

**2019 ANNUAL REPORT (COMBINED)**  
**HESS RANCH METROPOLITAN DISTRICT NOS. 4-8**

Pursuant to Section VII of the Amended and Restated Service Plans for each of Hess Ranch Metropolitan District Nos. 4-8, approved by the Town of Parker, Colorado on August 5, 2019 (collectively, the “Service Plan”), the following combined report of Hess Ranch Metropolitan District Nos. 4-8 (the “Districts”) activities from January 1, 2019 to December 1, 2019 is hereby submitted.

**1. A list of public infrastructure the Districts constructed or installed during the report year, and a schedule for the construction or installation of future public infrastructure, as well as any maintenance operations or activities the Districts have undertaken during the report year and maintenance operations or activities the District plan to undertake in the upcoming year:**

No infrastructure was constructed or installed during 2019. It is anticipated that the Districts will commence and continue through 2020 the construction and installation of the first phase of public infrastructure necessary for development within the Districts, including but not limited to grading and the installation of water and sanitary sewer service lines.

**2. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the Districts for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures) for the report year:**

See attached Exhibit A – 2019 Audit Exemption

**3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year, as well as any Public Improvements proposed to be undertaken in the five (5) years following the report year:**

No capital expenditures were incurred by the District in the development of Public Improvements in 2019. It is anticipated that the Districts will undertake and complete streets, stormwater, sanitary sewer, water, and landscaping and recreation improvements associated with Phase 1 of the Looking Glass development in the next five years as set forth in the Service Plan.

**4. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding Debt, the amount and terms of any new Debt issued in the report year, the amount of payment or retirement of existing Debt of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1 of the report year, and the current mill levy of the Districts pledged to Debt retirement in the report year:**

The Districts did not have any debt outstanding in 2019, and the assessed valuation assigned to the Districts as of January 1 of the report year was \$0.00. The Districts did not impose a debt service mill levy in 2019.

**5. The Districts' budget for the calendar year in which the annual report is submitted:**

See attached Exhibit B – 2020 Budgets

**6. A summary of the residential development in the Districts for the report year:**

No residential development occurred in the Districts during 2019.

**7. A summary of all fees, charges and assessments imposed by the Districts as of January 1 of the report year:**

No fees, charges or assessments were imposed by the Districts during 2019.

**8. Certification of the Boards that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year, or certification that such event has occurred but that an amendment to the Service Plan that allows such event has been approved by Town Council:**

The Boards of the Districts hereby certify that no action, event or condition in Town Code section 10.11.060 occurred in 2019.

**9. The name, business address and telephone number of each member of the Boards and their chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards:**

Lawrence P. Jacobson, President  
4100 S. Mississippi Avenue, Suite 500  
Denver, CO 80246  
Phone: 303-748-5466

Matthew P. Osborn, Secretary/Treasurer  
137 Jersey Street  
Denver, CO 80220

General Counsel:  
Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, CO 80203  
Phone: 303-839-3800

2019 Regular Meeting Dates: special meetings as needed.

Accountant:  
CliftonLarsonAllen LLP  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Phone: 303-779-5710

**10. Certification from the Boards of the Districts that the Districts are in compliance with all provisions of the Service Plan:**

The Boards hereby certify, to the best of their knowledge that the Districts are in compliance with all provisions of the Service Plan.

**11. A copy of the most recent notice issued by the Districts, pursuant to Section 32-1-809, C.R.S.:**

See attached Exhibit C – 2020 Transparency Notice

**12. A copy of any intergovernmental agreements entered into by the District since the filing of the last annual report.**

- a.** Partial Termination of Intergovernmental Agreement Regarding Debt Allocation and Cost Sharing dated April 26, 2019 (among Hess Ranch Metropolitan District Nos. 1-8); See attached Exhibit D.
- b.** Master Intergovernmental Agreement dated October 29, 2019 (among Hess Ranch Metropolitan District Nos. 4-8); See attached Exhibit D.
- a.** Amended and Restated Intergovernmental Agreements with the Town of Parker (separate agreements with each of Hess Ranch Metropolitan District Nos. 4-8): On file with the Town of Parker.

**EXHIBIT A**

**APPLICATION FOR EXEMPTION FROM AUDIT****SHORT FORM**NAME OF GOVERNMENT  
ADDRESS

Hess Ranch Metropolitan District No. 4

8390 E Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON

Kevin Collins

PHONE

303-779-5710

EMAIL

Kevin.Collins@claconnect.com

FAX

303-779-0348

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:

Kevin Collins

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

3/3/2020

**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**  
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)

## 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	<b>(add lines 2-1 through 2-23) TOTAL REVENUE</b>	<b>\$ -</b>	

## 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	<b>(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ -</b>	

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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*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? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	\$ 1,589,380,000.00	11/3/2015
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	\$ -	
<b>Total Cash Deposits</b>		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ -

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.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

N/A

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

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

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	\$ 50,000

## 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?



**10-1**

If yes: Date of formation:

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



**10-2**

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

**10-3** Is the entity a metropolitan district?



**10-3**

Please indicate what services the entity provides:

Please see below.

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



**10-4**

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

Please see below.

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



**10-5**

If yes: Date Filed:

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



**10-6**

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: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

10-4: The District is affiliated with Hess Ranch 5-8 to preform the services as described in the Service Plan.

## 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### 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	Lawrence Jacobson	I, Lawrence Jacobson, 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: 3/11/2020 My term Expires: May 2022 DocuSigned by: Lawrence P. Jacobson 75E3F5C3EC2E49C...
Board Member 2	Matthew Osborn	I, Matthew Osborn, 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: 3/12/2020 My term Expires: May 2020 DocuSigned by: Matthew Osborn 650F1E9D51084A5...
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: _____

**APPLICATION FOR EXEMPTION FROM AUDIT****SHORT FORM**NAME OF GOVERNMENT  
ADDRESS

Hess Ranch Metropolitan District No. 5

8390 E Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON

Kevin Collins

PHONE

303-779-5710

EMAIL

Kevin.Collins@claconnect.com

FAX

303-779-0348

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:

Kevin Collins

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

3/3/2020

**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**  
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)

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

## 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) <b>TOTAL EXPENDITURES/EXPENSES</b>	\$ -	

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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 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):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*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? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	\$ 1,589,380,000.00	11/3/2015
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	\$ -	-

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	\$ -	
<b>Total Cash Deposits</b>		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ -

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.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

N/A

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

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

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?



**10-1**

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:

Please see below.

**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:

Please see below.

**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	-

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

Please use this space to provide any explanations or comments:

10-3: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

10-4: The District is affiliated with Hess Ranch 4, 6-8 to preform the services as described in the Service Plan.

## 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

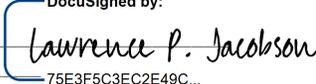
#### Policy - Requirements

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	Lawrence Jacobson	I, Lawrence Jacobson, 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: 3/11/2020 My term Expires: May 2022 DocuSigned by:  75E3F5C3EC2E49C...
Board Member 2	Matthew Osborn	I, Matthew Osborn, 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: 3/12/2020 My term Expires: May 2020 DocuSigned by:  650F1E9D51084A5...
Board Member 3		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		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		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		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		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: _____

**APPLICATION FOR EXEMPTION FROM AUDIT****SHORT FORM**NAME OF GOVERNMENT  
ADDRESS

Hess Ranch Metropolitan District No. 6

8390 E Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON

Kevin Collins

PHONE

303-779-5710

EMAIL

Kevin.Collins@claconnect.com

FAX

303-779-0348

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:

Kevin Collins

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

3/3/2020

**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**  
(MODIFIED ACCRUAL BASIS)**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)

## 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	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	Please use this space to provide any necessary explanations
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	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*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? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	\$ 1,589,380,000.00	11/3/2015
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	\$ -	-

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	\$ -	
<b>Total Cash Deposits</b>		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ -

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.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

N/A

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

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

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?



**10-1**

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:

Please see below.

**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:

Please see below.

**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: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

10-4: The District is affiliated with Hess Ranch 4-5, and 7-8 to perform the services as described in the Service Plan.

## 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

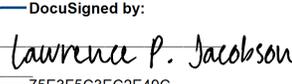
### Policy - Requirements

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	Lawrence Jacobson	I, Lawrence Jacobson, 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: 3/11/2020 My term Expires: May 2022 DocuSigned by:  75E3F5C3EC2E49C...
Board Member 2	Matthew Osborn	I, Matthew Osborn, 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: 3/12/2020 My term Expires: May 2020 DocuSigned by:  650F1E9D51084A5...
Board Member 3		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		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		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		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		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: _____

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

<b>NAME OF GOVERNMENT ADDRESS</b>	Hess Ranch Metropolitan District No. 7 8390 E Crescent Parkway Suite 300 Greenwood Village, CO 80111
<b>CONTACT PERSON</b>	Kevin Collins
<b>PHONE</b>	303-779-5710
<b>EMAIL</b>	Kevin.Collins@claconnect.com
<b>FAX</b>	303-779-0348

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.

<b>NAME:</b>	Kevin Collins
<b>TITLE</b>	Accountant for the District
<b>FIRM NAME (if applicable)</b>	CliftonLarsonAllen LLP
<b>ADDRESS</b>	8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111
<b>PHONE</b>	303-779-5710
<b>DATE PREPARED</b>	3/3/2020

### PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	<b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small>	<b>PROPRIETARY</b> <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	<b>(add lines 2-1 through 2-23) TOTAL REVENUE</b>	<b>\$ -</b>	

## 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	<b>(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ -</b>	

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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4 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
General obligation bonds	\$ -	\$ -
Revenue bonds	\$ -	\$ -
Notes/Loans	\$ -	\$ -
Leases	\$ -	\$ -
Developer Advances	\$ -	\$ -
Other (specify):	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>

\*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? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	\$ 1,589,380,000.00	11/3/2015
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	\$ -	-

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	\$ -	
<b>Total Cash Deposits</b>		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ -

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.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

N/A

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

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

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?



**10-1**

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:

Please see below.

**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:

Please see below.

**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: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

10-4: The District is affiliated with Hess Ranch 4-6, and 8 to preform the services as described in the Service Plan.

## 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### 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	Lawrence Jacobson	I, Lawrence Jacobson, 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: 3/11/2020 My term Expires: May 2022 DocuSigned by: Lawrence P. Jacobson 75E3F5C3EC2E49C...
Board Member 2	Matthew Osborn	I, Matthew Osborn, 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: 3/12/2020 My term Expires: May 2020 DocuSigned by: [Signature] 650F1E9D51084A5...
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: _____

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

Hess Ranch Metropolitan District No. 8

8390 E Crescent Parkway

Suite 300

Greenwood Village, CO 80111

CONTACT PERSON

Kevin Collins

PHONE

303-779-5710

EMAIL

Kevin.Collins@claconnect.com

FAX

303-779-0348

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:

Kevin Collins

TITLE

Accountant for the District

FIRM NAME (if applicable)

CliftonLarsonAllen LLP

ADDRESS

8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111

PHONE

303-779-5710

DATE PREPARED

3/3/2020

**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**  
(MODIFIED ACCRUAL BASIS)



**PROPRIETARY**  
(CASH OR BUDGETARY BASIS)



## 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	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	Please use this space to provide any necessary explanations
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	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
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.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
<b>General obligation bonds</b>	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*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? If yes: How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date the debt was authorized:	\$ 1,589,380,000.00	11/3/2015
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? 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? What are the annual lease payments?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	\$ -	-

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	\$ -	
<b>Total Cash Deposits</b>		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
5-3	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ -

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.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

N/A

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

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

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?



**10-1**

If yes: Date of formation:

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



**10-2**

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

**10-3** Is the entity a metropolitan district?



**10-3**

Please indicate what services the entity provides:

Please see below.

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



**10-4**

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

Please see below.

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



**10-5**

If yes: Date Filed:

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



**10-6**

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: Public improvements including street improvements, parks and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security.

10-4: The District is affiliated with Hess Ranch 4-7 to perform the services as described in the Service Plan.

