

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 5
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone 303-779-5710 Fax 303-779-0348

October 29, 2020

VIA EMAIL: MKlotz@douglas.co.us

Douglas County Clerk & Recorder
Attn: Clerk to the Board
301 Wilcox Street
Castle Rock, CO 80104

Re: 2019 Annual Report

To Whom It May Concern,

Please accept the enclosed as the 2019 annual report for Sterling Ranch Colorado Metropolitan District No. 5.

Please let me know if you have any questions.

Thank you,



Denise Denslow,
District Manager

Enclosures

Cc: Lisa Frizell, Douglas County Assessor via email (assessors@douglas.co.us)
Dave Gill, Douglas County Treasurer via email (dctreasurer@douglas.co.us)
State Auditor, Local Government Audit Division via Online Portal
Division of Local Government via E-Filing Portal
Barb Vander Wall, Esq.; Seter & Vander Wall, P.C.
Board of Directors

Douglas County Special Districts
Annual Report and Disclosure Form

Name of the District	Sterling Ranch Colorado Metropolitan District No. 5; The organizational date for this District is December 10, 2013.
Report for Calendar Year	2019
(i) Annual Budget	The District’s 2019 Adopted Budget is attached (see Exhibit A).
(ii) Annual Construction Schedule; Reconciliation of the Capital Improvement Program for Completion of the Improvements in the Following Two (2) Years	No construction by the District took place in 2019, however the Sterling Ranch Community Authority Board (“CAB”), of which the District is a member, undertook significant construction activity in 2019, including water, sewer, street, and park and recreation improvements.
(iii) Audited Financial Statements	The District’s 2019 Audit Exemption is attached (see Exhibit B). The CAB has filed audited financial statements for 2019 with the State Auditor.
(iv) Total Debt Authorized; Total Debt Issued; Remaining Debt Authorized and Intended to be Issued	The District has \$23,400,000,000 in total debt authorization. The Service Plans for Sterling Ranch Colorado Metropolitan Districts 1-7 (“Districts”) limit the aggregate amount of debt that the Districts can issue to \$1,800,000,000. No debt has yet been issued by the District. The CAB issued \$21,500,000 in Limited Tax Supported Revenue Senior Bonds and \$2,090,000 in Limited Tax Supported Revenue Subordinate Bonds in 2015. In 2016, the CAB issued its \$84,000,000 Taxable Subordinate Limited Revenue Promissory Note, Series 2016, and its \$21,000,000 Taxable Subordinate Limited Service Fee Revenue Promissory Note, Series 2016. In 2017, the CAB issued \$75,030,000 in Limited Tax Supported Revenue Senior Bonds and \$14,090,000 in Limited Tax Supported Revenue Subordinate Bonds. In 2019, the CAB issued \$27,616,932 in Limited Tax Supported District Nos. 1 – 7 Junior Subordinate Series 2019A Bonds.
(v) Names, Terms and Officers of the Board of Directors	<p>Harold R. Smethills, Jr., President Term Expires May 2023;</p> <p>Diane H. Smethills, Vice President/Treasurer Term Expires May 2020;</p> <p>VACANT, Assistant Secretary Term Expires May 2023</p> <p>VACANT, Assistant Secretary Term Expires May 2023</p> <p>VACANT, Assistant Secretary Term Expires May 2022</p>
(vi) Bylaw, Rules and Regulations Regarding Bidding, Conflict of Interest, Contracting and Other Governance Matters	The District currently has no bylaws or rules and regulations regarding governance matters, but the CAB has adopted rules and regulations regarding water and sewer service fees and charges.

(vii) Current Intergovernmental Agreements and Amendments	The District entered into an intergovernmental agreement in 2017 amending its rules and regulations and was provided previously with the 2017 Annual Report.
(viii) Summary of All Current Contracts for Services Related to Construction	The District did not enter into any contracts for services related to construction in 2019, but the CAB contracted for significant construction activity in 2019.
(ix) Current Approved Service Plan and Any Amendments	The District's Service Plan (approved August 27, 2013) was not amended in 2019.

EXHIBIT A
2020 Adopted Budget

LETTER OF BUDGET TRANSMITTAL

Date: January 21, 2020

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

Attached are the 2020 budget and budget message for STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 5 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 20, 2019. If there are any questions on the budget, please contact:

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

I, Denise Denslow, District Manager of the Sterling Ranch Colorado Metropolitan District No. 5 hereby certify that the attached is a true and correct copy of the 2020 budget.

