. All staff will be adequately supervised.

Key members of the audit team and their qualifications are as follows:



### **Christine McLeod, CPA – Audit Partner**

Christine graduated from the University of Mississippi Patterson School of Accountancy with a Bachelor of Accountancy. She is a member of the American Institute of Certified Public Accountants (AICPA), and the Colorado Society of Certified Public Accountants (CSCPA). Christine worked with Arthur Andersen & Company in



Dallas, Texas, as operations manager at Intellicall, Inc. in Carrollton, Texas, and as manager of St. Mary's Federal Credit Union in Littleton, CO. Christine also managed her own private practice providing accounting services to a number of small clients in various industries. In 2013, she joined Haynie & Company. Christine has experience in a variety of areas, including governmental, not-for-profit, SEC, special districts, pension plans, hospitality, financial services, and small business accounting. She has received well over 80 total hours of continuing education in the past three years, including 24 hours of government and not-for-profit training.



### **Ty Holman, CPA – Concurring Audit Partner**

Ty is a graduate of Brigham Young University and Mesa State College. He is a member of the American Institute of Certified Public Accountants (AICPA), and the Colorado Society of Certified Public Accountants (CSCPA). Ty worked with Ernst & Young and Great West Life and Annuity in Denver, Colorado prior to joining Haynie & Company in 2008. He has experience in a variety of areas, including: governmental, not-for-profit, HUD, SEC and private clients in a number of industries. Ty's clients come from a variety of industries including special districts, cities, not-for-profit entities, low-income housing, real estate, manufacturing, technology, professional services and hospitality. Ty has extensive experience in governmental audit and accounting. Ty is also Yellow Book compliant with respect to continuing professional education.



### **Whitney Rosenfeld, CPA – Audit Manager**

Whitney is a graduate of Clemson University with undergraduate and Master's degrees in accounting. Whitney is a member of the American Institute of Certified Public Accountants (AICPA). Whitney joined Haynie & Company in 2022 and works remotely from Durango and is based out of the Littleton, Colorado office. Whitney's areas of expertise include working with clients in the governmental, hospitality and homeowners' association industries. Before joining Haynie, Whitney spent over six years in industry accounting as a ski resort Accounting Manager then a Controller of a mountain resort community. Prior to that, she was an Audit Manager with Deloitte & Touche, LLP.

Our firm recognizes that we are in a personal service industry and accordingly, are committed to the development of appropriate relationships with our clients. We understand that proper client service is based upon mutual trust and confidence. We maintain private lines to our key people so that our clients can always gain access to them. You will always have priority regarding access to our professional staff. We will communicate via telephone and email whenever an issue arises that requires discussion.

## References

Below is a list of references for some clients that are similar in size and nature to the Meridian Ranch Metropolitan District that have been audited by our local office:

Client	Contact Name	Email Address	Phone
Sterling Ranch Metropolitan District	Gigi Pangindian	<a href="mailto:Gigi.Pangindian@claconnect.com">Gigi.Pangindian@claconnect.com</a>	303-779-5710
Reunion Metropolitan District	Shelby Clymer	<a href="mailto:Shelby.Clymer@claconnect.com">Shelby.Clymer@claconnect.com</a>	303-779-5710
Forest Hills Metropolitan District	Nickie Holder	<a href="mailto:nmholderbiz@gmail.com">nmholderbiz@gmail.com</a>	720-496-9343

We currently audit the following governmental agencies who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year:

- City of Grand Junction
- City of Brighton
- City of Fountain
- City of Lone Tree
- Town of Estes Park
- Durango Fire Protection District
- Plum Creek Water Reclamation Authority

Please see Attachment C (page 12) for a list of our current Colorado governmental audit clients.

## Audit Approach

**The audit should not interfere with managing your business.** Haynie & Company has developed an approach for maximum audit effectiveness and efficiency that focuses on understanding the entity's operations and the risks it faces. In addition to understanding the accounting system and records of the entity, we focus on the objectives and the techniques used by management to evaluate operations and design our audits.

### HAYNIE & COMPANY AUDIT BENEFITS:

- A **well-planned, well-controlled** audit that employs communication and cooperation with your staff to produce a high quality, efficient audit.
- An **insightful** presentation to the audit committee/board of directors that focuses on

significant issues with reasonable recommendations. This presentation will include any significant compliance or controls issues, along with other matters such as suggestions for improved efficiencies.

- An **innovative** style in which our partners, managers and staff are involved year-round, actively seeking and communicating ways to help enhance the audit process and deepen our understanding of your company.

Please see Attachment D (page 16) for a detailed look at our audit approach.

## Project Schedule

We are happy to coordinate our work to best fit the District's needs. We are committed to providing the highest level of independent auditing services.

The estimated timeline below depends on the availability of records and the cooperation of management. Haynie & Company will complete the audit by the required deadline.

Task	Tentative Timing
Planning meeting with management	April, 2023
Update our understanding of processes and internal controls	April, 2023
Develop audit plan	April, 2023
Fieldwork	April/May, 2023
Wrap-up and discussion of draft financial statements and report to management and the board	June 2023
Final audit report and report issued to management and the board	June, 2023

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## Proposed fees

We believe our fees are competitive and reflect our desire to be of service to you. We continually strive to keep our fees at the lowest level consistent with the highest professional standards and your requirements for timely services. We will work closely with your personnel and anticipate their active participation in the areas where they can contribute to the audit effort and minimize our fees.

Our fees include all out-of-pocket expenses such as travel, report printing, postage, etc. We do not charge additional fees for general accounting and audit inquiries throughout the year. The fees quoted are with the understanding of cooperation from your staff in completing the information requested in our client organizer.

If additional accounting services are needed or desired, such work would be performed at our standard hourly rates and approval would be obtained before proceeding with the work.

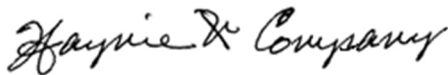
### Proposed Fee for the Year Ending December 31, 2022

Financial Statement Audit:	\$ 9,000
First-year audit procedures	\$ 1,000

## Conclusion

Thank you for the opportunity to present Haynie & Company and the services that we can provide. We understand that you have many options and hope that through this proposal you can see those areas that distinguish us from others within the industry. We pride ourselves on good communication, highly-skilled professionals and providing exceptional service. Please feel free to call Christine McLeod at 303-734-4800 or email her at [ChristineM@HaynieCPAs.com](mailto:ChristineM@HaynieCPAs.com) with any questions you may have. If you choose to work with us, you would be an important and valued client.

Sincerely,



Haynie & Company



# Attachment A

## PEER REVIEW REPORT



### Report on the Firm's System of Quality Control

December 18, 2020

To the Partners of Haynie & Company and the  
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Haynie & Company (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and audits of broker-dealers.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Haynie & Company applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Haynie & Company has received a peer review rating of *pass*.

**KerberRose SC**  
KerberRose SC

115 E. Fifth Street | Shawano, WI 54166  
P: (715) 526-9400 Toll Free: (800) 729-2065 F: (715) 524-2599  
Website: <https://kerberrose.com>



## Attachment B

### FIRM PROFILE & AFFILIATIONS

Haynie & Company is a unique, full-service CPA firm. We specialize in: audit, tax, accounting, consulting and management advisory services.