## 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### 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	Lawrence Jacobson	<p>I, Lawrence Jacobson, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.</p> <p>Signed _____ Date: 3/11/2020</p> <p>DocuSigned by: <i>Lawrence P. Jacobson</i> 75E3F5C3EC2E49C...</p> <p>My term Expires: May 2022</p>
Board Member 2	Matthew Osborn	<p>I, Matthew Osborn, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.</p> <p>Signed _____ Date: 3/12/2020</p> <p>DocuSigned by: <i>Matthew Osborn</i> 850F1E9D51084A5...</p> <p>My term Expires: May 2020</p>
Board Member 3	Print Board Member's Name	<p>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.</p> <p>Signed _____ Date: _____ My term Expires: _____</p>
Board Member 4	Print Board Member's Name	<p>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.</p> <p>Signed _____ Date: _____ My term Expires: _____</p>
Board Member 5	Print Board Member's Name	<p>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.</p> <p>Signed _____ Date: _____ My term Expires: _____</p>
Board Member 6	Print Board Member's Name	<p>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.</p> <p>Signed _____ Date: _____ My term Expires: _____</p>
Board Member 7	Print Board Member's Name	<p>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.</p> <p>Signed _____ Date: _____ My term Expires: _____</p>



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.CLACONNECT.COM

## Accountant's Compilation Report

Board of Directors  
Hess Ranch Metropolitan District No. 8  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 8 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 Hess Ranch Metropolitan District No. 8.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
March 3, 2020

**EXHIBIT B**



CliftonLarsonAllen LLP  
www.CLACONnect.com

## Accountant's Compilation Report

Board of Directors  
Hess Ranch Metropolitan District No. 4  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 4 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 Hess Ranch Metropolitan District No. 4.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
March 3, 2020

## Certificate Of Completion

Envelope Id: 62D10F74CBFD46DC9E0E0220A3F07FD9	Status: Completed
Subject: Please DocuSign: Hess Ranch Metropolitan District No. 4 - 2019 Audit Exemption.pdf	
Client Name: Hess Ranch Metropolitan District No. 4	
Client Number: 011-044913-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	SyLuc Vo
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	SyLuc.Vo@claconnect.com
	IP Address: 65.59.88.254

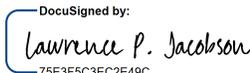
## Record Tracking

Status: Original	Holder: SyLuc Vo	Location: DocuSign
3/10/2020 1:40:38 PM	SyLuc.Vo@claconnect.com	

## Signer Events

Lawrence P. Jacobson  
ljacobson@frontrangecommunities.com  
Security Level: Email, Account Authentication (None)

## Signature

DocuSigned by:  
  
75E3F5C3EC2E49C...  
Signature Adoption: Pre-selected Style  
Using IP Address: 96.93.223.173

## Timestamp

Sent: 3/10/2020 1:57:58 PM  
Viewed: 3/11/2020 1:06:50 PM  
Signed: 3/11/2020 1:07:15 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 3/11/2020 1:06:50 PM  
ID: 2e156843-bbb3-4dcb-8fd3-30bc021389db

Matthew Osborn  
mosborn@frontrangecommunities.com  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
650F1E9D51084A5...  
Signature Adoption: Uploaded Signature Image  
Using IP Address: 71.218.121.132

Sent: 3/10/2020 1:57:58 PM  
Viewed: 3/12/2020 9:15:05 AM  
Signed: 3/12/2020 9:15:21 AM

**Electronic Record and Signature Disclosure:**  
Accepted: 3/12/2020 9:15:05 AM  
ID: b0c31759-1ba0-4cf7-b173-13c9227a53d7

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/10/2020 1:57:58 PM
Certified Delivered	Security Checked	3/12/2020 9:15:05 AM
Signing Complete	Security Checked	3/12/2020 9:15:21 AM
Completed	Security Checked	3/12/2020 9:15:21 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

<b>Electronic Record and Signature Disclosure</b>
---

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2020

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

Attached are the 2020 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 4 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 29, 2019. If there are any questions on the budget, please contact:

Kevin Collins, District Accountant  
CliftonLarsonAllen  
8390 E Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Tel.: (303) 779-5710

I, Becky Johnson as Paralegal of the Hess Ranch Metropolitan District No. 4, hereby certify that the attached is a true and correct copy of the 2020 budget.

By:

Becky Johnson

**RESOLUTION  
TO ADOPT 2020 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
HESS RANCH METROPOLITAN DISTRICT NO. 4**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 4, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2020, AND ENDING ON THE LAST DAY OF DECEMBER, 2020,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 4 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 29, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2019 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0; and

WHEREAS, at an election held on November 3, 2015, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 4 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 4 for calendar year 2020.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2020 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2020 budget year, there is hereby levied a tax of 10.069 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2019.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2020 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby

levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2020 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2020 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2019.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., 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 boundaries of the District for the year 2019.

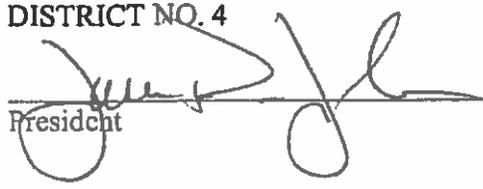
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2019, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2019 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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.

ADOPTED this 29<sup>th</sup> day of October, 2019.

HESS RANCH METROPOLITAN  
DISTRICT NO. 4

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES



CliftonLarsonAllen LLP  
CLAconnect.com

# CliftonLarsonAllen

## Accountant's Compilation Report

Board of Directors  
Hess Ranch Metropolitan District No. 4

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Hess Ranch Metropolitan District No. 4 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 Hess Ranch Metropolitan District No. 4.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 23, 2019



An independent member of Nexia International

**HESS RANCH METROPOLITAN DISTRICT NO. 4**  
**GENERAL FUND**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/23/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	11,914	-	-
Total revenues	<u>11,914</u>	<u>-</u>	<u>-</u>
Total funds available	<u>11,914</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Accounting	2,613	-	-
Legal services	9,301	-	-
Total expenditures	<u>11,914</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>11,914</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**HESS RANCH METROPOLITAN DISTRICT NO. 4**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/23/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Certified Assessed Value	\$ -	\$ -	\$ -
<b>MILL LEVY</b>			
General	0.000	0.000	10.069
Total mill levy	0.000	0.000	10.069
<b>PROPERTY TAXES</b>			
Budgeted property taxes	\$ -	\$ -	\$ -
<b>BUDGETED PROPERTY TAXES</b>			
	\$ -	\$ -	\$ -

**HESS RANCH METROPOLITAN DISTRICT NO. 4  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, 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 south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 5, Hess Ranch No. 6, Hess Ranch No. 7, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and 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 applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 4  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (continued)**

The District 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**

The District has no revenue.

**Expenditures**

The District has no expenditures.

**Debt and Leases**

The District has no debt and operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. Since District has no expenditures during 2020, an emergency reserve is not reflected in the District's budget.

**This information is an integral part of the accompanying budget.**

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

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

On behalf of the HESS RANCH METROPOLITAN DISTRICT NO. 4,  
(taxing entity)<sup>A</sup>

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

of the HESS RANCH METROPOLITAN DISTRICT NO. 4  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 0 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: \$ 0 (NET<sup>G</sup> 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: 12/09/2019 for budget/fiscal year 2020.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>10.069</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>10.069</b> mills	<b>\$ 0</b>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
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>10.069</b> mills	<b>\$ 0</b>

Contact person: Kevin Collins Daytime phone: (303) 779-5710  
(print)  
Signed: [Signature] 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.

<sup>1</sup> 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).

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



CliftonLarsonAllen LLP  
www.CLACONNECT.com

## Accountant's Compilation Report

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

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch 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 Hess Ranch Metropolitan District No. 5.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
March 3, 2020

## Certificate Of Completion

Envelope Id: FEF17517A771488185025559C4A6B977	Status: Completed
Subject: Please DocuSign: Hess Ranch Metropolitan District No. 5 - 2019 Audit Exemption.pdf	
Client Name: Hess Ranch Metropolitan District No. 5	
Client Number: 011-045922-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	SyLuc Vo
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	SyLuc.Vo@claconnect.com
	IP Address: 65.59.88.254

## Record Tracking

Status: Original	Holder: SyLuc Vo	Location: DocuSign
3/10/2020 1:58:08 PM	SyLuc.Vo@claconnect.com	

## Signer Events

Lawrence P. Jacobson  
 ljacobson@frontrangecommunities.com  
 Security Level: Email, Account Authentication (None)

## Signature

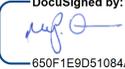
DocuSigned by:  
  
 75E3F5C3EC2E49C...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 96.93.223.173

## Timestamp

Sent: 3/10/2020 1:59:39 PM  
 Viewed: 3/11/2020 1:06:04 PM  
 Signed: 3/11/2020 1:06:32 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/11/2020 1:06:04 PM  
 ID: ce2138de-cab9-401f-8ec1-993d121e2a49

Matthew Osborn  
 mosborn@frontrangecommunities.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 650F1E9D51084A5...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 71.218.121.132

Sent: 3/10/2020 1:59:39 PM  
 Viewed: 3/12/2020 9:15:41 AM  
 Signed: 3/12/2020 9:15:56 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/12/2020 9:15:41 AM  
 ID: 0d794964-727e-483d-a704-942a7e5d64ab

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/10/2020 1:59:39 PM
Certified Delivered	Security Checked	3/12/2020 9:15:41 AM
Signing Complete	Security Checked	3/12/2020 9:15:56 AM
Completed	Security Checked	3/12/2020 9:15:56 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

<b>Electronic Record and Signature Disclosure</b>
---

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

**How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

**To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

**To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2020  
To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

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

Kevin Collins, District Accountant  
CliftonLarsonAllen  
8390 E Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Tel.: (303) 779-5710

I, Betsy Johnson as President of the Hess Ranch Metropolitan District No. 5, hereby certify that the attached is a true and correct copy of the 2020 budget.

By:

Betsy Johnson

**RESOLUTION  
TO ADOPT 2020 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
HESS RANCH METROPOLITAN DISTRICT NO. 5**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 5, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2020, AND ENDING ON THE LAST DAY OF DECEMBER, 2020,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 5 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 29, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatement is \$0; and

WHEREAS, the 2019 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0; and

WHEREAS, at an election held on November 3, 2015, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

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

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 5 for calendar year 2020.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2020 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2020 budget year, there is hereby levied a tax of 10.069 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2019.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2020 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2020 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2020 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2019.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., 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 boundaries of the District for the year 2019.

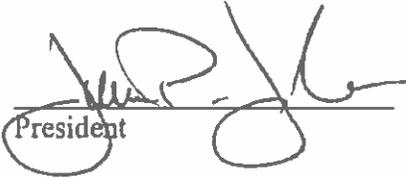
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2019, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2019 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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.

ADOPTED this 29<sup>th</sup> day of October, 2019.

HESS RANCH METROPOLITAN  
DISTRICT NO. 5

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES



CliftonLarsonAllen LLP  
CLAconnect.com

# CliftonLarsonAllen

## Accountant's Compilation Report

Board of Directors  
Hess Ranch Metropolitan District No. 5

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Hess Ranch 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 Hess Ranch Metropolitan District No. 5.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 23, 2019



An independent member of Nexia International

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

12/23/19

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

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

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

12/23/19

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
----------------	-------------------	----------------

**ASSESSED VALUATION**

Certified Assessed Value

\$	-	\$	-	\$	-
----	---	----	---	----	---

**MILL LEVY**

General

0.000	44.479	10.069
-------	--------	--------

Total mill levy

0.000	44.479	10.069
-------	--------	--------

**PROPERTY TAXES**

Budgeted property taxes

\$	-	\$	-	\$	-
----	---	----	---	----	---

**BUDGETED PROPERTY TAXES**

\$	-	\$	-	\$	-
----	---	----	---	----	---

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

**HESS RANCH METROPOLITAN DISTRICT NO. 5  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, 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 south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 6, Hess Ranch No. 7, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and 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 applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 5  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (continued)**

The District 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**

The District has no revenue.

**Expenditures**

The District has no expenditures.

**Debt and Leases**

The District has no debt and operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. Since District has no expenditures during 2020, an emergency reserve is not reflected in the District's budget.

**This information is an integral part of the accompanying budget.**

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

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

On behalf of the HESS RANCH METROPOLITAN DISTRICT NO. 5,  
(taxing entity)<sup>A</sup>

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

of the HESS RANCH METROPOLITAN DISTRICT NO. 5,  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 0 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: \$ 0 (NET<sup>G</sup> 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: 12/09/2019 for budget/fiscal year 2020.  
(no later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>10.069</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>10.069</b> mills	<b>\$ 0</b>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
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>10.069</b> mills	<b>\$ 0</b>

Contact person: Kevin Collins Daytime phone: (303) 779-5710  
(print)  
Signed: \_\_\_\_\_ 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.*

<sup>1</sup> 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).