By: 
Denise Denslow, District Manager

RESOLUTION NO. 2019-11- 01

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF**

**STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 5, DOUGLAS
COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING
EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND
APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2020**

A. The Board of Directors of Sterling Ranch Colorado Metropolitan District No. 5 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body on October 13, 2019 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 20, 2019, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 5, DOUGLAS
COUNTY, COLORADO:

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

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

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

[SIGNATURE PAGE FOLLOWS]

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

RESOLUTION APPROVED AND ADOPTED on NOVEMBER 20, 2019.

**STERLING RANCH COLORADO
METROPOLITAN DISTRICT NO. 5**

By: 

President

Attest:

By: 

Secretary

EXHIBIT A

Budget



CliftonLarsonAllen LLP
www.CLAconnect.com

Accountant's Compilation Report

Board of Directors
Sterling Ranch Colorado Metropolitan District No. 5

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Sterling Ranch Colorado Metropolitan District No. 5 for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Sterling Ranch Colorado Metropolitan District No. 5.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 2, 2019



An independent member of Nexia International

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 5
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

12/2/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Total revenues	-	-	-
Total funds available	-	-	-
EXPENDITURES			
Total expenditures	-	-	-
Total expenditures and transfers out requiring appropriation	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's
 compilation report and summary of significant assumptions.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 5
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,

12/2/19

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
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ASSESSSED VALUATION

Vacant land	-	7,900	7,900
Certified Assessed Value	\$ -	\$ 7,900	\$ 7,900

MILL LEVY

PROPERTY TAXES

Budgeted property taxes	\$ -	\$ -	\$ -
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BUDGETED PROPERTY TAXES

	\$ -	\$ -	\$ -
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This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 5
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court on December 10, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within Douglas County, Colorado.

The District was established to provide for the design, planning, acquisition, construction, financing, relocation, installation, completion, operation, maintenance, and repair or replacement of public improvements and services, including streets, park and recreation, water, sanitary and storm sewer, public transportation, mosquito control, traffic and safety controls, fire protection, and television relay and translation. Under its Service Plan, the District was organized in conjunction with six other related Districts: Sterling Ranch Colorado Metropolitan District Nos. 1 through 4 and 6 through 7. Sterling Ranch Colorado Metropolitan District No. 1 serves as a Management District and Sterling Ranch Colorado Metropolitan District Nos. 2 through 7 serve as Financing Districts (collectively, the "Districts"). The Districts entered into a Community Authority Board Establishment Agreement (the "CABEA"), on January 6, 2014, which establishes the Sterling Ranch Community Authority Board (the "CAB"). The CAB will own, operate and maintain certain public improvements within the boundaries of the Districts.

On November 5, 2013, District voters authorized a total indebtedness of \$16,200,000,000 for the above listed facilities, excluding operations and maintenance, intergovernmental agreements, and debt refunding. In the same election, the District voters approved an annual increase in property taxes of \$50,000,000 (without limitation to rate) and an annual increase in fees and charges of \$50,000,000 (without limitation to rate) to pay operations and maintenance and capital costs. The District voters also authorized the District to collect, receive, retain and spend the full amount of all taxes and all other revenues in excess of TABOR spending, revenue raising or other limitations. On November 4, 2014, the District voters authorized an additional indebtedness of \$1,800,000,000 for a total indebtedness of \$18,000,000,000.

The Service Plans for District Nos. 1 – 7 limit the aggregate amount of debt that they may issue together with any debt issued by the CAB to \$1,800,000,000.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues and Expenditures

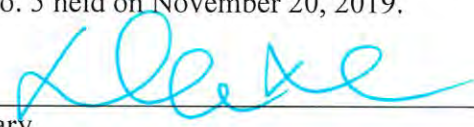
The District anticipates no financial activity in 2020.

Debt and Leases

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

This information is an integral part of the accompanying budget.

I, Denise Denslow, hereby certify that I am the duly appointed Secretary of the Sterling Ranch Colorado Metropolitan District No. 5, and that the foregoing is a true and correct copy of the budget for the budget year 2020, duly adopted at a meeting of the Board of Directors of the Sterling Ranch Colorado Metropolitan District No. 5 held on November 20, 2019.