Haynie & Company began in 1960 as a small CPA firm in Salt Lake City. We've since grown into a thriving, regional firm with offices across Colorado, Utah, Texas, Arizona and Nevada. We continue to add professionals to our network through mergers of reputable, experienced CPA firms. With 380 professionals and support staff firm-wide, we offer the experience and expertise of a leading regional firm, combined with the attention and focus of a dedicated local firm.

### WHAT YOU CAN EXPECT

Our firm vision is simple: Exceeding Expectations. We understand you need an advisor who can think ahead and offer custom solutions. Providing excellent service is our highest priority. Our focus will always be on building long-term relationships based on growth, trust, communication and service.

We have developed a strong network of professional affiliations, including our memberships in PrimeGlobal and RSM US Alliance. These affiliations greatly expand our experience and knowledge. No matter how large or complex your financial situation, we have the expertise you need.

PrimeGlobal is the third largest association of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing and management services to clients around the globe.

RSM US Alliance provides member firms with access to the resources, tools and expertise of RSM US LLP, which is the fifth largest provider of audit, tax and consulting services in the United States.



*The Association of Advisory  
and Accounting Firms*

## PROUD MEMBERS OF:

- PrimeGlobal
- RSM US Alliance
- American Institute of Certified Public Accountants (AICPA)
- AICPA Center for Audit Quality
- AICPA Employee Benefit Plan Audit Quality Center
- AICPA Government Audit Quality Center
- Public Company Accounting Oversight Board
- Utah Association of CPAs
- Colorado Society of CPAs
- Texas Society of CPAs
- Nevada Society of CPAs
- Arizona Society of CPAs
- California Society of CPAs
- Special District Association of Colorado
- Utah Non-Profits Association
- Utah Mechanical Contractors Association
- Associated Building Contractors
- National Association of Certified Valuation Analysts (NACVA)
- Association of Certified Fraud Examiners (ACFE)
- Construction Financial Management Association (CFMA)
- Governmental Finance Officers Association (GFOA)
- Affordable Housing Association of Certified Public Accountants (AHACPA)

# Attachment C

## CURRENT COLORADO GOVERNMENTAL AUDIT CLIENTS

Client Name	Dates of the Audit
9th Avenue Metropolitan District No. 2	2018 - 2021
Alpensee Water District	2021
Animas La-Plata Water Conservancy District	2012 - 2021
Arista Metropolitan District	2009 - 2021
Aspen Hills Metropolitan District	2021
Aspen Park Metropolitan District	2010 - 2020
Bancroft-Clover Water and Sanitation District	2011 - 2020
Base Village Metropolitan District No. 2	2021
Bella Mesa Metropolitan District	2020 - 2021
Berthoud-Heritage Metropolitan District No. 1	2021
Berthoud-Heritage Metropolitan District No. 9	2021
Blue Lake Metropolitan District No. 2	2016 - 2021
Blue Lake Metropolitan District No. 3	2018 - 2021
Blue Mountain Water District	2015 - 2021
BNC Metropolitan District No. 3	2006 - 2021
Boxelder Sanitation District	2019 - 2021
Brighton Fire Rescue District	2021
Buffalo Highlands Metropolitan District	2018 - 2021
Castleview Metropolitan District No. 1	2021
Castleview Metropolitan District No. 2	2021
CCP Metropolitan District No. 3	2018 - 2021
Centennial Water & Sanitation District	2021
Centerra Metropolitan District No. 1	2021
Centerra Public Improvement Collection Corp	2021
Central Clear Creek Sanitation District	2021
Chatfield Corners Metropolitan District	2021
Chatfield South Water District	2002 - 2021
Cherry Creek Metropolitan District No. 5	2021
Cherry Creek Valley Water and Sanitation District	2005 - 2021
City Center West Residential Metropolitan District No. 2	2019 - 2021
City of Brighton*	2018 - 2021
City of Castle Pines	2014 - 2021
City of Evans*	2020 - 2021
City of Fort Morgan	2020 - 2021
City of Fountain*	2019 - 2021
City of Grand Junction*	2015 - 2021
City of Lone Tree*	2020 - 2021
City of Victor	2021
CitySet Metropolitan District No. 2	2012 - 2021
Clear Creek Valley Water & Sanitation District	2019 - 2021
Colorado River Fire Rescue Protection District	2017 - 2021
Conestoga Metropolitan District No. 1	2021
Conestoga Metropolitan District No. 2	2021
Conifer Metropolitan District	2019 - 2021
Cottonwood Hollow Commercial Metrooplitan District	2017 - 2021
Cottonwood Hollow Residential Metropolitan District	2017 - 2021
Cross Creek Metropolitan District	2012 - 2021
Cumberland Green Metropolitan District	2007 - 2021
Cundall Farms Metropolitan District	2021
Dancing Willows	2015 - 2021
Deer Creek Water District	2021
Dominion Water & Sanitation District	2015 - 2021
Durango Fire Protection District*	2008 - 2021
Eagle Meadow Metropolitan District	2021

\* Colorado clients who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year



## Attachment C

### CURRENT COLORADO GOVERNMENTAL AUDIT CLIENTS (continued)

Client Name	Dates of the Audit
Encore on 34 Metropolitan District No. 1	2018 - 2021
Erie Farm Metropolitan District	2015 - 2021
Evergreen Fire Protection District	2020 - 2021
Forest Hills Metropolitan District	2011 - 2021
Fossil Ridge Metropolitan District #1	2019 - 2021
Fossil Ridge Metropolitan District #2	2019 - 2021
Fossil Ridge Metropolitan District #3	2019 - 2021
Fountain Mutual Metropolitan District	2018 - 2021
Foxhill Metropolitan District No. 1	2021
Foxhill Metropolitan District No. 2	2021
Front Range Fire Rescue Fire Protection District	2016 - 2021
Fruitdale Sanitation District	2015 - 2021
Genesee Fire Protection District	2016 - 2021
Greater Brighton Fire Protection District	2021
Green Valley Ranch Metropolitan District	2002 - 2021
Hartsel Fire Protection District	2016 - 2021
Haskins Station Metropolitan District	2019 - 2021
Hermosa Sanitation District	2021
Highland Estates Metropolitan District	2018 - 2021
Highland Rescue Team Ambulance District	2017 - 2021
Highlands Ranch Metropolitan District	2021
Hillcrest Water & Sanitation District	2021
Hoover Hill Water & Sanitation District	2021
Hunter's Overlook Metropolitan District No. 1	2021
Hunter's Overlook Metropolitan District No. 2	2021
Hunter's Overlook Metropolitan District No. 3	2021
Hunter's Overlook Metropolitan District No. 4	2021
Hunter's Overlook Metropolitan District No. 5	2021
Hunter's Overlook Metropolitan District No. 6	2021
Inspiration Metropolitan District	2017 - 2021
Iron Mountain Metropolitan District No. 2	2021
Jefferson County Communications Authority	2019 - 2021
Ken Caryl Ranch Water and Sanitation District	2000 - 2021
Kittredge Sanitation District	2021
La Plata West Water Authority	2021
Lake Durango Water Authority	2019 - 2021
Lambertson Lakes Metropolitan District	2007 - 2021
Lanterns Metropolitan District No. 1	2019 - 2021
Lewis Pointe Metropolitan District	2015 - 2021
Lochbuie Station Residential Metropolitan District	2020 - 2021
Lookout Mountain Metropolitan District	2019 - 2021
Lupton Village Commercial Metropolitan District	2021
Lupton Village Residential Metropolitan District	2021
Mansfield Heights Water & Sanitation District	2014 - 2021
McKay Landing Metropolitan District No. 2	2002 - 2021
Medical School Campus Public Infrastructure District	2021
Miller's Landing Business Improvement District	2021
Mount Vernon Country Club Metropolitan District	2019 - 2021
Mountain Shadows Metropolitan District	2015 - 2021
Muegge Farms Metropolitan District No. 1	2021
Muegge Farms Metropolitan District No. 3	2021
Nexus North Metropolitan District	2021
North Range Metropolitan District No. 1	2012 - 2021
North Range Metropolitan District No. 3	2012 - 2021