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



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.CLACONnect.com

## Accountant's Compilation Report

Board of Directors  
Hess Ranch Metropolitan District No. 6  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 6 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 Hess Ranch Metropolitan District No. 6.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
March 3, 2020

## Certificate Of Completion

Envelope Id: 2B5888D2685F487DA965F0C01E89B7AE	Status: Completed
Subject: Please DocuSign: Hess Ranch Metropolitan District No. 6 - 2019 Audit Exemption.pdf	
Client Name: Hess Ranch Metropolitan District No. 6	
Client Number: 011-045923-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	SyLuc Vo
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	SyLuc.Vo@claconnect.com
	IP Address: 65.59.88.254

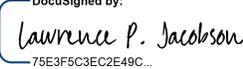
## Record Tracking

Status: Original	Holder: SyLuc Vo	Location: DocuSign
3/10/2020 2:00:06 PM	SyLuc.Vo@claconnect.com	

## Signer Events

Lawrence P. Jacobson  
 ljacobson@frontrangecommunities.com  
 Security Level: Email, Account Authentication (None)

## Signature

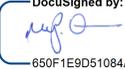
DocuSigned by:  
  
 75E3F5C3EC2E49C...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 96.93.223.173

## Timestamp

Sent: 3/10/2020 2:01:57 PM  
 Viewed: 3/11/2020 1:05:18 PM  
 Signed: 3/11/2020 1:05:45 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/11/2020 1:05:18 PM  
 ID: b3cbe293-fc32-4293-aa61-a7094c906952

Matthew Osborn  
 mosborn@frontrangecommunities.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 650F1E9D51084A5...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 71.218.121.132

Sent: 3/10/2020 2:01:57 PM  
 Viewed: 3/12/2020 9:17:16 AM  
 Signed: 3/12/2020 9:17:32 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/12/2020 9:17:16 AM  
 ID: 02c68ede-0355-400a-98dc-b5d694e96b14

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/10/2020 2:01:57 PM
Certified Delivered	Security Checked	3/12/2020 9:17:16 AM
Signing Complete	Security Checked	3/12/2020 9:17:32 AM
Completed	Security Checked	3/12/2020 9:17:32 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

**Electronic Record and Signature Disclosure**

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

#### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2020  
To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2020 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 6 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 29, 2019. If there are any questions on the budget, please contact:

Kevin Collins, District Accountant  
CliftonLarsonAllen  
8390 E Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Tel.: (303) 779-5710

I, Becky Johnson as Paralegal of the Hess Ranch Metropolitan District No. 6, hereby certify that the attached is a true and correct copy of the 2020 budget.

By:



**RESOLUTION  
TO ADOPT 2020 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
HESS RANCH METROPOLITAN DISTRICT NO. 6**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 6, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2020, AND ENDING ON THE LAST DAY OF DECEMBER, 2020,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 6 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 29, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2019 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0; and

WHEREAS, at an election held on November 3, 2015, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 6 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 6 for calendar year 2020.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2020 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2020 budget year, there is hereby levied a tax of 10.069 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2019.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2020 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2020 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2020 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2019.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., 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 boundaries of the District for the year 2019.

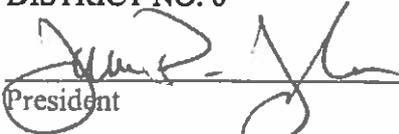
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2019, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2019 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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.

ADOPTED this 29<sup>th</sup> day of October, 2019.

HESS RANCH METROPOLITAN  
DISTRICT NO. 6

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
CLAAconnect.com

**Accountant's Compilation Report**

Board of Directors  
Hess Ranch Metropolitan District No. 6

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Hess Ranch Metropolitan District No. 6 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 Hess Ranch Metropolitan District No. 6.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 23, 2019



An independent member of Nexia International

**HESS RANCH METROPOLITAN DISTRICT NO. 6  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/23/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Bond issuance - Series 2019 A	-	-	70,720,000
Bond issuance - Series 2019 B	-	-	11,215,000
Interest income	-	-	500,000
Developer advance	-	-	100,000
Total revenues	<u>-</u>	<u>-</u>	<u>82,535,000</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>17,898,800</u>
Total funds available	<u>-</u>	<u>-</u>	<u>100,433,800</u>
EXPENDITURES			
General Fund	-	-	100,000
Debt Service Fund	-	-	3,705,924
Capital Projects Fund	-	-	64,386,200
Total expenditures	<u>-</u>	<u>-</u>	<u>68,192,124</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>17,898,800</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>86,090,924</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,342,876</u>
SURPLUS FUND	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,230,000</u>
CAPITALIZED INTEREST FUND	<u>-</u>	<u>-</u>	<u>8,112,876</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,342,876</u>

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

**HESS RANCH METROPOLITAN DISTRICT NO. 6  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/23/19

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
----------------	-------------------	----------------

<b>ASSESSED VALUATION</b>	
Certified Assessed Value	\$ -    \$ -    \$ -

<b>MILL LEVY</b>	
General	0.000    0.000    10.069
Total mill levy	0.000    0.000    10.069

<b>PROPERTY TAXES</b>	
Budgeted property taxes	\$ -    \$ -    \$ -

<b>BUDGETED PROPERTY TAXES</b>	
	\$ -    \$ -    \$ -

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

**HESS RANCH METRO DISTRICT NO. 6**  
**GENERAL FUND**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/23/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
<b>REVENUES</b>			
Developer advance	-	-	100,000
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>100,000</u>
<b>Total funds available</b>	<u>-</u>	<u>-</u>	<u>100,000</u>
<b>EXPENDITURES</b>			
General and administrative			
Accounting	-	-	35,000
Auditing	-	-	5,000
Dues and licenses	-	-	2,500
Insurance and bonds	-	-	12,000
Legal services	-	-	35,000
Election expense	-	-	2,000
Contingency	-	-	8,500
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>100,000</u>
<b>Total expenditures and transfers out     requiring appropriation</b>	<u>-</u>	<u>-</u>	<u>100,000</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**HESS RANCH METRO DISTRICT NO. 6  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/23/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Interest income	-	-	150,000
Total revenues	<u>-</u>	<u>-</u>	<u>150,000</u>
TRANSFERS IN			
Transfer from Capital Projects Fund	<u>-</u>	<u>-</u>	<u>17,898,800</u>
Total funds available	<u>-</u>	<u>-</u>	<u>18,048,800</u>
EXPENDITURES			
General and administrative			
Bond interest - Series 2019 A	-	-	3,705,924
Total expenditures	<u>-</u>	<u>-</u>	<u>3,705,924</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>3,705,924</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,342,876</u>
SURPLUS FUND	\$ -	\$ -	\$ 6,230,000
CAPITALIZED INTEREST FUND	-	-	8,112,876
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,342,876</u>

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

**HESS RANCH METRO DISTRICT NO. 6  
CAPITAL PROJECTS FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/23/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
<b>REVENUES</b>			
Bond issuance - Series 2019 A	-	-	70,720,000
Bond issuance - Series 2019 B	-	-	11,215,000
Interest income	-	-	350,000
Total revenues	<u>-</u>	<u>-</u>	<u>82,285,000</u>
Total funds available	<u>-</u>	<u>-</u>	<u>82,285,000</u>
<b>EXPENDITURES</b>			
Bond issue costs	-	-	2,050,850
Capital Outlay	-	-	62,335,350
Total expenditures	<u>-</u>	<u>-</u>	<u>64,386,200</u>
<b>TRANSFERS OUT</b>			
Transfer to Debt Service Fund	-	-	17,898,800
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>17,898,800</u> <u>82,285,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**HESS RANCH METROPOLITAN DISTRICT NO. 6  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, 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 south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 7, and Hess Ranch No. 8. The District serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and 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 applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 6  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (continued)**

The District 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**

**Developer Advances**

The District's general and administrative costs in 2020 will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bonds proceeds and other legally available revenue.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.25%.

**Expenditures**

**Capital Outlay**

The District anticipates capital outlay as outlined in the Capital Project Fund.

**General and Administrative Expenditures**

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

**Debt Service**

Interest payments are estimated based on a proposed bond financing.

**Debt and Leases**

**Debt and Leases**

The District anticipates issuing Bonds in 2020. The final terms of the Bonds will be determined upon issuance of the Bonds.

**HESS RANCH METROPOLITAN DISTRICT NO. 6  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. Since all funds received by the District are from Developer advances which pay for all of the District's operations and maintenance costs, an emergency reserve is not reflected in the District's budget.

**Debt Service Reserve**

The District is required to maintain a Surplus Fund comprised of funds that exceed the current year Debt Service requirements as outlined in the terms of the Bonds. The Surplus Fund is not to exceed \$14,144,000 and shall be drawn in the event Pledged Revenues are insufficient to cover current Debt Service requirements.

**This information is an integral part of the accompanying budget.**

**HESS RANCH METROPOLITAN DISTRICT NO. 6  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>\$70,720,000 (Estimated) General Obligation Series 2019</b>			
<b>Estimated Date of February 20, 2020 Estimated Interest Rate of 5.5% Due June 1 and December 1 Principal Due December 1</b>			<b>Total General Obligation Bonds</b>
	<b>Principal</b>	<b>Interest</b>	
2020		\$ 3,705,924	\$ 3,705,924
2021		3,889,600	3,889,600
2022		3,889,600	3,889,600
2023		3,889,600	3,889,600
2024		3,889,600	3,889,600
2025		3,889,600	3,889,600
2026		3,889,600	3,889,600
2027		3,889,600	3,889,600
2028	550,000	3,889,600	4,439,600
2029	985,000	3,859,350	4,844,350
2030	1,410,000	3,805,175	5,215,175
2031	1,485,000	3,727,625	5,212,625
2032	1,670,000	3,645,950	5,315,950
2033	1,765,000	3,554,100	5,319,100
2034	1,965,000	3,457,025	5,422,025
2035	2,075,000	3,348,950	5,423,950
2036	2,295,000	3,234,825	5,529,825
2037	2,425,000	3,108,600	5,533,600
2038	2,670,000	2,975,225	5,645,225
2039	2,815,000	2,828,375	5,643,375
2040	3,080,000	2,673,550	5,753,550
2041	3,250,000	2,504,150	5,754,150
2042	3,545,000	2,325,400	5,870,400
2043	3,740,000	2,130,425	5,870,425
2044	4,065,000	1,924,725	5,989,725
2045	4,285,000	1,701,150	5,986,150
2046	4,645,000	1,465,475	6,110,475
2047	4,900,000	1,210,000	6,110,000
2048	5,290,000	940,500	6,230,500
2049	11,810,000	649,550	12,459,550
	<b>\$ 70,720,000</b>	<b>\$ 89,892,849</b>	<b>\$ 160,612,849</b>

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

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

On behalf of the HESS RANCH METROPOLITAN DISTRICT NO. 6,  
(taxing entity)<sup>A</sup>

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

of the HESS RANCH METROPOLITAN DISTRICT NO. 6  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 0 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: \$ 0 (NET<sup>G</sup> 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: 12/09/2019 for budget/fiscal year 2020.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>10.069</u> mills	\$ <u>0</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< > mills	\$ < >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>10.069</b> mills	<b>\$ 0</b>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
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>10.069</b> mills	<b>\$ 0</b>

Contact person: (print) Kevin Collins Daytime phone: (303) 779-5710  
Signed: [Signature] 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.

<sup>1</sup> 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).