Secretary

RESOLUTION NO. 2019-11- 02

RESOLUTION TO SET MILL LEVIES

RESOLUTION OF THE STERLING RANCH COLORADO METROPOLITAN DISTRICT NO. 5 LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111, C.R.S., FOR THE YEAR 2019, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE 2020 BUDGET YEAR

A. The Board of Directors of the Sterling Ranch Colorado Metropolitan District No. 5 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 20, 2019.

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

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

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

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

1. For the purpose of meeting all general operating expenses of the District during the 2020 budget year, the District determined to levy 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2020 budget year, the District determined to levy 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2020 budget year, the District determined to levy 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

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

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on NOVEMBER 20, 2019.

**STERLING RANCH COLORADO
METROPOLITAN DISTRICT NO. 5**

By: 
President

Attest:

By: 
Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Douglas County, Colorado.

On behalf of the Sterling Ranch Colorado Metro District 5,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Sterling Ranch Colorado Metro District 5

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 7,900 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 7,900 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 11/27/2019 for budget/fiscal year 2020
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

<u>PURPOSE</u> (see end notes for definitions and examples)	<u>LEVY²</u>	<u>REVENUE²</u>
1. General Operating Expenses ^H	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	0.000 mills	\$ 0

Contact person: Gigi Pangindian Daytime phone: 303-779-5710
 (print)
 Signed: Gigi Pangindian Title: Accountant for the District

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

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

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
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^K:

- 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 separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, Denise Denlow, hereby certify that I am the duly appointed Secretary of the Sterling Ranch Colorado Metropolitan District No. 5, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2020, duly adopted at a meeting of the Board of Directors of the Sterling Ranch Colorado Metropolitan District No. 5 held on November 20, 2019.



Secretary

Colorado Community Media
750 W. Hampden Ave, Suite 225
Englewood, CO 80110

Public Notice

NOTICE AS TO PROPOSED 2020 BUDGETS
AND AMENDMENT OF 2019 BUDGETS

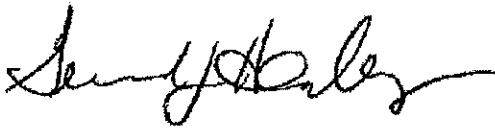
STERLING RANCH COLORADO
METROPOLITAN DISTRICT NOS. 1 - 7
DOUGLAS COUNTY, COLORADO

AFFIDAVIT OF PUBLICATION

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that proposed budgets have been submitted to the Board of Directors of the Sterling Ranch Colorado Metropolitan District Nos. 1 - 7 (the "Districts") for the ensuing year of 2020. The necessity may also arise for amendments of the 2019 budgets of the Districts. Copies of the proposed 2020 budgets and 2019 amended budgets (if appropriate) are on file in the office of the Districts' Accountant, CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy., Suite 300, Greenwood Village, CO 80111, where same are available for public inspection. Such proposed 2020 budgets and 2019 amended budgets will be considered at a special meeting of the Districts to be held on a First Reading at 12:00 p.m. on October 16, 2019 at the Sterling Ranch Resident Resource Center, 8220 Piney River Avenue, Littleton, CO 80125, and for a Second and Final Reading and public hearing to be held at 12:00 p.m. at a regular meeting on November 20, 2019 at the Sterling Ranch Resident Resource Center, 8220 Piney River Avenue, Littleton, CO 80125. Any interested elector within the Districts may, at any time prior to the final adoption of the 2020 budgets or the 2019 amended budgets, inspect the 2020 budgets and the 2019 amended budgets and file or register any objections thereto. The address of the office of the Districts where the names and addresses of the Districts' Board Members and their officers and the address, telephone number, fax number and email address of the Districts may be obtained is: c/o CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy., Suite 300, Greenwood Village, Colorado 80111.

State of Colorado)ss
County of Douglas

This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made the 3rd day of October A.D., 2019, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



for the Douglas County News Press
State of Colorado)
County of Arapahoe)ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Gerard Healey, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 3rd day of October A.D., 2019. Gerard Healey has verified to me that he has adopted an electronic signature to function as his signature on this document.