\* Colorado clients who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year

## Attachment C

### CURRENT COLORADO GOVERNMENTAL AUDIT CLIENTS (continued)

Client Name	Dates of the Audit
North Table Mountain Water & Sanitation District	2015 - 2021
North Washington Street Water & Sanitation District	2013 - 2021
Northern Commerce Metropolitan District	2015 - 2021
Olathe Fire Protection District	2016 - 2021
Paint Brush Hills Metropolitan District	2020 - 2021
Park Meadows Metropolitan District	2002 - 2021
Parkdale Community Authority Board	2021
Plum Creek Water Reclamation Authority*	2012 - 2021
Poudre Tech Metropolitan District	2014 - 2021
Prosper Coordinating Metropolitan District	2017 - 2021
Prosper Coordinating Metropolitan District No. 4	2017 - 2021
Raindance Metropolitan District No. 1	2017 - 2021
Raindance Metropolitan District No. 2	2017 - 2021
Raindance Metropolitan District No. 3	2021
Rangeview Metropolitan District	2021
Reunion Metropolitan District	2012 - 2021
Ridgeline Vista Metropolitan District	2021
ROAM Public Infrastructure District No. 1	2021
ROAM Public Infrastructure District No. 2	2021
Rose Farm Acres Metropolitan District	2020 - 2021
Saddler Ridge Metropolitan District	2017 - 2021
Severance Shores Metropolitan District No. 1	2020 - 2021
Severance Shores Metropolitan District No. 4	2020 - 2021
Sky Ranch Community Authority Board	2018 - 2021
Sky Ranch Metropolitan District No. 1	2021
Skyview Meadows Metropolitan District	2021
Smoky Hill Metropolitan District	2002 - 2021
South Maryland Creek Metropolitan District	2019 - 2021
South Sheridan Water & Sanitation District	2014 - 2021
South Sloan's Lake Metropolitan District No. 1	2016 - 2021
South Sloan's Lake Metropolitan District No. 2	2016 - 2021
Southeast Metropolitan Stormwater Authority	2021
Southgate Sanitation District	2014 - 2021
Southgate Water District	2014 - 2021
Southwestern Water Conservation District	2011 - 2021
Sterling Ranch Community Authority Board	2015 - 2021
Sterling Ranch Colorado Metropolitan District No. 2	2019 - 2021
Sterling Ranch Colorado Metropolitan District No. 3	2017 - 2021
Tallman Gulch Metropolitan District	2018 - 2021
Tamarron Metropolitan District	2009 - 2021
The Brands Metropolitan District No. 1	2017 - 2021
The Brands Metropolitan District No. 4	2017 - 2021
Timbers Metropolitan District	2018 - 2021
Town of Deer Trail	2014 - 2021
Town of Estes Park*	2020 - 2021
Town of Limon	2009 - 2021
Town of Milliken	2021
Trails at Crowfood Metropolitan District #3	2019 - 2021
Trailside Metropolitan District No. 4	2019 - 2021
Triview Metropolitan District	2019 - 2021
Turion Metropolitan District No. 1	2021
Turion Metropolitan District No. 2	2021
Twin Peaks Metropolitan District	2016 - 2021
Valley Club Pointe Metropolitan District	2021

\* Colorado clients who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year

## Attachment C

### CURRENT COLORADO GOVERNMENTAL AUDIT CLIENTS (continued)

Client Name	Dates of the Audit
Visit Estes Park	2021
Ward TOD Metropolitan District No. 1	2019 - 2021
Water Valley Metropolitan District No. 1	2014 - 2021
Water Valley Metropolitan District No. 2	2014 - 2021
Waterstone Metropolitan District No. 1	2021
Wellington Fire Protection District	2021
West Frisco Gateway Center Master Association	2021
Westgate Metropolitan District No. 2	2021
Westview Metropolitan District	2019 - 2021
Wildwing Metropolitan District No. 1	2018 - 2021
Wildwing Metropolitan District No. 5	2018 - 2021
Willow Brook Metropolitan District	2019 - 2021
Will-O-Wisp Metropolitan District	2021
York Street Metropolitan District	2017 - 2021

\* Colorado clients who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year

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## **Attachment D**

### **AUDIT APPROACH DETAILS**

Our audit approach is designed to proactively address risk associated with the audit process and provide value to our clients. Our audit approach is typically divided into three phases: planning, fieldwork and review.

#### **PLANNING**

Our audit approach relies heavily on a detailed assessment of the control environment and operating strengths and weaknesses of your company.

#### **INTERIM FIELDWORK**

If it is determined to add to the audit efficiency, we will perform interim testing prior to year-end. Generally during this phase, we perform most of our Single Audit compliance testing (if necessary), document and test the accounting system and internal controls. We will at times perform some substantive testing of accounts where appropriate.

#### **YEAR-END FIELDWORK**

This phase entails the bulk of our testing of financial statement account balances. Also, any open items from the interim fieldwork are addressed. Major federal programs are determined in accordance with the risk-based approach outlined in the Single Audit Act, and compliance testing wrapped up.

#### **REPORTING**

The auditor's reports and District Council presentation are drafted and reviewed with management. Upon approval by management, final versions of the reports are issued, and the Data Collection Form will be reviewed and approved for submission to the Federal Audit Clearing House, if necessary.

#### **REVIEW**

In order to assure the work and final report are of the highest quality, the files and reports must pass through a minimum of two reviews. Each review focuses on specific areas of the audit with intentional overlap so every part of the audit is reviewed in detail. Depending on the size and nature of an engagement, additional reviews are added to further ensure audit quality. We will also provide comments on preliminary drafts of your financial reports. We will work closely with you as you complete the final document, which will include our report.