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



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.CLACONnect.com

## Accountant's Compilation Report

Board of Directors  
Hess Ranch Metropolitan District No. 7  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 7 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 Hess Ranch Metropolitan District No. 7.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
March 3, 2020

## Certificate Of Completion

Envelope Id: A9D890D344A143ABBE8EB3438B15DDA7	Status: Completed
Subject: Please DocuSign: Hess Ranch Metropolitan District No. 7 - 2019 Audit Exemption.pdf	
Client Name: Hess Ranch Metropolitan District No. 7	
Client Number: 011-045924-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelope Stamping: Enabled	SyLuc Vo
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	SyLuc.Vo@claconnect.com
	IP Address: 65.59.88.254

## Record Tracking

Status: Original 3/10/2020 2:03:51 PM	Holder: SyLuc Vo SyLuc.Vo@claconnect.com	Location: DocuSign
--	---	--------------------

## Signer Events

Lawrence P. Jacobson  
ljacobson@frontrangecommunities.com  
Security Level: Email, Account Authentication (None)

## Signature

DocuSigned by:  
  
75E3F5C3EC2E49C...  
Signature Adoption: Pre-selected Style  
Using IP Address: 96.93.223.173

## Timestamp

Sent: 3/10/2020 2:05:56 PM  
Viewed: 3/11/2020 1:04:29 PM  
Signed: 3/11/2020 1:04:57 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 3/11/2020 1:04:29 PM  
ID: 8ec737b8-99af-4b0b-8699-9d27c68a3149

Matthew Osborn  
mosborn@frontrangecommunities.com  
Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
650F1E9D51084A5...  
Signature Adoption: Uploaded Signature Image  
Using IP Address: 71.218.121.132

Sent: 3/10/2020 2:05:56 PM  
Viewed: 3/12/2020 9:14:10 AM  
Signed: 3/12/2020 9:14:44 AM

**Electronic Record and Signature Disclosure:**  
Accepted: 3/12/2020 9:14:10 AM  
ID: 8aad6995-7214-4d8d-8878-c26c1f44f051

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/10/2020 2:05:56 PM
Certified Delivered	Security Checked	3/12/2020 9:14:10 AM
Signing Complete	Security Checked	3/12/2020 9:14:44 AM
Completed	Security Checked	3/12/2020 9:14:44 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

<b>Electronic Record and Signature Disclosure</b>
---

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

#### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2020  
To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2020 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 7 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 29, 2019. If there are any questions on the budget, please contact:

Kevin Collins, District Accountant  
CliftonLarsonAllen  
8390 E Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Tel.: (303) 779-5710

I, Betsy Johnson as Paralegal of the Hess Ranch Metropolitan District No. 7, hereby certify that the attached is a true and correct copy of the 2020 budget.

By: Betsy Johnson

**RESOLUTION  
TO ADOPT 2020 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
HESS RANCH METROPOLITAN DISTRICT NO. 7**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 7, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2020, AND ENDING ON THE LAST DAY OF DECEMBER, 2020,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 7 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 29, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2019 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0; and

WHEREAS, at an election held on November 3, 2015, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 7 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 7 for calendar year 2020.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2020 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2020 budget year, there is hereby levied a tax of 10.069 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.00 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2019.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2020 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2020 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2020 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2019.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2019.

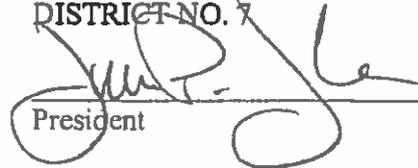
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2019, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2019 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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.

ADOPTED this 29<sup>th</sup> day of October, 2019.

HESS RANCH METROPOLITAN  
DISTRICT NO. 7

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
CLAAconnect.com

**Accountant's Compilation Report**

Board of Directors  
Hess Ranch Metropolitan District No. 7

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Hess Ranch Metropolitan District No. 7 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 ending 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 Hess Ranch Metropolitan District No. 7.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 23, 2019



An independent member of Nexia International

**HESS RANCH METROPOLITAN DISTRICT NO. 7**  
**GENERAL FUND**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/23/19

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

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

**HESS RANCH METROPOLITAN DISTRICT NO. 7  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/23/19

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
----------------	-------------------	----------------

**ASSESSED VALUATION**

Certified Assessed Value

\$	-	\$	-	\$	-
----	---	----	---	----	---

**MILL LEVY**

General

0.000	0.000	10.069
-------	-------	--------

Total mill levy

0.000	0.000	10.069
-------	-------	--------

**PROPERTY TAXES**

Budgeted property taxes

\$	-	\$	-	\$	-
----	---	----	---	----	---

**BUDGETED PROPERTY TAXES**

\$	-	\$	-	\$	-
----	---	----	---	----	---

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

**HESS RANCH METROPOLITAN DISTRICT NO. 7  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, 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 south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 6, and Hess Ranch No. 8. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and 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 applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 7  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (continued)**

The District 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**

The District has no revenue.

**Expenditures**

The District has no expenditures.

**Debt and Leases**

The District has no debt and operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. Since District has no expenditures during 2020, an emergency reserve is not reflected in the District's budget.

**This information is an integral part of the accompanying budget.**



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



CliftonLarsonAllen LLP  
www.CLACONNECT.COM

## Accountant's Compilation Report

Board of Directors  
Hess Ranch Metropolitan District No. 8  
Douglas County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Hess Ranch Metropolitan District No. 8 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 Hess Ranch Metropolitan District No. 8.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
March 3, 2020

## Certificate Of Completion

Envelope Id: 2BB3EF65D2554A1DBF689A4726F9E989	Status: Completed
Subject: Please DocuSign: Hess Ranch Metropolitan District No. 8 - 2019 Audit Exemption.pdf	
Client Name: Hess Ranch Metropolitan District No. 8	
Client Number: 011-045925-00	
Source Envelope:	
Document Pages: 8	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	SyLuc Vo
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 South 6th Street
	Suite 300
	Minneapolis, MN 55402
	SyLuc.Vo@claconnect.com
	IP Address: 65.59.88.254

## Record Tracking

Status: Original	Holder: SyLuc Vo	Location: DocuSign
3/10/2020 2:22:52 PM	SyLuc.Vo@claconnect.com	

## Signer Events

Lawrence P. Jacobson  
 ljacobson@frontrangecommunities.com  
 Security Level: Email, Account Authentication (None)

## Signature

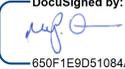
DocuSigned by:  
  
 75E3F5C3EC2E49C...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 96.93.223.173

## Timestamp

Sent: 3/10/2020 2:24:38 PM  
 Viewed: 3/11/2020 1:03:16 PM  
 Signed: 3/11/2020 1:04:09 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/11/2020 1:03:16 PM  
 ID: 16fa1c3b-9d96-48bd-9463-79533610f06e

Matthew Osborn  
 mosborn@frontrangecommunities.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 650F1E9D51084A5...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 71.218.121.132

Sent: 3/10/2020 2:24:38 PM  
 Viewed: 3/12/2020 9:16:33 AM  
 Signed: 3/12/2020 9:16:53 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/12/2020 9:16:33 AM  
 ID: d5bfaf0f-1e95-445b-85e5-d3ff064bcaf1

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	3/10/2020 2:24:38 PM
Certified Delivered	Security Checked	3/12/2020 9:16:33 AM
Signing Complete	Security Checked	3/12/2020 9:16:53 AM
Completed	Security Checked	3/12/2020 9:16:53 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
-----------------------	---------------	-------------------

<b>Electronic Record and Signature Disclosure</b>
---

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

#### **To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

LETTER OF BUDGET TRANSMITTAL

Date: January 4, 2020  
To: Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

Attached are the 2020 budget and budget message for HESS RANCH METROPOLITAN DISTRICT NO. 8 in Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on October 29, 2019. If there are any questions on the budget, please contact:

Kevin Collins, District Accountant  
CliftonLarsonAllen  
8390 E Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Tel.: (303) 779-5710

I, Becky Johnson as President of the Hess Ranch Metropolitan District No. 8, hereby certify that the attached is a true and correct copy of the 2020 budget.

By:

Becky Johnson

**RESOLUTION  
TO ADOPT 2020 BUDGET, APPROPRIATE SUMS OF MONEY,  
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY  
HESS RANCH METROPOLITAN DISTRICT NO. 8**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HESS RANCH METROPOLITAN DISTRICT NO. 8, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2020, AND ENDING ON THE LAST DAY OF DECEMBER, 2020,

WHEREAS, the Board of Directors of the Hess Ranch Metropolitan District No. 8 has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 29, 2019 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$0; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$0; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$0; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$0; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$0; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$0; and

WHEREAS, the 2019 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$0; and

WHEREAS, at an election held on November 3, 2015, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HESS RANCH METROPOLITAN DISTRICT NO. 8 OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Hess Ranch Metropolitan District No. 8 for calendar year 2020.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2020 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2020 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2019.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2019.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2020 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2020 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2019.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2020 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., 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 boundaries of the District for the year 2019.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., 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 boundaries of the District for the year 2019.

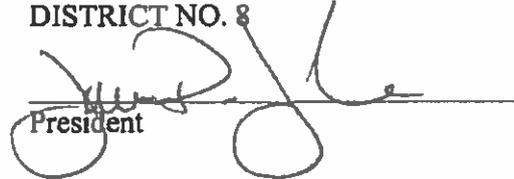
Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2019, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2019 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. 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.

ADOPTED this 29<sup>th</sup> day of October, 2019.

HESS RANCH METROPOLITAN  
DISTRICT NO. 8

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

ATTACH COPY OF THE ADOPTED BUDGET AND  
THE CERTIFICATION OF TAX LEVIES



CliftonLarsonAllen LLP  
CLAAconnect.com

# CliftonLarsonAllen

## Accountant's Compilation Report

Board of Directors  
Hess Ranch Metropolitan District No. 8

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Hess Ranch Metropolitan District No. 8 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 Hess Ranch Metropolitan District No. 8.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 23, 2019



An independent member of Nexia International

**HESS RANCH METROPOLITAN DISTRICT NO. 8**  
**GENERAL FUND**  
**2020 BUDGET**  
**WITH 2018 ACTUAL AND 2019 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/23/19

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

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

**HESS RANCH METROPOLITAN DISTRICT NO. 8  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

12/23/19

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
<b>ASSESSED VALUATION</b>			
Certified Assessed Value	\$ -	\$ -	\$ -
<b>MILL LEVY</b>			
General	0.000	0.000	10.000
Total mill levy	0.000	0.000	10.000
<b>PROPERTY TAXES</b>			
Budgeted property taxes	\$ -	\$ -	\$ -
<b>BUDGETED PROPERTY TAXES</b>	\$ -	\$ -	\$ -

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

**HESS RANCH METROPOLITAN DISTRICT NO. 8  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District is a quasi-municipal corporation and political subdivision of the State of Colorado under Title 32, Article 1 of the Colorado Revised Statutes, and was organized by order of the District Court in Douglas County on May 23, 2016, 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 south of Hess Road and west of Motsenbocker Road in the Town of Parker in Douglas County, Colorado.

The District was established to provide construction, installation, financing and operation of public improvements, including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. Under the amended service plan, the District was organized in conjunction with four other related districts, Hess Ranch No. 4, Hess Ranch No. 5, Hess Ranch No. 6, and Hess Ranch No. 7. The District serves as the commercial district for Hess Ranch Metropolitan Districts 4-7. Hess Ranch No. 6 serves as the operating district for Hess Ranch Metropolitan Districts Nos. 4, 5, 7, and 8.

On November 3, 2015, the District's electors authorized to increase taxes \$5,000,000 annually to pay the operations and administrative costs of the District, without limitation. Debt authorization was approved in the amount of \$122,260,000 for public improvements including street improvements, park and recreation, water, sanitation, public transportation, mosquito control, traffic and safety control, fire protection, television relay and translation, and security. \$366,780,000 of debt was also authorized for the purpose of refunding debt, operations and maintenance, and intergovernmental agreements.

The Amended Service Plan dated August 5, 2019, limits the total principal amount of obligations that the Districts may have outstanding in aggregate at any one time to \$254,368,750 provided that such limitation shall not be applicable to refunding Bonds issued by any of the Districts to refund outstanding debt.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt. If, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy to which the Mill Levy Adjustment applies may be increased or decreased to reflect such changes, such increases and 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 applicable mill levy, as adjusted for changes occurring on or after January 1, 2019, are neither diminished nor enhanced as a result of such changes.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020. Accordingly, the debt service mill levy cap has been adjusted upward to 57.399 from 57.000.

For the portion of any aggregate District Debt which is equal to or less than 50% of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

**HESS RANCH METROPOLITAN DISTRICT NO. 8  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided (continued)**

The District 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**

The District has no revenue.

**Expenditures**

The District has no expenditures.

**Debt and Leases**

The District has no debt and operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. Since District has no expenditures during 2020, an emergency reserve is not reflected in the District's budget.