STERLING RANCH COLORADO
METROPOLITAN DISTRICT NOS. 1 - 7

/s/ Denise Denslow, District Manager

Legal Notice No.: 935869
First Publication: October 3, 2019
Last Publication: October 3, 2019
Publisher: Douglas County News-Press

20134073610-526812

LINDSAY L NICOLETTI
Notary Public
State of Colorado
Notary ID # 20134073610
My Commission Expires 02-22-2022

My Commission Expires 02/22/22

Notary Public

EXHIBIT B
2019 Audit Exemption

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT ADDRESS CONTACT PERSON PHONE EMAIL FAX	Sterling Ranch Colorado Metropolitan District No. 5 8390 E Crescent Parkway Suite 300 Greenwood Village, CO 80111 Gigi Pangindian 303-779-5710 Gigi.Pangindian@claconnect.com 303-779-0348
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For the Year Ended
 12/31/19
 or fiscal year ended:

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME: TITLE FIRM NAME (if applicable) ADDRESS PHONE DATE PREPARED	Gigi Pangindian Accountant for the District CliftonLarsonAllen LLP 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111 303-779-5710 2/25/2020
--	--

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ -	

PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

Yes No

4-1 Does the entity have outstanding debt?
If Yes, please attach a copy of the entity's Debt Repayment Schedule. Yes No

4-2 Is the debt repayment schedule attached? If no, MUST explain: Yes No

N/A

4-3 Is the entity current in its debt service payments? If no, MUST explain: Yes No

The District has no outstanding debt.

Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

Yes No

4-5 Does the entity have any authorized, but unissued, debt? Yes No

If yes: How much? \$ 21,600,000,000.00

Date the debt was authorized: 11/5/2013

4-6 Does the entity intend to issue debt within the next calendar year? Yes No

If yes: How much? \$ -

4-7 Does the entity have debt that has been refinanced that it is still responsible for? Yes No

If yes: What is the amount outstanding? \$ -

4-8 Does the entity have any lease agreements? Yes No

If yes: What is being leased?

What is the original date of the lease?

Number of years of lease?

Is the lease subject to annual appropriation? Yes No

What are the annual lease payments? \$ -

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

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

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
Total Cash Deposits		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Investments		\$ -
Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

Yes No N/A

5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et seq., C.R.S.? Yes No N/A

5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)? Yes No N/A

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes No

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

The District has no capital assets.

Complete the following capital assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

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

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan

\$ -

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? Yes No N/A
-
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: Yes No N/A

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

Fund Name	Budgeted Expenditures/Expenses
General Fund	\$ -

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes No

9-1 Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?

Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes No

10-1 Is this application for a newly formed governmental entity?

If yes: Date of formation:

10-2 Has the entity changed its name in the past or current year?

If yes: Please list the NEW name & PRIOR name:

10-3 Is the entity a metropolitan district?

Please indicate what services the entity provides:

10-4 Does the entity have an agreement with another government to provide services?

If yes: List the name of the other governmental entity and the services provided:

10-5 Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during

If yes: Date Filed:

10-6 Does the entity have a certified Mill Levy?

If yes: Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills	-
General/Other mills	-
Total mills	-

Please use this space to provide any explanations or comments:

10-3: Streets, water, storm drainage, sanitation, parks and recreation, transportation, mosquito control, television translation and relay, fire protection, traffic and safety control, and covenant enforcement.

10-4: The District operates in conjunction with Sterling Ranch Colorado Metropolitan District Nos. 1-4, 6-7, and Sterling Ranch Community Authority Board (CAB). District Nos. 1-7 are the Taxing Districts and CAB is the Operating Authority.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

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

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

Policy - Requirements

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

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

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

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

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Harold R. Smethills	I, Harold R. Smethills, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>3-18-20</u> My term Expires: May 2020
Board Member 2	Diane H. Smethills	I, Diane H. Smethills, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>[Signature]</u> Date: <u>March 18, 2020</u> My term Expires: May 2022
Board Member 3	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLACconnect.com

Accountant's Compilation Report

Board of Directors
Sterling Ranch Colorado Metropolitan District No. 5
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Sterling Ranch Colorado Metropolitan District No. 5 as of and for the year ended December 31, 2019, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Sterling Ranch Colorado Metropolitan District No. 5.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
February 25, 2020