## OUR AUDIT PROCESS:



- Client acceptance
- Identify risks
- Identify key processes and transactions
- Establish engagement dates
- Determine materiality



- Review policies and procedures
- Review internal control documentation
- Perform walkthroughs of key processes
- Interview client personnel
- Review prior-year and interim financial data
- Review preliminary financial data



- Develop targeted audit procedures
- Determine sampling plan for testing
- Send third party confirmations
- Coordinate audit fieldwork with management



- Fieldwork
- Substantive testing
- Inquiries
- Analytical testing
- Review of audit results with management



- Review draft financial statements
- Review schedule of expenditures of federal awards
- Issue final opinions
- Meet with audit committee or board of directors

Haynie & Company's approach to audits of governmental entities is a highly-tailored adaptation of our basic risk-based audit approach. These modifications serve two purposes: they streamline the audit procedures to make us more efficient; and, more importantly, they focus the audit procedures to make us more effective.

## **SAMPLING**

Where determined to be effective and efficient, Haynie & Company will test certain areas using sampling techniques. The size of audit samples will be based on many factors, including size of account balance and identified risks. Typical areas where sampling may be used are: cash disbursements, controls testing, revenue and accounts receivable.

## **SUBSTANTIVE TESTING**

Haynie & Company's typical planned methods with respect to substantive procedures will include:

- An understanding of the District's internal control structure will be obtained through a combination of interviews with personnel, questionnaires, and walk-through procedures to confirm that the understanding is accurate. We have IT specialists available to assist the audit team in performing these procedures, if necessary.
- Based on our risk assessments, we will perform tests of financial statement account balances. This will include testing of source documents and confirmation of information with vendors and other third parties. Additionally, we will use various analytical procedures to identify potential errors in the accounting records to test. Among these procedures are comparing account balances to the prior year and to budgets and scanning the general ledger for large or unusual items.
- Concluding the audit includes review of legal letters, workpaper review, financial statement review and review of draft reports with management.

## **TECHNOLOGY**

Haynie & Company focuses on cutting edge technology as a differentiator that allows us to streamline the audit process, be responsive to client needs, and back up all work papers. We utilize two robust systems to accomplish this:

- *ProSystem fx Engagement* is our engagement document management software that is an electronic binder to house and organize our audit documentation. This software allows the engagement team to easily collaborate with team members and clients.

- *Suralink* is a web-based audit management application that maintains all paper and electronic files in a secure, off-site data center, allowing for convenient, 24/7 access from any location. Haynie & Company professionals and client personnel can access all documents quickly and easily, which results in increased efficiency and quick response times for client requests. Suralink also functions as an open items list that can be accessed and maintained by the District and the audit team.

## **FINANCIAL STATEMENT REVIEW**

Haynie & Company views the financial statements and our reports as the finished product of the audit process, and as such reflects the culmination of client and our work. With this view in mind, we have established a proven process for ensuring the highest quality financial statements are produced. The key to this is a robust set of procedures that utilize our experience and knowledge.

- *Training* – The basis for our technical review is the expertise of our engagement team. All of our key reviewers are CPA's that receive not only required continuing education but also targeted training in areas specific to governmental accounting and audit.
- *Tie-Out Procedures* – One of our initial steps in the review process is to complete a thorough tie-out of all financial and other information included in the financial statements to account balances and other supporting documentation. This step ensures that all data is properly presented and agrees to supporting records. Additionally, we utilize the most up-to-date non-profit reporting checklists to make sure the financial statements are properly presented.
- *Supervisory Review* – All drafts throughout the reporting process are initially reviewed by managers and partners that were directly involved with the audit. This allows for the knowledge gained during the audit process to be utilized to ensure proper presentation and accuracy. The financial statements are reviewed for technical accuracy and overall readability.
- *Concurring Partner Review* – In addition to the manager and partner review mentioned above, in some cases, an audit partner that is not part of the engagement team reviews the financial statements and other key audit areas. The partner selected for this review is someone with extensive non-profit accounting and auditing experience, and the primary objective is to use an objective eye to determine that the financial statements contain all required disclosures and appear to be fairly presented.

## **USE OF DISTRICT PERSONNEL**

We use a risk-based approach and sampling procedures, and we customize and tailor our audit programs toward the financial statement assertions with respect to each account and business cycle. We utilize on-line audit programs and customize the sample sizes and audit approach utilizing our audit program tools for each client.

We require the requisite data and information in support of the general ledger account balances including general ledgers and trial balances, detailed general ledger reports, lead schedules and work paper retrieval and refile of documents based on pre-submitted lists, preparation of confirmations and other required letters. We rely heavily on the subsidiary schedules and information that you produce in the normal course of business to the extent possible, rather than require that you reconfigure and reformat data to our preferred format.

We generally provide an audit request list at least one month in advance of our anticipated interim and year-end fieldwork. This will allow you sufficient time to prepare the required schedules and to discuss any questions or concerns with the audit team.

## **YEAR-ROUND CONTACT**

An audit should not be treated as a once-a-year event. We will stay in touch with your team on an ongoing basis to learn about events that may have significant audit impact — enabling us to help you deal with them as they occur.

## **SMOOTH TRANSITION TO WORKING WITH US**

When we become your service provider, you will want the transition from your prior firm to be smooth and orderly. Any change of this nature will result in some disruption; however, with our extensive experience in succeeding other accounting firms, the disruption is minimized. Our process for transitioning clients from their prior auditors to our services emphasizes early planning with heavy involvement of partners and managers.





# **Meridian 2018 Subdistrict**

Professional Audit Services

For the Year Ending December 31, 2022

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## Your Engagement

Thank you for the opportunity to submit this proposal to the Meridian 2018 Subdistrict, hereafter referred to as the "District," for the year ending December 31, 2022. This proposal describes the professional qualifications and services that Haynie & Company can offer to meet your needs.

The objective and scope of the prospective engagement includes an audit, in accordance with Generally Accepted Auditing Standards (GAAS), of the financial statements as of December 31, 2022 and for the year then ended. We will issue an opinion on these financial statements.

You will receive a letter to management containing comments on compliance, recommendations for improvements, and any other comments deemed pertinent relating to the financial statements, internal control and accounting related matters.

GAAS requires that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit will also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that upfront and consistent communication is key to a successful audit. We have an experienced audit team who will ensure that your audit is completed efficiently and in a timely manner.

We appreciate this opportunity to submit our proposal and look forward to working with you.

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## What We Can Do For You

- We provide a full range of external auditing, accounting, income tax, consulting, internal auditing, litigation support, and management advisory services.
- Haynie & Company was recently recognized as both a Top 100 Firm for 2022 by *Accounting Today* and a 2022 Top Workplaces Culture Excellence by *Energy*.
- Our clients include a wide variety of small and mid-sized governments, public and private businesses and not-for-profit entities.
- We have well-trained staff with excellent credentials. They have proven their ability to effectively manage and control large audit and review engagements. Our work will always be efficient and to the highest professional standards.
- Each of our service teams, from supervisory senior to partner, have many years of combined experience serving clients.
- We have more than 25 qualified staff members experienced in working with various public entities. Many of our employees started their careers with “Big 4” accounting firms.
- We take a “business approach” to our audits that minimize insignificant matters and maximize constructive suggestions.
- We strive for a culture of service. Our team focuses on building long-term relationships based on mutual trust and communication. We are committed to meet your needs in a timely manner and make our key people accessible to you.