**This information is an integral part of the accompanying budget.**

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

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

On behalf of the HESS RANCH METROPOLITAN DISTRICT NO. 8,  
(taxing entity)<sup>A</sup>

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

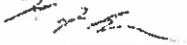
of the HESS RANCH METROPOLITAN DISTRICT NO. 8  
(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 0 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: \$ 0 (NET<sup>G</sup> 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: 12/09/2019 for budget/fiscal year 2020.  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>10.000</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>	<b><u>10.000</u> mills</b>	<b>\$ <u>0</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>        </u> mills	\$ <u>        </u>
4. Contractual Obligations <sup>K</sup>	<u>        </u> mills	\$ <u>        </u>
5. Capital Expenditures <sup>L</sup>	<u>        </u> mills	\$ <u>        </u>
6. Refunds/Abatements <sup>M</sup>	<u>        </u> mills	\$ <u>        </u>
7. Other <sup>N</sup> (specify): <u>        </u>	<u>        </u> mills	\$ <u>        </u>
	<u>        </u> mills	\$ <u>        </u>
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>10.000</u> mills</b>	<b>\$ <u>0</u></b>

Contact person: (print) Kevin Collins Daytime phone: (303) 779-5710  
Signed:  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.

<sup>1</sup> 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).

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

**EXHIBIT C**

# Hess Ranch Metropolitan District Nos. 4, 5, 6, 7, 8

Pursuant to section 32-1-809, Colorado Revised Statutes for Transparency Notices may be filed with Special District Association of Colorado. This information must be provided annually to the eligible electors of the district no later than January 15 of each year.

*\*Note that some information provided herein may be subject to change after the notice is posted.*

## District's Principal Business Office

<b>Company</b>	Spencer Fane LLP
<b>Contact</b>	Thomas N. George
<b>Address</b>	1700 Lincoln Street, Suite 2000, Denver, Colorado 80203
<b>Phone</b>	303-839-3800

## District's Physical Location

<b>Counties</b>	Douglas
-----------------	---------

## Regular Board Meeting Information

<b>Location</b>	
<b>Address</b>	4100 East Mississippi Avenue, Suite 500, Denver, Colorado
<b>Day(s)</b>	Meetings scheduled as needed
<b>Time</b>	TBD

## Posting Place for Meeting Notice

<b>Location</b>	Within the boundaries of the District
<b>Address</b>	

## Notice of Proposed Action to Fix or Increase Fees, Rates, Tolls, Penalties or Charges for Domestic Water or Sanitary Sewer Services

<b>Location</b>	
<b>Address</b>	
<b>Date</b>	
<b>Notice</b>	

## Current District Mill Levy

<b>Mills</b>	District 4: 10.069 mills; District 5: 10.069 mills; District 6: 10.069 mills; District 7: 10.069 mills; District 8: 10.000 mills
--------------	--

## Ad Valorem Tax Revenue

Revenue reported may be incomplete or unaudited as of the date this Notice was posted.

<b>Amount(\$)</b>	District 4: \$0.00; District 5: \$0.00; District 6: \$0.00; District 7: \$0.00; District 8: \$0.00
-------------------	--

Date of Next Regular Election

**Date** 05/05/2020

Pursuant to 24-72-205 C.R.S

The district's research and retrieval fee is **\$33.58** per hour

**District Policy**

The Board has adopted a policy regarding the research and retrieval of the District's public records. To view the policy, contact the person named below.

**District contact information for open records request:**

Thomas N. George

Names of District Board Members

**Board President**

**Name** Lawrence Jacobson  
**Contact Info** tgeorge@spencerfane.com  
**Election** **No**, this office will not be on the next regular election ballot

**Board Member 2**

**Name** Matthew Osborn  
**Contact Info** tgeorge@spencerfane.com  
**Election** **Yes**, this office will be on the next regular election ballot

**Board Member 3**

**Name** Vacant  
**Contact Info** tgeorge@spencerfane.com  
**Election** **Yes**, this office will be on the next regular election ballot

**Board Member 4**

**Name** Vacant  
**Contact Info** tgeorge@spencerfane.com  
**Election** **Yes**, this office will be on the next regular election ballot

**Board Member 5**

**Name** Vacant  
**Contact Info** tgeorge@spencerfane.com  
**Election** **Yes**, this office will be on the next regular election ballot

**Board Member 6**

**Name** N/A  
**Contact Info**  
**Election** **No**, this office will not be on the next regular election ballot

**Board Member 7****Name** N/A**Contact Info****Election** **No**, this office will not be on the next regular election ballot

## Board Candidate Self-Nomination Forms

Any eligible elector of the special district who desires to be a candidate for the office of special district director must file a self-nomination and acceptance form or letter with the designated election official.

## Deadline for Self-Nomination Forms

Self-nomination and acceptance forms or letters must be filed not less than 67 days before the date of the regular election.

## District Election Results

The district's election results will be posted on the website of the Colorado Secretary of State ([www.sos.state.co.us](http://www.sos.state.co.us)) and the website indicated below, if any.

**Website** <https://dola.colorado.gov/lgis/>

## Permanent Mail-In Voter Status

Absentee voting and Permanent absentee voter status (formerly Permanent Mail-In voter status): Where to obtain and return forms.

Designated Election Official (see below)

Applications for absentee voting or for permanent absentee voter status are available from and must be returned to the Designated Election Official.

Spencer Fane LLP, c/o Becky Johnson, 1700 Lincoln Street, Suite 200, Denver, Colorado 80203, (303) 839-3800

## Notice Completed By

<b>Name</b>	Becky Johnson
<b>Company/District</b>	Spencer Fane LLP
<b>Title</b>	Paralegal
<b>Email</b>	<a href="mailto:bjohnson@spencerfane.com">bjohnson@spencerfane.com</a>
<b>Dated</b>	01/09/2020

**EXHIBIT D**

**PARTIAL TERMINATION OF  
INTERGOVERNMENTAL AGREEMENT  
REGARDING DEBT ALLOCATION AND COST SHARING**

**THIS PARTIAL TERMINATION OF INTERGOVERNMENTAL AGREEMENT REGARDING DEBT ALLOCATION AND COST SHARING** (the “**Partial Termination Agreement**”) is made and entered into as of this 26<sup>th</sup> day of April, 2019, by and between Hess Ranch Metropolitan District No. 1 (“**District No. 1**”), Hess Ranch Metropolitan District No. 2 (“**District No. 2**”), Hess Ranch Metropolitan District No. 3 (“**District No. 3**,” and together with District No. 1 and District No. 2, “**District Nos. 1-3**”), Hess Ranch Metropolitan District No. 4 (“**District No. 4**”), Hess Ranch Metropolitan District No. 5 (“**District No. 5**”), Hess Ranch Metropolitan District No. 6 (“**District No. 6**”), Hess Ranch Metropolitan District No. 7 (“**District No. 7**”), and Hess Ranch Metropolitan District No. 8 (“**District No. 8**,” and together with District No. 4, District No. 5, District No. 6, and District No. 7, “**District Nos. 4-8**”) (District Nos. 1-3 and District Nos. 4-8 are collectively referred to herein as the “**Hess Ranch Districts**”). Each of the Hess Ranch Districts may be referred to herein as a “**Party**” and collectively as the “**Parties**.”

**RECITALS**

WHEREAS, the Hess Ranch Districts were organized under a multiple district structure;  
and

WHEREAS, the Hess Ranch Districts currently operate pursuant to a Consolidated Service Plan (the “**Original Service Plan**”) approved by the Town of Parker, Colorado (the “**Town**”), on September 21, 2015 (the “**Town Approval**”); and

WHEREAS, the Hess Ranch Districts entered into an Intergovernmental Agreement Regarding Debt Allocation and Cost Sharing effective as of February 21, 2017, in which the Parties agreed and acknowledged, among other things, that pursuant to the Original Service Plan the Hess Ranch Districts are limited in their aggregate authority to issue Debt (as such term is used in the Original Service Plan) (the “**Agreement**”); and

WHEREAS, the Hess Ranch Districts agreed that, based upon the limitations in the Original Service Plan and the development projections at the time they entered into the Agreement, the total aggregate debt limitation for the Hess Ranch Districts of \$122,260,000 (the “**Aggregate Debt Cap**”) should be divided between the Hess Ranch Districts as follows:

<b>District</b>	<b>Allocated Debt</b>
District Nos. 1-3	\$30,000,000
District Nos. 4-8	\$92,260,000

and;

WHEREAS, the Town recently adopted a new model service plan which provides, among other things, an increase in the debt service mill levy permitted to be imposed by districts as well as the authorization to impose certain regional mill levies; and

WHEREAS, consistent with the newly adopted Town model service plan, District Nos. 1-3 are currently in the process of seeking Town approval of three separate Amended and Restated Service Plans applicable only to District Nos. 1-3 (“**Amended Service Plans**”); and

WHEREAS, District Nos. 4-8 intend on seeking Town approval of an amended and restated service plan(s) applicable only to District Nos. 4-8 at a future date; and

WHEREAS, as a result of the increased and additional mill levies provided for in the Amended Service Plans, following the Town’s approval of the Amended Service Plans District Nos. 1-3 will have an independent debt authorization separate from District Nos. 4-8; and

WHEREAS, the Hess Ranch Districts agree that upon approval by the Town of the Amended Service Plans, the debt allocation provision of the Agreement is no longer necessary and desire to terminate all provisions regarding debt allocation in the Agreement; and

WHEREAS, the Hess Ranch Districts agree that this Partial Termination Agreement shall not terminate, condition, alter, or otherwise modify any other rights and obligations between the Hess Ranch Districts under the Agreement other than the debt allocation provision.

## **AGREEMENT**

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

1. Recitals. The Recitals contained above are incorporated herein.
2. Partial Termination of the Agreement/Waiver and Release. Paragraph 2 of the Agreement shall be deleted and terminated in its entirety effective as of the date of approval by the Town of the Amended Service Plans. Upon such termination, the Parties shall release each other from all obligations under and claims arising from, and waive any and all claims of, and remedies for, default or breach of Paragraph 2 of the Agreement.
3. Survival. Nothing herein shall terminate, condition, alter or otherwise modify any other rights and obligations between the Hess Ranch Districts under the Agreement.
4. Counterpart Execution. This Partial Termination Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or

email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the Parties.

*[signature pages follow]*

IN WITNESS WHEREOF, the Hess Ranch Districts have executed this Partial Termination Agreement on the date and year first written above. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Partial Termination Agreement..

**HESS RANCH METROPOLITAN DISTRICT  
NO. 1**

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

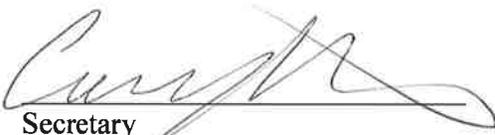
Attest:

  
Secretary

**HESS RANCH METROPOLITAN DISTRICT  
NO. 2**

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

Attest:

  
Secretary

**HESS RANCH METROPOLITAN DISTRICT  
NO. 3**

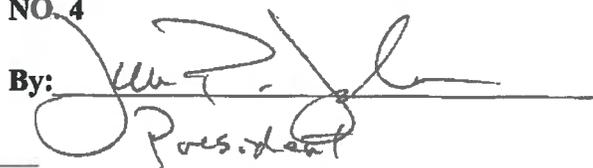
By:  \_\_\_\_\_

Attest:

  
Secretary

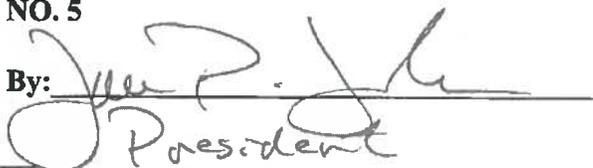
**HESS RANCH METROPOLITAN DISTRICT  
NO. 4**

Attest:  
  
Secretary *Legal Counsel*

By:   
President

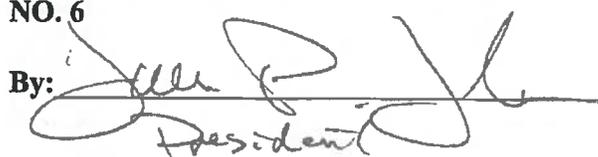
**HESS RANCH METROPOLITAN DISTRICT  
NO. 5**

Attest:  
  
Secretary *Legal Counsel*

By:   
President

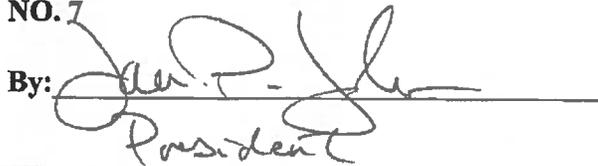
**HESS RANCH METROPOLITAN DISTRICT  
NO. 6**

Attest:  
  
Secretary *Legal Counsel*

By:   
President

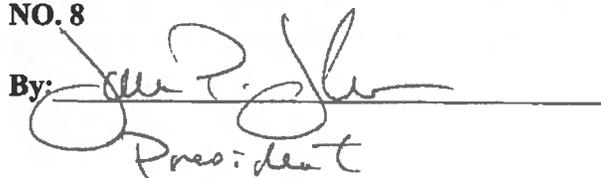
**HESS RANCH METROPOLITAN DISTRICT  
NO. 7**

Attest:  
  
Secretary *Legal Counsel*

By:   
President

**HESS RANCH METROPOLITAN DISTRICT  
NO. 8**

Attest:  
  
Secretary *Legal Counsel*

By:   
President

**MASTER INTERGOVERNMENTAL AGREEMENT**  
(Hess Ranch Metropolitan District Nos. 4, 5, 6, 7 and 8)

THIS MASTER INTERGOVERNMENTAL AGREEMENT (the "Agreement") is made and entered into effective as of the 29th day of October, 2019, by and among HESS RANCH METROPOLITAN DISTRICT NO. 6 (the "Operating District"); and HESS RANCH METROPOLITAN DISTRICT NO. 4, HESS RANCH METROPOLITAN DISTRICT NO. 5, HESS RANCH METROPOLITAN DISTRICT NO. 7, and HESS RANCH METROPOLITAN DISTRICT NO. 8 (each a "Financing District" and collectively the "Financing Districts"); all quasi-municipal corporations and political subdivisions of the State of Colorado (the Operating District and the Financing Districts may be collectively referred to herein as "Districts" or "Parties" or individually as a "District" or "Party").

**RECITALS**

**WHEREAS**, the Districts are authorized by Title 32, Article 1, Part 1, C.R.S. (the "Act"), to provide certain public improvements and services to and for the benefit of the properties within and without the boundaries of the Districts, in accordance with their respective Amended and Restated Service Plans each approved by the Town Council for the Town of Parker, Colorado on August 5, 2019; and

**WHEREAS**, as set forth in the Service Plans, the purposes for which the Districts were formed generally include the provision of certain public improvements and services including but not limited to certain street, water, sanitation, park and recreation, traffic and safety control, transportation, mosquito control, security, fire protection, and television relay and translation improvements and services; and

**WHEREAS**, pursuant to the Service Plans, the Districts are generally intended to work together and coordinate their activities with respect to the planning, design, financing, construction, operation and maintenance of public improvements; and

**WHEREAS**, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., as amended, the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt; and

**WHEREAS**, at the organizational election of the Districts, a majority of eligible electors in the Districts approved of the formation and initial board of directors for the Districts as well as the Districts' issuance of indebtedness and the imposition of ad valorem taxes by the Districts for the purpose of repaying such debt and other purposes; and

**WHEREAS**, in furtherance of their Service Plans, the Districts will incur certain administration, operations and maintenance costs which costs may not be able to be paid with proceeds of debt issued by the Districts; and

**WHEREAS**, as further set forth herein, the Districts agree it is in their mutual best interests, and the best interests of their respective residents, taxpayer and constituents, for the Operating District to obtain financing for the construction of the District Facilities, to manage the construction and operation of the District Facilities, to own, operate and maintain the District Facilities to the extent permitted by the Service Plans and Town requirements, and to carry out or facilitate the administration of the Districts with the financial support and commitment of the Financing Districts; and

**WHEREAS**, the Operating District has entered into a Facilities Funding and Acquisition Agreement, and a Funding and Reimbursement Agreement (Operations) (collectively, the “**Developer Reimbursement / Acquisition Agreements**”) with JEN Colorado 18 LLC, a Colorado limited liability company (the “**Developer**”), for the purpose of securing additional funding to support the costs of the District Facilities and its operations and administration, as necessary, the payment of which constitute an obligation of the Operating District; and

**WHEREAS**, it is anticipated that the Operating District will issue bonds or other financial obligations to, in part, finance the District Facilities (the “**District Bonds**”) and that the Districts will enter into one or more capital pledge agreements (the “**Capital Pledge Agreements**”) whereby the Districts will agree to impose certain mill levies and pledge the revenues derived therefrom to repay the District Bonds and other financial obligations of the Operating District as further set forth in the Capital Pledge Agreements and this Agreement; and

**WHEREAS**, the Operating District is willing to finance, construct, own, operate and maintain the District Facilities and to carry out or facilitate the administration of the Districts on the terms and conditions set forth herein; and

**WHEREAS**, the Financing Districts are willing to delegate to the Operating District and commit to fund the financing, construction, ownership, operation and maintenance of the District Facilities and the administration of the Districts on the terms and conditions set forth herein; and

**WHEREAS**, the Districts desire to enter into this Agreement to set forth their mutual understanding and agreement regarding the matters set forth herein.

## **AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing recitals, which recitals are hereby incorporated into this Agreement as though fully set forth below, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts hereby agree as follows:

### **ARTICLE 1 PURPOSE AND TERM OF AGREEMENT**

1.1 Purpose. The purpose of this Agreement is to set forth the rights and obligations of the Districts to cooperatively provide for the completion, operation and maintenance of the

District Facilities and the administration of the Districts. The Districts shall diligently and cooperatively attempt to implement their Service Plans in accordance with the terms of such Service Plans and this Agreement. Without limiting the rights and privileges or duties and obligations of the Districts as set forth in the Service Plans, it is generally anticipated that the Operating District will develop a plan for financing the District Facilities as identified and contemplated in the Service Plans, and that the Districts will work cooperatively to implement such financing plan in such a way as to enable the Operating District to construct, acquire, install, finance, and, where appropriate and permitted by the Service Plans and/or the Town by intergovernmental agreement, own, operate and maintain such District Facilities.

1.2 Term. This Agreement shall become effective on and as of the date first written above and shall remain in full force and effect unless terminated in accordance with its terms.

1.3 Operations and Maintenance Mill Levy Obligation. The Districts understand and agree the obligation on the part of each of the Districts to fund the operation and maintenance of the District Facilities and the administration of the Districts as described herein shall constitute a multi-fiscal year obligation of each of the Districts payable from (1) the imposition by each of the Districts of an operations and maintenance mill levy not to exceed 10.000 mills, adjusted as described below and as authorized under the Service Plans, as amended (the “**Service Levy**”), and (2) such other revenues of the Districts as may be legally available to pay, as and when due, the obligations hereunder; provided, that nothing in the foregoing shall limit the Operating District’s power or ability to acquire the funds necessary to perform its rights and obligations hereunder from any other legally available source including but not limited to through the operation of the Developer Reimbursement/Acquisition Agreements. For the purposes of clarity, the Districts acknowledge and agree that the Service Levy and the Districts’ financial obligations hereunder are separate and apart from, and do not include or affect, the Town Capital and Maintenance Mill Levy which each of the Districts is required to impose pursuant to its respective Service Plan.

## ARTICLE 2 DEFINITIONS

2.1 Definitions. As used throughout this Agreement, the following terms are defined as follows:

“Actual Service Costs:” all operation, maintenance, and administration costs incurred by the Operating District in the performance of the duties and services required by this Agreement.

“Board” or “Boards:” the lawfully organized Boards of Directors of the Districts.

“Budget Year:” the year immediately following the Planning Year, during which Actual Capital Costs and Actual Service Costs are to be incurred.

“District Facilities” or “Facilities:” those various public facilities and improvements and services which are contemplated in the Service Plans to be constructed, or caused to be constructed, or acquired by the Districts and funded in whole or in part by the Districts, generally consisting of water, sanitary sewer, storm drainage, street and roadway, traffic and safety, landscaping, park and recreation, and additional public facilities, improvements and services within and without the Districts as provided in the Service Plans.

“Emergency Repair:” any repair or replacement of District Facilities which, in the opinion of Operating District, requires immediate action in order to avoid damage to the District Facilities or danger to the Districts’ residents or constituents.

“Estimated Service Costs:” the estimated costs for operation, maintenance, and administration of the Districts and the District Facilities for the Budget Year.

“Major Repairs or Replacement:” any single repair or replacement of any portion of the District Facilities which requires an estimated total expenditure in excess of Ten Thousand Dollars (\$10,000.00).

“Preliminary Budget Documents:” those documents prepared by the Operating District for submission to the Financing Districts during the Planning Year which include a schedule for deposits into the Service Fund Account and a proposed Construction Schedule for the Budget Year.

“Service Fund Account:” that account, owned and established by the Operating District, into which shall be deposited annually by each of the Districts the full amount generated through the imposition of its Service Levy.

“Service Levy:” a levy of ten (10.000) mills, or such lesser amount as determined during the annual budget process set forth herein, adjusted to account for constitutional and legislative changes as set forth in the Service Plans, including new exemptions, in the manner, method or base percentage calculation for the computation of assessed values of taxable property, provided that the levy shall never exceed the applicable limitation(s) set forth in the Service Plans.

“Service Plan” or “Service Plans:” the Amended and Restated Service Plan(s) for each of the Districts approved by the Town Council for the Town of Parker, Colorado on August 5, 2019.

“Total Annual Service Levy Revenues:” shall be that amount of revenue generated by the Districts annually through the Districts’ imposition of the Service Levy, but unless otherwise agreed by the Districts shall not exceed five hundred thousand dollars (\$500,000) for each District.

“Total Cumulative Service Levy Revenues:” shall be that amount of revenue generated by the Districts over forty (40) years through the imposition of the Service Levy, but unless otherwise agreed by the Districts shall not exceed twenty million dollars (\$20,000,000) for each District.

“Town:” the Town of Parker, Colorado.

**ARTICLE 3  
FINANCING OF  
OPERATIONS, MAINTENANCE AND ADMINISTRATIVE SERVICES  
GENERAL TERMS**

3.1 No Additional Electoral Approval Required. Because the authorization and issuance of debt, fiscal year spending, revenues and other constitutional matters requiring voter approval for purposes of this Agreement and the provision of operation, maintenance and administrative services pursuant to the terms hereof were approved at the organizational elections of the Districts held in accordance with law and pursuant to due notice, the performance of the terms of this Agreement requires no further electoral approval of debt, spending, tax levies or revenue generation.

3.2 Payments for Service Costs. The Districts agree to cause all tax revenues generated by the Service Levy prior to the termination of this Agreement to be transferred immediately upon receipt by the Districts to the Service Fund Account and to direct their employees, agents, consultants, and/or accountants, as applicable, to effectuate such transfer.

3.3 Disbursements of Funds. The Operating District shall have the sole authority to withdraw funds from the Service Fund Account and shall account to the Financing Districts for all funds withdrawn and payments made from the Service Fund Account. Funds deposited into the Service Fund Account, together with interest earned thereon, shall be used only to pay the Actual Service Costs incurred by the Operating District pursuant to this Agreement.

3.4 Pledge of Security for Payment. The financial obligations of the Districts assumed hereunder, and as more specifically described below, shall be general obligations of the Districts, and shall be payable from ad valorem taxes generated as a result of the certification by each of the Districts of the Service Levy, except as they may actually be paid from other revenues. The full faith and credit of the Districts, as limited hereby, is hereby pledged to the punctual payment of all amounts to be paid hereunder. The amounts to be paid hereunder shall, to the extent necessary, be paid out of the general revenues of the Districts or out of any funds available for that purpose. For the purpose of reimbursing such general revenues, and for the purpose of providing the necessary funds to pay the amounts to be paid hereunder as the same become due, the Districts shall annually determine, fix and certify the Service Levy as required hereby. The Districts covenant to cause all tax revenues generated by the Service Levy over the life of this Agreement to be transferred immediately upon receipt by the Districts to the Service Fund Account, to direct its employees, agents, consultants, and/or accountants, as applicable, to effectuate such transfer, and to use the same solely for the purpose set forth in this Agreement.