### INDEPENDENCE

Haynie & Company and its personnel are independent of the Meridian 2018 Subdistrict. Haynie & Company has not performed any work for the District in the past five years and, therefore, has no conflict of interest regarding this proposed engagement.

### LICENSING

Haynie & Company and all key engagement personnel are properly licensed in Colorado and there are no complaints or disciplinary actions against the firm or its personnel currently, nor in the past five years. All professional staff are current with their continuing professional education according to the requirements contained in the *Government Auditing Standards*.

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## QUALITY CONTROL

Haynie & Company meets the external quality control review requirements contained in the current U.S. General Accounting Office's *Government Auditing Standards*. A copy of our firm's most recent Peer Review Report, issued on December 18, 2020, is included as Attachment A (page 9.) The firm is not currently involved in any court proceedings.

## NON-DISCRIMINATION

Our firm does not discriminate against any individual due to race, religion, gender, sex, color, age, handicap or national origin, and these are not factors in consideration for employment, selection of training, promotion, transfers, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

Please see Attachment B (page 10) for a detailed Firm Profile & Affiliations.

## Our Team

The Littleton office will be the primary office to perform the work on this audit with support from our other locations, as needed. All individuals involved that would be assigned to the audit have extensive experience in government audit and accounting.

Haynie & Company has traditionally experienced below average turnover in our industry. We are committed to maintaining the continuity of the audit team on the District's engagement for the duration of the audit. We feel strongly regarding the importance of staff continuity, especially at the partner and manager level.

All personnel receive regular continuing professional education through internal and external training. This training includes updates on new and significant accounting changes and industry-focused training, including training for all staff in the areas of governmental accounting and Single Audits. All staff are current with their continuing professional education requirements, including relevant training on significant recent GASB pronouncements. All staff will be adequately supervised.

Key members of the audit team and their qualifications are as follows:



### **Christine McLeod, CPA – Audit Partner**

Christine graduated from the University of Mississippi Patterson School of Accountancy with a Bachelor of Accountancy. She is a member of the American Institute of Certified Public Accountants (AICPA), and the Colorado Society of Certified Public Accountants (CSCPA). Christine worked with Arthur Andersen & Company in

Dallas, Texas, as operations manager at Intellicall, Inc. in Carrollton, Texas, and as manager of St. Mary's Federal Credit Union in Littleton, CO. Christine also managed her own private practice providing accounting services to a number of small clients in various industries. In 2013, she joined Haynie & Company. Christine has experience in a variety of areas, including governmental, not-for-profit, SEC, special districts, pension plans, hospitality, financial services, and small business accounting. She has received well over 80 total hours of continuing education in the past three years, including 24 hours of government and not-for-profit training.



### **Ty Holman, CPA – Concurring Audit Partner**

Ty is a graduate of Brigham Young University and Mesa State College. He is a member of the American Institute of Certified Public Accountants (AICPA), and the Colorado Society of Certified Public Accountants (CSCPA). Ty worked with Ernst & Young and Great West Life and Annuity in Denver, Colorado prior to joining Haynie & Company in 2008. He has experience in a variety of areas, including: governmental, not-for-profit, HUD, SEC and private clients in a number of industries. Ty's clients come from a variety of industries including special districts, cities, not-for-profit entities, low-income housing, real estate, manufacturing, technology, professional services and hospitality. Ty has extensive experience in governmental audit and accounting. Ty is also Yellow Book compliant with respect to continuing professional education.



### **Whitney Rosenfeld, CPA – Audit Manager**

Whitney is a graduate of Clemson University with undergraduate and Master's degrees in accounting. Whitney is a member of the American Institute of Certified Public Accountants (AICPA). Whitney joined Haynie & Company in 2022 and works remotely from Durango and is based out of the Littleton, Colorado office. Whitney's areas of expertise include working with clients in the governmental, hospitality and homeowners' association industries. Before joining Haynie, Whitney spent over six years in industry accounting as a ski resort Accounting Manager then a Controller of a mountain resort community. Prior to that, she was an Audit Manager with Deloitte & Touche, LLP.

Our firm recognizes that we are in a personal service industry and accordingly, are committed to the development of appropriate relationships with our clients. We understand that proper client service is based upon mutual trust and confidence. We maintain private lines to our key people so that our clients can always gain access to them. You will always have priority regarding access to our professional staff. We will communicate via telephone and email whenever an issue arises that requires discussion.

## References

Below is a list of references for some clients that are similar in size and nature to the Meridian 2018 Subdistrict that have been audited by our local office:

Client	Contact Name	Email Address	Phone
Sterling Ranch Metropolitan District	Gigi Pangindian	<a href="mailto:Gigi.Pangindian@claconnect.com">Gigi.Pangindian@claconnect.com</a>	303-779-5710
Reunion Metropolitan District	Shelby Clymer	<a href="mailto:Shelby.Clymer@claconnect.com">Shelby.Clymer@claconnect.com</a>	303-779-5710
Forest Hills Metropolitan District	Nickie Holder	<a href="mailto:nmholderbiz@gmail.com">nmholderbiz@gmail.com</a>	720-496-9343

We currently audit the following governmental agencies who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year:

City of Grand Junction  
City of Brighton  
City of Fountain  
City of Lone Tree  
Town of Estes Park  
Durango Fire Protection District  
Plum Creek Water Reclamation Authority

Please see Attachment C (page 12) for a list of our current Colorado governmental audit clients.

## Audit Approach

**The audit should not interfere with managing your business.** Haynie & Company has developed an approach for maximum audit effectiveness and efficiency that focuses on understanding the entity's operations and the risks it faces. In addition to understanding the accounting system and records of the entity, we focus on the objectives and the techniques used by management to evaluate operations and design our audits.

### HAYNIE & COMPANY AUDIT BENEFITS:

- A **well-planned, well-controlled** audit that employs communication and cooperation with your staff to produce a high quality, efficient audit.
- An **insightful** presentation to the audit committee/board of directors that focuses on

significant issues with reasonable recommendations. This presentation will include any significant compliance or controls issues, along with other matters such as suggestions for improved efficiencies.

- An **innovative** style in which our partners, managers and staff are involved year-round, actively seeking and communicating ways to help enhance the audit process and deepen our understanding of your company.

Please see Attachment D (page 16) for a detailed look at our audit approach.

## Project Schedule

We are happy to coordinate our work to best fit the District's needs. We are committed to providing the highest level of independent auditing services.

The estimated timeline below depends on the availability of records and the cooperation of management. Haynie & Company will complete the audit by the required deadline.

Task	Tentative Timing
Planning meeting with management	April, 2023
Update our understanding of processes and internal controls	April, 2023
Develop audit plan	April, 2023
Fieldwork	April/May, 2023
Wrap-up and discussion of draft financial statements and report to management and the board	June 2023
Final audit report and report issued to management and the board	June, 2023

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## Proposed fees

We believe our fees are competitive and reflect our desire to be of service to you. We continually strive to keep our fees at the lowest level consistent with the highest professional standards and your requirements for timely services. We will work closely with your personnel and anticipate their active participation in the areas where they can contribute to the audit effort and minimize our fees.