3.5 Effectuation of Pledge of Security; Current Appropriation. The sums herein provided to pay the amounts to be paid hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Districts in each year respectively while any of the obligations herein authorized are outstanding and unpaid. No provision of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of the Districts to levy ad valorem taxes or impose fees, or as limiting or impairing the obligation of the Districts to levy, impose, administer, enforce and collect the ad valorem taxes and fees as provided herein for the payment of the obligations hereunder.

It shall be the duty of each of the Districts' Boards annually at the time and in the manner provided by law for the levying of the Districts' taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem taxes herein specified, and to require the officers of the Districts to cause the appropriate officials of Douglas County, Colorado, to levy, extend and collect said taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid hereunder promptly as the same, respectively, become due. Said tax, when collected, shall be applied only to the payment of the amounts to be paid hereunder and other general obligation indebtedness of Financing Districts as herein specified.

#### **ARTICLE 4 OWNERSHIP AND OPERATION OF FACILITIES**

4.1 Facilities. Except as otherwise provided herein, and except for District Facilities which are conveyed to the Town or another accepting jurisdiction upon completion as required by the Service Plans or an Approved Development Plan (as defined in the Service Plans), the Operating District shall own all of the District Facilities and shall be responsible for the operation and maintenance of all District Facilities for the benefit of the Districts.

4.2 Transfer of Facilities. No Facilities, the acquisition or financing of which were financed in whole or in part by the Districts, shall be transferred to any third party except as required by the Service Plans or an Approved Development Plan without the prior written agreement of the Financing Districts, and any monetary proceeds of any such transfer(s) shall be shared equitably among the Districts in proportion to each District's contribution to the Facilities in question, as appropriate. Notwithstanding any provision hereof to the contrary, in the event that the Operating District finds that it is in the best interests of the Districts to transfer, lease, dedicate, or otherwise convey any interest in a Facility or a part thereof to the Town, the Operating District may do so upon such terms as are determined by the Operating District.

4.3 District Administration. The Financing Districts hereby engage the Operating District, and the Operating District hereby accepts such engagement, as the "district administrator" for each of the Financing Districts. As district administrator, Operating District shall perform the following services on behalf of the Financing Districts:

- a. Serve as the official custodian and repository for the Financing Districts' records, including file space, incidental office supplies and photocopying, meeting facilities and reception services.
- b. Coordination of all regular Board meetings to include: (1) preparation and distribution of agenda and information packets; (2) preparation and distribution of meeting minutes; (3) attendance at Board meetings; (4) preparation, filing and posting of legal notices required in conjunction with the meeting; and (5) other details incidental to meeting preparation and follow-up.
- c. Ongoing maintenance of an accessible, secure, organized and complete filing system for the Districts' official records.
- d. Monthly preparation of checks and coordination of postings with accounting firm.
- e. Periodic coordination with accounting firm of financial report preparation and review of financial reports.
- f. Insurance administration, including evaluating risks, comparing coverage, processing claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence, etc. Ensure that all of the Districts' contractors and subcontractors maintain required coverage for the Districts' benefit, as applicable.
- g. Election administration, including preparation of election materials, publications, legal notices, pleadings, conducting training sessions for election judges, and generally assisting in conducting the election.
- h. Budget preparation, including preparation of proposed budget in coordination with accounting firm, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications and correspondence associated with the adoption of the annual budget and certification of the tax levy.
- i. Response to inquiries, questions and requests for information from Financing Districts' property owners and residents and others.
- j. Analysis of financial condition and alternative financial approaches, and coordination of bond issue preparation.
- k. Oversee investment of the Districts' funds based on investment policies established by the Boards but in any case in accordance with state law.
- l. Provide liaison and coordination with other governments.

m. Coordinate activities and provide information as requested to external auditor(s) engaged by the Boards.

n. Supervise and ensure contract compliance of all Financing Districts' service contractors, if any, including the establishment and maintenance of preventive maintenance programs.

o. Coordinate legal, accounting, engineering and other professional services to the Financing Districts.

p. Perform other services with respect to the operation and management of Financing Districts as requested by the Boards.

In addition to the foregoing services, when, in the professional opinion of Operating District, other services are necessary, Operating District shall recommend the same to the Boards of the Financing Districts or perform such services and report to the Boards the nature of such services, the reason they were required, and the result achieved.

The Operating District may retain such vendors, consultants and/or contractors as are necessary to provide the foregoing services.

4.4 Recordkeeping and Financial Planning. In connection with the provision of the District Facilities and administration of the Districts, the Operating District shall maintain accounting records in accordance with generally accepted accounting principles, and present regular financial reports, including summaries of receipts and disbursements, to the Financing Districts. These materials shall be available for examination by the Financing Districts during regular business hours upon request. If the Financing Districts shall cause an audit of the books of account and financial reports maintained pursuant to this Section and said audit shall lead to a legal determination of negligence, fraud, or knowing misconduct in the performance of the duties required of Operating District by this Agreement, Operating District shall promptly reimburse Financing Districts for the cost of the audit as well as for any additional sums deemed payable as a result of the audit. Otherwise, the costs of such audit shall be borne by the Financing Districts.

4.5 Operating District to Provide Qualified Operators. The Operating District shall provide qualified operators, which operators shall perform duties including, but not necessarily limited to, the following:

a. Operation and maintenance of the District Facilities.

b. Coordinating construction with various utility companies to ensure minimum interference with the District Facilities.

c. Performing normal maintenance and normal repairs necessary to continue the efficient operation of the District Facilities.

d. Providing for the services of subcontractors necessary to maintain and continue the efficient operation of the District Facilities.

4.6 Major Repairs or Replacement. The Operating District shall maintain and operate the Facilities it owns. The costs of Major Repairs or Replacement to District Facilities shall be shared by the Districts collectively, as appropriate, in the reasonable discretion of the Operating District. Except for Emergency Repairs, and any Major Repairs or Replacements which are not funded by the Financing Districts, all Major Repairs or Replacements must be previously approved by Financing Districts.

**ARTICLE 5  
(RESERVED)**

**ARTICLE 6  
BUDGET AND ACCOUNTS**

6.1 Financing.

a. Payment of Service Costs. It is the desire and intent of the Parties that, to the extent possible, the operation, maintenance and administration costs incurred by the Operating District in the performance of the duties and services required in this Agreement be paid through the operation of this Article, the imposition by the Districts of the Service Levy against the properties lying within their boundaries, and payment into the Service Fund Account by the Districts. Nevertheless, nothing herein shall be construed as a limitation on the powers granted to the Operating District hereunder or by Colorado law to recoup all or any portion of such operation, maintenance, and administration costs which are not paid through the operation of this Article, through the use of such alternative measures as Operating District may be authorized by Colorado law and the Service Plans to utilize for that purpose.

b. Preliminary Budget Process. During each year, the Operating District, in consultation with the Financing Districts, shall prepare and submit to the Financing Districts a set of Preliminary Budget Documents for the forthcoming Budget Year. The Operating District shall use its best efforts to deliver the Preliminary Budget Documents to the Financing Districts on or before October 15 of each Planning Year.

The Preliminary Budget Documents shall set forth the Estimated Service Costs for the Budget Year in accordance with generally accepted accounting principles. Estimated Service Costs for each budget element shall include the Operating District's current best estimates of the operation, maintenance, and administration costs to be incurred by the Operating District in the performance of the duties and services required by this Agreement, the revenues expected to be derived from the imposition of the Service Levy, and the amount, if any, needed to be recouped from other revenue sources, including but not limited to through operation of the Developer Reimbursement / Acquisition Agreements. The Estimated Service Costs in any year may also include, to the extent adequate revenues are available to first support Operating

District's duties and services required by this Agreement, funds to repay, in whole or in part, Operating District's obligations under the Developer Reimbursement / Acquisition Agreements.

c. Budget Review and Approval. On or about November 15 of the Planning Year, the Financing Districts shall either: (a) approve the Preliminary Budget Documents (in which case the Preliminary Budget Documents shall become the final budget for the Budget Year), or (b) propose in writing to the Operating District additions to and/or deletions from the Preliminary Budget Documents. Subject to the obligation to pay to the Operating District the Total Annual Service Levy Revenues, as set forth herein, the Financing Districts may propose such additions to and/or deletions from those portions of the Preliminary Budget Documents which directly obligate the Financing Districts to appropriate and expend funds for services during the Budget Year.

d. Budget Revision. The Districts shall discuss and attempt to reach an agreement with respect to the Preliminary Budget Documents and any proposed additions and/or deletions. In the event that no agreement can be reached between the Operating District and any of the Financing Districts with regard to any proposed additions and/or deletions to the Preliminary Budget Documents, then the Preliminary Budget Documents shall be the final budget, and budgeting, appropriation, and payment of the amounts called for thereunder shall be determined by reference to this Agreement; provided that, absent the consent of the Boards of Directors of all of the Districts, as set forth in a written resolution of each such Board duly adopted on or before December 15 of a Planning Year, the Districts' obligations shall be limited to levying the Service Levy in order that the Total Annual Service Levy Revenues for the Budget Year in question may be deposited in the Service Fund Account by the Districts as described in Section 3.2 above.

6.2 Appropriation of and Provision for Service Fund. Following the preparation of the final budget for the Budget Year, the Districts shall each budget and appropriate the funds set forth in the final budget and certify to Douglas County the Service Levy as required under the final budget to meet the full amount of the final budget during the forthcoming Budget Year, or the Total Annual Service Levy Revenues, whichever amount is less.

6.3 Service Fund Account.

a. Withdrawals. The Operating District shall have the sole authority to make withdrawals or payments from the Service Fund Account, and the funds deposited in the Service Fund Account, together with interest earned thereon, shall be used solely for the purpose of paying Actual Service Costs.

b. Accounting. All deposits and/or withdrawals made with respect to the Service Fund Account shall be separately accounted for by the Operating District. In all cases, the Operating District shall use its best efforts in the operation, maintenance, and administration of the District Facilities and the provision of other services to the Financing Districts as defined herein to not exceed the Estimated Service Costs for such services during the Budget Year.

6.4 Service Fund Account Ownership and Fiscal Year Spending. Funds deposited by each District into the Service Fund Account as a result of the imposition of the Service Levy by each District shall be deemed to be part of the fiscal year spending of such District, pursuant to Const. Colo. Article X, Section 20, at the time of deposit. Funds expended from the Service Fund Account shall not be part of the fiscal year spending of the Financing Districts.

6.5 Limitation of Appropriations. The Districts recognize that certain obligations imposed upon them by this Agreement constitute "debt" (as defined in the Constitution of the State of Colorado); provided, the Districts acknowledge and agree that pursuant to the Service Plans the financial obligations of the Districts set forth in this Agreement are not subject to the Districts' total debt issuance limitations, and in no event shall any commitment, covenant, promise, or other obligation under this Agreement require the issuance or incurring of indebtedness by any of the Districts in excess of its voted indebtedness authorization or in contravention of its Service Plan.

## ARTICLE 7 DISTRICT FACILITIES

7.1 Construction and Acquisition. The Operating District shall be responsible for the design, acquisition, installation, construction, funding, financing and limited operation and maintenance of the District Facilities within and without the Districts consistent with the Service Plans. Development within the Districts will proceed in phases and construction of such public improvements may be completed in phases as development and need for the public improvements necessitates. It is the current intent and understanding of the Districts that all District Facilities will be constructed in accordance with Town standards and requirements and will dedicated to the Town, another public entity, or a property owners association for ongoing ownership, operations and maintenance, or will be owned operated by the Operating District, in accordance with the Service Plans and Approved Development Plans (as defined in the Service Plans).

7.2 Ownership, Operation, Maintenance and Replacement Costs. It is intended and anticipated that the majority of the District Facilities shall be owned (whether in fee or through perpetual easement) and maintained by the Town or another accepting jurisdiction, but to the extent that such is not the case, the operation, maintenance and replacement of the District Facilities shall be performed by Operating District and the cost of such operation, maintenance and replacement shall be paid by the Districts pursuant to this Agreement.

a. The Financing Districts grant to the Operating District the right to occupy any place, public or private, which the Financing Districts might occupy for the purpose of fulfilling the obligations of the Operating District as set forth herein. To implement the purposes of this Agreement, the Financing Districts agree to exercise such authority, to do such acts, and to grant such easements as may reasonably be requested by the Operating District, provided that any legal, engineering, technical or other services required, or costs incurred, for the performance of this obligation shall be performed by a person or persons in the employment of or under contract with, and paid by, the Operating District.

b. All the general rules and regulations and amendments thereto placed in force by the Operating District from time to time concerning the operation of the District Facilities shall be fully enforceable in the Districts.

c. Any revenues arising from, or payable as a result of ownership, operation and maintenance of the District Facilities shall constitute the property of the Operating District unless and until such time as the District Facilities are transferred to another of the Districts or this Agreement is terminated.