Our fees include all out-of-pocket expenses such as travel, report printing, postage, etc. We do not charge additional fees for general accounting and audit inquiries throughout the year. The fees quoted are with the understanding of cooperation from your staff in completing the information requested in our client organizer.

If additional accounting services are needed or desired, such work would be performed at our standard hourly rates and approval would be obtained before proceeding with the work.

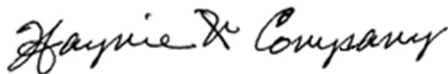
### Proposed Fee for the Year Ending December 31, 2022

Financial Statement Audit:	\$ 7,000
First-year audit procedures	\$ 1,000

## Conclusion

Thank you for the opportunity to present Haynie & Company and the services that we can provide. We understand that you have many options and hope that through this proposal you can see those areas that distinguish us from others within the industry. We pride ourselves on good communication, highly-skilled professionals and providing exceptional service. Please feel free to call Christine McLeod at 303-734-4800 or email her at [ChristineM@HaynieCPAs.com](mailto:ChristineM@HaynieCPAs.com) with any questions you may have. If you choose to work with us, you would be an important and valued client.

Sincerely,



Haynie & Company

# Attachment A

## PEER REVIEW REPORT



### Report on the Firm's System of Quality Control

December 18, 2020

To the Partners of Haynie & Company and the  
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Haynie & Company (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and audits of broker-dealers.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Haynie & Company applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Haynie & Company has received a peer review rating of *pass*.

**KerberRose SC**  
KerberRose SC

115 E. Fifth Street | Shawano, WI 54166  
P: (715) 526-9400 Toll Free: (800) 729-2065 F: (715) 524-2599  
Website: <https://kerberrose.com>



## Attachment B

### FIRM PROFILE & AFFILIATIONS

Haynie & Company is a unique, full-service CPA firm. We specialize in: audit, tax, accounting, consulting and management advisory services.



Haynie & Company began in 1960 as a small CPA firm in Salt Lake City. We've since grown into a thriving, regional firm with offices across Colorado, Utah, Texas, Arizona and Nevada. We continue to add professionals to our network through mergers of reputable, experienced CPA firms. With 380 professionals and support staff firm-wide, we offer the experience and expertise of a leading regional firm, combined with the attention and focus of a dedicated local firm.

### WHAT YOU CAN EXPECT

Our firm vision is simple: Exceeding Expectations. We understand you need an advisor who can think ahead and offer custom solutions. Providing excellent service is our highest priority. Our focus will always be on building long-term relationships based on growth, trust, communication and service.

We have developed a strong network of professional affiliations, including our memberships in PrimeGlobal and RSM US Alliance. These affiliations greatly expand our experience and knowledge. No matter how large or complex your financial situation, we have the expertise you need.

PrimeGlobal is the third largest association of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing and management services to clients around the globe.

RSM US Alliance provides member firms with access to the resources, tools and expertise of RSM US LLP, which is the fifth largest provider of audit, tax and consulting services in the United States.



*The Association of Advisory  
and Accounting Firms*

## PROUD MEMBERS OF:

- PrimeGlobal
- RSM US Alliance
- American Institute of Certified Public Accountants (AICPA)
- AICPA Center for Audit Quality
- AICPA Employee Benefit Plan Audit Quality Center
- AICPA Government Audit Quality Center
- Public Company Accounting Oversight Board
- Utah Association of CPAs
- Colorado Society of CPAs
- Texas Society of CPAs
- Nevada Society of CPAs
- Arizona Society of CPAs
- California Society of CPAs
- Special District Association of Colorado
- Utah Non-Profits Association
- Utah Mechanical Contractors Association
- Associated Building Contractors
- National Association of Certified Valuation Analysts (NACVA)
- Association of Certified Fraud Examiners (ACFE)
- Construction Financial Management Association (CFMA)
- Governmental Finance Officers Association (GFOA)
- Affordable Housing Association of Certified Public Accountants (AHACPA)

## Attachment C

### CURRENT COLORADO GOVERNMENTAL AUDIT CLIENTS

Client Name	Dates of the Audit
9th Avenue Metropolitan District No. 2	2018 - 2021
Alpensee Water District	2021
Animas La-Plata Water Conservancy District	2012 - 2021
Arista Metropolitan District	2009 - 2021
Aspen Hills Metropolitan District	2021
Aspen Park Metropolitan District	2010 - 2020
Bancroft-Clover Water and Sanitation District	2011 - 2020
Base Village Metropolitan District No. 2	2021
Bella Mesa Metropolitan District	2020 - 2021
Berthoud-Heritage Metropolitan District No. 1	2021
Berthoud-Heritage Metropolitan District No. 9	2021
Blue Lake Metropolitan District No. 2	2016 - 2021
Blue Lake Metropolitan District No. 3	2018 - 2021
Blue Mountain Water District	2015 - 2021
BNC Metropolitan District No. 3	2006 - 2021
Boxelder Sanitation District	2019 - 2021
Brighton Fire Rescue District	2021
Buffalo Highlands Metropolitan District	2018 - 2021
Castleview Metropolitan District No. 1	2021
Castleview Metropolitan District No. 2	2021
CCP Metropolitan District No. 3	2018 - 2021
Centennial Water & Sanitation District	2021
Centerra Metropolitan District No. 1	2021
Centerra Public Improvement Collection Corp	2021
Central Clear Creek Sanitation District	2021
Chatfield Corners Metropolitan District	2021
Chatfield South Water District	2002 - 2021
Cherry Creek Metropolitan District No. 5	2021
Cherry Creek Valley Water and Sanitation District	2005 - 2021
City Center West Residential Metropolitan District No. 2	2019 - 2021
City of Brighton*	2018 - 2021
City of Castle Pines	2014 - 2021
City of Evans*	2020 - 2021
City of Fort Morgan	2020 - 2021
City of Fountain*	2019 - 2021
City of Grand Junction*	2015 - 2021
City of Lone Tree*	2020 - 2021
City of Victor	2021
CitySet Metropolitan District No. 2	2012 - 2021
Clear Creek Valley Water & Sanitation District	2019 - 2021
Colorado River Fire Rescue Protection District	2017 - 2021
Conestoga Metropolitan District No. 1	2021
Conestoga Metropolitan District No. 2	2021
Conifer Metropolitan District	2019 - 2021
Cottonwood Hollow Commercial Metrooplitan District	2017 - 2021
Cottonwood Hollow Residential Metropolitan District	2017 - 2021
Cross Creek Metropolitan District	2012 - 2021
Cumberland Green Metropolitan District	2007 - 2021
Cundall Farms Metropolitan District	2021
Dancing Willows	2015 - 2021
Deer Creek Water District	2021
Dominion Water & Sanitation District	2015 - 2021
Durango Fire Protection District*	2008 - 2021
Eagle Meadow Metropolitan District	2021

\* Colorado clients who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year

## Attachment C

### CURRENT COLORADO GOVERNMENTAL AUDIT CLIENTS (continued)

Client Name	Dates of the Audit
Encore on 34 Metropolitan District No. 1	2018 - 2021
Erie Farm Metropolitan District	2015 - 2021
Evergreen Fire Protection District	2020 - 2021
Forest Hills Metropolitan District	2011 - 2021
Fossil Ridge Metropolitan District #1	2019 - 2021
Fossil Ridge Metropolitan District #2	2019 - 2021
Fossil Ridge Metropolitan District #3	2019 - 2021
Fountain Mutual Metropolitan District	2018 - 2021
Foxhill Metropolitan District No. 1	2021
Foxhill Metropolitan District No. 2	2021
Front Range Fire Rescue Fire Protection District	2016 - 2021
Fruitdale Sanitation District	2015 - 2021
Genesee Fire Protection District	2016 - 2021
Greater Brighton Fire Protection District	2021
Green Valley Ranch Metropolitan District	2002 - 2021
Hartsel Fire Protection District	2016 - 2021
Haskins Station Metropolitan District	2019 - 2021
Hermosa Sanitation District	2021
Highland Estates Metropolitan District	2018 - 2021
Highland Rescue Team Ambulance District	2017 - 2021
Highlands Ranch Metropolitan District	2021
Hillcrest Water & Sanitation District	2021
Hoover Hill Water & Sanitation District	2021
Hunter's Overlook Metropolitan District No. 1	2021
Hunter's Overlook Metropolitan District No. 2	2021
Hunter's Overlook Metropolitan District No. 3	2021
Hunter's Overlook Metropolitan District No. 4	2021
Hunter's Overlook Metropolitan District No. 5	2021
Hunter's Overlook Metropolitan District No. 6	2021
Inspiration Metropolitan District	2017 - 2021
Iron Mountain Metropolitan District No. 2	2021
Jefferson County Communications Authority	2019 - 2021
Ken Caryl Ranch Water and Sanitation District	2000 - 2021
Kittredge Sanitation District	2021
La Plata West Water Authority	2021
Lake Durango Water Authority	2019 - 2021
Lambertson Lakes Metropolitan District	2007 - 2021
Lanterns Metropolitan District No. 1	2019 - 2021
Lewis Pointe Metropolitan District	2015 - 2021
Lochbuie Station Residential Metropolitan District	2020 - 2021
Lookout Mountain Metropolitan District	2019 - 2021
Lupton Village Commercial Metropolitan District	2021
Lupton Village Residential Metropolitan District	2021
Mansfield Heights Water & Sanitation District	2014 - 2021
McKay Landing Metropolitan District No. 2	2002 - 2021
Medical School Campus Public Infrastructure District	2021
Miller's Landing Business Improvement District	2021
Mount Vernon Country Club Metropolitan District	2019 - 2021
Mountain Shadows Metropolitan District	2015 - 2021
Muegge Farms Metropolitan District No. 1	2021
Muegge Farms Metropolitan District No. 3	2021
Nexus North Metropolitan District	2021
North Range Metropolitan District No. 1	2012 - 2021
North Range Metropolitan District No. 3	2012 - 2021

\* Colorado clients who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year

## Attachment C

### CURRENT COLORADO GOVERNMENTAL AUDIT CLIENTS (continued)

Client Name	Dates of the Audit
North Table Mountain Water & Sanitation District	2015 - 2021
North Washington Street Water & Sanitation District	2013 - 2021
Northern Commerce Metropolitan District	2015 - 2021
Olathe Fire Protection District	2016 - 2021
Paint Brush Hills Metropolitan District	2020 - 2021
Park Meadows Metropolitan District	2002 - 2021
Parkdale Community Authority Board	2021
Plum Creek Water Reclamation Authority*	2012 - 2021
Poudre Tech Metropolitan District	2014 - 2021
Prosper Coordinating Metropolitan District	2017 - 2021
Prosper Coordinating Metropolitan District No. 4	2017 - 2021
Raindance Metropolitan District No. 1	2017 - 2021
Raindance Metropolitan District No. 2	2017 - 2021
Raindance Metropolitan District No. 3	2021
Rangeview Metropolitan District	2021
Reunion Metropolitan District	2012 - 2021
Ridgeline Vista Metropolitan District	2021
ROAM Public Infrastructure District No. 1	2021
ROAM Public Infrastructure District No. 2	2021
Rose Farm Acres Metropolitan District	2020 - 2021
Saddler Ridge Metropolitan District	2017 - 2021
Severance Shores Metropolitan District No. 1	2020 - 2021
Severance Shores Metropolitan District No. 4	2020 - 2021
Sky Ranch Community Authority Board	2018 - 2021
Sky Ranch Metropolitan District No. 1	2021
Skyview Meadows Metropolitan District	2021
Smoky Hill Metropolitan District	2002 - 2021
South Maryland Creek Metropolitan District	2019 - 2021
South Sheridan Water & Sanitation District	2014 - 2021
South Sloan's Lake Metropolitan District No. 1	2016 - 2021
South Sloan's Lake Metropolitan District No. 2	2016 - 2021
Southeast Metropolitan Stormwater Authority	2021
Southgate Sanitation District	2014 - 2021
Southgate Water District	2014 - 2021
Southwestern Water Conservation District	2011 - 2021
Sterling Ranch Community Authority Board	2015 - 2021
Sterling Ranch Colorado Metropolitan District No. 2	2019 - 2021
Sterling Ranch Colorado Metropolitan District No. 3	2017 - 2021
Tallman Gulch Metropolitan District	2018 - 2021
Tamarron Metropolitan District	2009 - 2021
The Brands Metropolitan District No. 1	2017 - 2021
The Brands Metropolitan District No. 4	2017 - 2021
Timbers Metropolitan District	2018 - 2021
Town of Deer Trail	2014 - 2021
Town of Estes Park*	2020 - 2021
Town of Limon	2009 - 2021
Town of Milliken	2021
Trails at Crowfood Metropolitan District #3	2019 - 2021
Trailside Metropolitan District No. 4	2019 - 2021
Triview Metropolitan District	2019 - 2021
Turion Metropolitan District No. 1	2021
Turion Metropolitan District No. 2	2021
Twin Peaks Metropolitan District	2016 - 2021
Valley Club Pointe Metropolitan District	2021

\* Colorado clients who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year

## Attachment C

### CURRENT COLORADO GOVERNMENTAL AUDIT CLIENTS (continued)

Client Name	Dates of the Audit
Visit Estes Park	2021
Ward TOD Metropolitan District No. 1	2019 - 2021
Water Valley Metropolitan District No. 1	2014 - 2021
Water Valley Metropolitan District No. 2	2014 - 2021
Waterstone Metropolitan District No. 1	2021
Wellington Fire Protection District	2021
West Frisco Gateway Center Master Association	2021
Westgate Metropolitan District No. 2	2021
Westview Metropolitan District	2019 - 2021
Wildwing Metropolitan District No. 1	2018 - 2021
Wildwing Metropolitan District No. 5	2018 - 2021
Willow Brook Metropolitan District	2019 - 2021
Will-O-Wisp Metropolitan District	2021
York Street Metropolitan District	2017 - 2021

\* Colorado clients who received the GFOA Certificate of Excellence in Financial Reporting during the most recent fiscal year

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## **Attachment D**

### **AUDIT APPROACH DETAILS**

Our audit approach is designed to proactively address risk associated with the audit process and provide value to our clients. Our audit approach is typically divided into three phases: planning, fieldwork and review.