## **ARTICLE 8 OTHER FINANCIAL OBLIGATIONS**

8.1 Subordinate Obligations. It is acknowledged that the Districts intend to enter into one or more Capital Pledge Agreements to support the issuance of District Bonds and other financial obligations by the Operating District to finance, in part, the District Facilities. If agreed by all the Parties pursuant to one or more Capital Pledge Agreements, all financial obligations of the Districts hereunder may be considered junior and subordinate to the obligations of the Districts under such Capital Pledge Agreements as set forth therein. Further, the Districts expressly agree that nothing herein shall require any of the Districts to impose, in any given year, an administrative, operations and maintenance mill levy in excess of the maximum administrative, operations and maintenance mill levy then permitted by the Service Plan, taking into account any and all debt service mill levies of the Districts as are required by the Capital Pledge Agreements.

8.2 Continuing Obligations. The Districts expressly acknowledge and agree that pursuant to the Capital Pledge Agreements the Districts may continue to be obligated to impose ad valorem property taxes and remit the revenues derived therefrom to the Operating District following the prior payment in full or defeasance of all District Bonds for the purposes of repaying the Operating District's other outstanding obligations, including but not limited to obligations pursuant to the Developer Reimbursement / Acquisition Agreements.

## **ARTICLE 9 BREACH AND NON-BREACH**

9.1 Termination. This Agreement may be terminated by any of the Parties upon the provision of one (1) year's written notice and upon the date of such termination shall thereafter have no further obligations, duties, or rights hereunder; provided, however, that:

a. as a condition precedent to termination by any one or more of the Financing Districts and in recognition of the integrated nature and need for the continued funding of the operation and maintenance of the District Facilities, as well as the possibility that the Operating District may borrow against the anticipated performance by Financing Districts of the payment and financial obligations set forth herein, the Parties agree that, prior to the time of and as a condition to termination, all remaining payments and financial obligations set forth in this

Agreement shall be paid into the Service Account by any terminating Financing Districts, including without limitation the balance of any terminating Financing District's Total Cumulative Service Levy Revenues that have not been paid as of that date; and

b. as a condition precedent to termination by the Operating District and in recognition of the need on the part of the Financing Districts for the continued provision of all of the services contemplated hereby, the Operating District shall either (1) transfer to the Financing Districts, as appropriate, free and clear and in its entirety, all its interest in the District Facilities (if any) and in each and every one and all of the contracts, leases, easements, properties held in fee, and any other personal, real or intangible property then held or owned by the Operating District and necessary for the continued provision of the services contemplated hereby at the level then provided; (2) continue to provide the services contemplated hereby at the level then provided, independent of this Agreement but in the same manner and on the same terms (taking into account the fact that the Operating District will receive no tax revenues from the area within Financing Districts), or (3) make said transfer to another governmental entity or entities pursuant to such terms and conditions as may be satisfactory to the Board of Directors of the Financing Districts or, in the event said transfer is to be made pursuant to a plan for dissolution of the Operating District in accordance with Colorado law, as may be held in accordance with that law by the District Court in and for Douglas County, Colorado, or such other ruling body as may at the time have jurisdiction.

9.2 Non-Termination. The Parties agree that no breach of this Agreement shall justify or permit termination of the continuing obligations of this Agreement.

9.3 Breach, Remedies. In the event of breach of any provision of this Agreement, including but not limited to the failure of the Financing Districts to appropriate funds after a final budget is determined and the failure of the Operating District to commence construction of the District Facilities, if not prohibited by law, regulation or other circumstances beyond the Operating District's control, within a reasonable time after the start of each Budget Year for which funds were appropriated for construction, in addition to contractual remedies, any of the Districts may ask a court of competent jurisdiction to enter a writ of mandamus to compel the Board of Directors of the defaulting District to perform its duties under this Agreement, and any of the Districts may seek from a court of competent jurisdiction temporary and/or permanent restraining orders, or orders of specific performance, to compel the other to perform in accordance with the obligations set forth under this Agreement. If, at any time, there shall cease to be electors in any one or more of the Districts, or if no electors of any one or more of the Districts are willing to act as Directors of the District(s), the other Districts may ask a court of competent jurisdiction to designate the proper persons to assume control of the District(s) for purposes of causing the performance of its/their obligations under this Agreement.

## ARTICLE 10 MISCELLANEOUS

10.1 Relationship of Parties. This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between the Districts. There are no third party beneficiaries to this Agreement.

10.2 Liability of Districts. No provision, covenant or agreement contained in this Agreement, nor any obligations herein imposed upon each District nor the breach thereof, nor the issuance and sale of any bonds by a District, shall constitute or create an indebtedness or other financial obligation of the other Districts within the meaning of any Colorado constitutional provision or statutory limitation. No District shall have any obligation whatsoever to repay any debt, financial obligation, or liability of the other Districts.

10.3 Assignment. Except as set forth herein, neither this Agreement, nor any of any Districts' rights, obligations, duties or authority hereunder may be assigned in whole or in part by any District without the prior written consent of all of the other Districts. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

10.4 Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by all Districts. No consent of any third party shall be required for the negotiation and execution of any such agreement.

10.5 Waiver. The waiver of a breach of any of the provisions of this Agreement by any District shall not constitute a continuing waiver or a waiver of any subsequent breach by the other Districts of the same or another provision of this Agreement.

10.6 Integration. This Agreement contains the entire agreement between the Districts concerning the subject hereof, and no statement, promise or inducement made by any District or the agent of any District that is not contained in this Agreement shall be valid or binding.

10.7 Severability. Invalidation of any of the provisions of this Agreement or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Agreement.

10.8 Indemnification and Insurance. To the extent permitted by law, the Operating District agrees to save the Financing Districts harmless from the claims of third persons arising out of the Operating District's operation, maintenance, extension and enlargement of the Operating District's facilities under color of this Agreement and to defend, at its expense, all actions for damages arising out of such action which may be brought against the Financing Districts by third persons.

In the event of an occurrence or loss out of which a claim arises or could arise, the Districts agree to transmit in writing and at once, any notice or information received or learned by the Districts concerning such claim. Except at its own cost, each of the Financing Districts agrees not to voluntarily make any payment, assume any obligation or incur any expense in connection with the subject matter of this paragraph. No claim shall lie against the Operating District hereunder unless, as a condition precedent thereto, the Financing District shall have fully complied with the provisions of this Agreement nor until the amount of Financing District's obligation to pay shall have been fully determined.

The Operating District shall maintain the following types and amounts of insurance coverage, the cost of which shall be a component of the Actual Service Costs budgeted annually in accordance with Article 6, above.

a. General liability coverage in the minimum amount of \$350,000 per person/per occurrence and \$1,000,000 per occurrence, or in an amount reflecting the current level of governmental immunity provided by statute, whichever is greater, protecting the Districts and their officers, directors, and employees against any loss, liability, or expense whatsoever from personal injury, death, property damage, or otherwise, arising from or in any way connected with the Districts' management, administration, and operations.

b. Directors and officers liability coverage (errors and omissions) in the minimum amount of \$350,000 per person/per occurrence and \$1,000,000 total per occurrence, or in an amount reflecting the current level of governmental immunity provided by statute, whichever is greater, protecting the Districts and their directors and officers against any loss, liability, or expense whatsoever arising from the actions and/or inactions of the Districts and their directors and officers in the performance of their duties.

c. The foregoing notwithstanding, the Operating District shall make provisions for workmen's compensation insurance, social security employment insurance and unemployment compensation for its employees performing this Agreement, if any, as required by any law of the State of Colorado or the federal government and shall, upon request, exhibit evidence thereof to the Financing Districts.

10.9 Financing District Dissolution. In the event any one or more of the Financing Districts seeks to dissolve pursuant to Section 32-1-701, et seq., C.R.S., as amended, written notification of the filing or application for dissolution shall be provided to the Operating District concurrently with such filing. The plan for dissolution shall include provision for continuation of this Agreement, with responsible party(ies) acceptable to the Operating District being substituted for the Financing District(s) as party(ies) to this Agreement, said party(ies) to assume all obligations and rights of the Financing District(s) hereunder. If no such provision is made for assumption of contractual obligations, then immediately upon dissolution of one of the Financing District(s), this Agreement shall be null, void and of no further force or effect to such of the Financing Districts, and the Operating District shall have no further obligation to provide services pursuant to the terms hereof.

10.10 Survival of Obligations. Unfulfilled obligations of all parties arising under this Agreement shall be deemed to survive the expiration of the term of this Agreement and the completion of the Facilities, and shall be binding upon and inure to the benefit of the Districts and their respective successors and permitted assigns. The Districts specifically agree that the Operating District shall, except to the extent that the Districts have consolidated under Section 10.16, have the continuing right and obligation, as set forth herein, to provide the services and operations contemplated hereby subject to the continuing receipt of funding necessary and adequate therefor.

10.11 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

10.12 Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to regulations or licenses issued pursuant to any federal, state or local law or regulation governing the subject of this Agreement.

10.13 Debt Must Comply with Law. Nothing herein shall be deemed nor construed to authorize or require the Financing Districts or the Operating District to issue bonds, notes, or other evidences of indebtedness on terms, in amounts, or for purposes other than as authorized by Colorado law.

10.14 Amendment 1 Matters. If any provision hereof is declared void or unenforceable due to a purported violation of Const. Colo. Article 10, Section 20, then the District or Districts involved in such violation shall perform such tasks as may be necessary to cure such violation, including but not limited to acquiring such voter approvals, either in advance of, or following, an action as may be allowed by law.

10.15 Defined Terms. Any capitalized term used in this Agreement and not specifically defined herein shall have the same meaning as when such term is used in the Service Plans of the Districts.

10.16 Consolidation or Dissolution/Inclusion. In order to foster efficiencies, at such time as all of the indebtedness proposed to be issued by the Districts pursuant hereto has been issued, or on December 31, 2049, whichever first occurs, the Districts shall begin discussions of the consolidation of the Districts or the dissolution of the Districts, as appropriate, for the purposes of reducing the proliferation of districts and effecting other economies. The Districts shall have discretion, however, in light of the circumstances existing at such time, not to complete either the consolidation or dissolution and inclusion if such action is not in the best interests of the Districts.

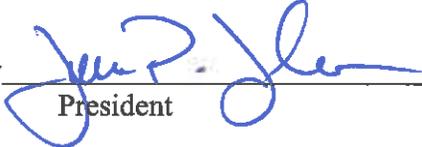
*[remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Districts have executed this Agreement and the same shall be effective as of the date first above written.

**HESS RANCH METROPOLITAN DISTRICT NO. 4**

ATTEST:

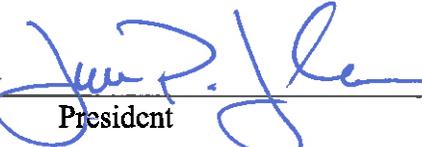
  
\_\_\_\_\_  
Secretary

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

**HESS RANCH METROPOLITAN DISTRICT NO. 5**

ATTEST:

  
\_\_\_\_\_  
Secretary

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

**HESS RANCH METROPOLITAN DISTRICT NO. 6**

ATTEST:

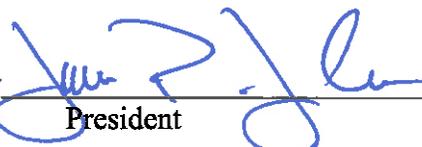
  
\_\_\_\_\_  
Secretary

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

**HESS RANCH METROPOLITAN DISTRICT NO. 7**

ATTEST:

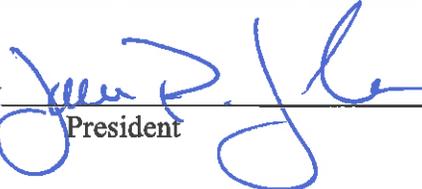
  
\_\_\_\_\_  
Secretary

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

**HESS RANCH METROPOLITAN DISTRICT NO. 8**

ATTEST:

  
\_\_\_\_\_  
Secretary

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