#### **PLANNING**

Our audit approach relies heavily on a detailed assessment of the control environment and operating strengths and weaknesses of your company.

#### **INTERIM FIELDWORK**

If it is determined to add to the audit efficiency, we will perform interim testing prior to year-end. Generally during this phase, we perform most of our Single Audit compliance testing (if necessary), document and test the accounting system and internal controls. We will at times perform some substantive testing of accounts where appropriate.

#### **YEAR-END FIELDWORK**

This phase entails the bulk of our testing of financial statement account balances. Also, any open items from the interim fieldwork are addressed. Major federal programs are determined in accordance with the risk-based approach outlined in the Single Audit Act, and compliance testing wrapped up.

#### **REPORTING**

The auditor's reports and District Council presentation are drafted and reviewed with management. Upon approval by management, final versions of the reports are issued, and the Data Collection Form will be reviewed and approved for submission to the Federal Audit Clearing House, if necessary.

#### **REVIEW**

In order to assure the work and final report are of the highest quality, the files and reports must pass through a minimum of two reviews. Each review focuses on specific areas of the audit with intentional overlap so every part of the audit is reviewed in detail. Depending on the size and nature of an engagement, additional reviews are added to further ensure audit quality. We will also provide comments on preliminary drafts of your financial reports. We will work closely with you as you complete the final document, which will include our report.

## OUR AUDIT PROCESS:



- Client acceptance
- Identify risks
- Identify key processes and transactions
- Establish engagement dates
- Determine materiality



- Review policies and procedures
- Review internal control documentation
- Perform walkthroughs of key processes
- Interview client personnel
- Review prior-year and interim financial data
- Review preliminary financial data



- Develop targeted audit procedures
- Determine sampling plan for testing
- Send third party confirmations
- Coordinate audit fieldwork with management



- Fieldwork
- Substantive testing
- Inquiries
- Analytical testing
- Review of audit results with management



- Review draft financial statements
- Review schedule of expenditures of federal awards
- Issue final opinions
- Meet with audit committee or board of directors

Haynie & Company's approach to audits of governmental entities is a highly-tailored adaptation of our basic risk-based audit approach. These modifications serve two purposes: they streamline the audit procedures to make us more efficient; and, more importantly, they focus the audit procedures to make us more effective.

## **SAMPLING**

Where determined to be effective and efficient, Haynie & Company will test certain areas using sampling techniques. The size of audit samples will be based on many factors, including size of account balance and identified risks. Typical areas where sampling may be used are: cash disbursements, controls testing, revenue and accounts receivable.

## **SUBSTANTIVE TESTING**

Haynie & Company's typical planned methods with respect to substantive procedures will include:

- An understanding of the District's internal control structure will be obtained through a combination of interviews with personnel, questionnaires, and walk-through procedures to confirm that the understanding is accurate. We have IT specialists available to assist the audit team in performing these procedures, if necessary.
- Based on our risk assessments, we will perform tests of financial statement account balances. This will include testing of source documents and confirmation of information with vendors and other third parties. Additionally, we will use various analytical procedures to identify potential errors in the accounting records to test. Among these procedures are comparing account balances to the prior year and to budgets and scanning the general ledger for large or unusual items.
- Concluding the audit includes review of legal letters, workpaper review, financial statement review and review of draft reports with management.

## **TECHNOLOGY**

Haynie & Company focuses on cutting edge technology as a differentiator that allows us to streamline the audit process, be responsive to client needs, and back up all work papers. We utilize two robust systems to accomplish this:

- *ProSystem fx Engagement* is our engagement document management software that is an electronic binder to house and organize our audit documentation. This software allows the engagement team to easily collaborate with team members and clients.

- *Suralink* is a web-based audit management application that maintains all paper and electronic files in a secure, off-site data center, allowing for convenient, 24/7 access from any location. Haynie & Company professionals and client personnel can access all documents quickly and easily, which results in increased efficiency and quick response times for client requests. Suralink also functions as an open items list that can be accessed and maintained by the District and the audit team.

## **FINANCIAL STATEMENT REVIEW**

Haynie & Company views the financial statements and our reports as the finished product of the audit process, and as such reflects the culmination of client and our work. With this view in mind, we have established a proven process for ensuring the highest quality financial statements are produced. The key to this is a robust set of procedures that utilize our experience and knowledge.

- *Training* – The basis for our technical review is the expertise of our engagement team. All of our key reviewers are CPA's that receive not only required continuing education but also targeted training in areas specific to governmental accounting and audit.
- *Tie-Out Procedures* – One of our initial steps in the review process is to complete a thorough tie-out of all financial and other information included in the financial statements to account balances and other supporting documentation. This step ensures that all data is properly presented and agrees to supporting records. Additionally, we utilize the most up-to-date non-profit reporting checklists to make sure the financial statements are properly presented.
- *Supervisory Review* – All drafts throughout the reporting process are initially reviewed by managers and partners that were directly involved with the audit. This allows for the knowledge gained during the audit process to be utilized to ensure proper presentation and accuracy. The financial statements are reviewed for technical accuracy and overall readability.
- *Concurring Partner Review* – In addition to the manager and partner review mentioned above, in some cases, an audit partner that is not part of the engagement team reviews the financial statements and other key audit areas. The partner selected for this review is someone with extensive non-profit accounting and auditing experience, and the primary objective is to use an objective eye to determine that the financial statements contain all required disclosures and appear to be fairly presented.

## **USE OF DISTRICT PERSONNEL**

We use a risk-based approach and sampling procedures, and we customize and tailor our audit programs toward the financial statement assertions with respect to each account and business cycle. We utilize on-line audit programs and customize the sample sizes and audit approach utilizing our audit program tools for each client.

We require the requisite data and information in support of the general ledger account balances including general ledgers and trial balances, detailed general ledger reports, lead schedules and work paper retrieval and refile of documents based on pre-submitted lists, preparation of confirmations and other required letters. We rely heavily on the subsidiary schedules and information that you produce in the normal course of business to the extent possible, rather than require that you reconfigure and reformat data to our preferred format.

We generally provide an audit request list at least one month in advance of our anticipated interim and year-end fieldwork. This will allow you sufficient time to prepare the required schedules and to discuss any questions or concerns with the audit team.

## **YEAR-ROUND CONTACT**

An audit should not be treated as a once-a-year event. We will stay in touch with your team on an ongoing basis to learn about events that may have significant audit impact — enabling us to help you deal with them as they occur.

## **SMOOTH TRANSITION TO WORKING WITH US**

When we become your service provider, you will want the transition from your prior firm to be smooth and orderly. Any change of this nature will result in some disruption; however, with our extensive experience in succeeding other accounting firms, the disruption is minimized. Our process for transitioning clients from their prior auditors to our services emphasizes early planning with heavy involvement of partners and managers.