

LIBERTY RANCH METROPOLITAN DISTRICT (“DISTRICT”)

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 800-741-3254
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<http://libertyranchmd.colorado.gov>

NOTICE OF A REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration</u>
Jeffrey Mark	Assistant Secretary	2025/May 2025
Jereriah Manning		2023/May 2023
Leata Byers		2025/May 2025
Sean Byers		2025/May 2025
VACANT		2023/May 2023

DATE: November 17, 2022
TIME: 1:00 p.m.
LOCATION: Zoom

Join Zoom Meeting
<https://us02web.zoom.us/j/88201947538?pwd=WitiSWJlZkxVV3owajJrODNTZWg5dz09>
Meeting ID: 882 0194 7538
Passcode: 039354
Dial by your location
1-719-359-4580

I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.

- B. Confirm quorum, location of the meeting and posting of meeting notices and designate 24-hour posting location. Approve Agenda.

- C. Public Comment.

- D. Discuss results of the May 3, 2022 election (enclosure).

- E. Acknowledge resignation of Brian P. Jumps from the Board of Directors, effective July 26, 2022 (enclosure).

F. Acknowledge resignation of Matt Cohrs as Secretary to the Board.

G. Discuss vacancy on the Board of Directors.

H. Consider appointment of Officers.

President _____
 Treasurer _____
 Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____

I. Review and approve Minutes of the October 28, 2021 special meeting (enclosure).

J. Discuss business to be conducted in 2023 and location (**virtual and/or physical**) meetings (suggested date is November 16, 2023 at _____ .m.). Review and consider approval of Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting 24-Hour Notices (enclosure).

K. Discuss requirements of §32-1-809, C.R.S. (Transparency Notice) and mode of eligible elector notification for 2023 (post on the SDA website / District website).

II. FINANCIAL MATTERS

A. Review and ratify approval of the payment of claims as follows (enclosures):

Fund	Period Ending Nov. 18, 2021	Period Ending Dec. 15, 2021	Period Ending Jan. 18, 2022	Period Ending Feb. 8, 2022
General	\$ 14,676.88	\$ 15,523.65	\$ 1,144.54	\$ 3,305.02
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 14,676.88	\$ 13,523.65	\$ 1,144.54	\$ 3,305.02

Fund	Period Ending March 9, 2022	Period Ending April 8, 2022	Period Ending May 16, 2022	Period Ending June 16, 2022
General	\$ 8,637.14	\$ 4,341.82	\$ 6,414.57	\$ 3,929.42
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 8,637.14	\$ 4,341.82	\$ 6,414.57	\$ 3,929.42

Fund	Period Ending July 15, 2022	Period Ending Aug. 12, 2022	Period Ending Sept. 14, 2022	Period Ending Oct. 11, 2022
General	\$ 2,894.45	\$ 1,740.22	\$ 2,266.11	\$ 6,769.10
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 2,894.45	\$ 1,740.22	\$ 2,266.11	\$ 6,769.10

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- B. Discuss status of TIF collection.
-
- C. Review and accept Unaudited Financial Statements through the period ending September 30, 2022 and cash position statement dated September 30, 2022 (to be distributed).
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- D. Ratify approval of the preparation, execution and filing of the 2021 Audit and authorization of execution of Representations Letter (enclosure).
-
- E. Discuss and consider engagement of Wipfli LLP for preparation of 2022 Audit, in an amount not to exceed \$5,000 (enclosure).
-
- F. Review and consider approval of CliftonLarsonAllen LLP 2023 Scope(s) of Work for Accounting Services (to be distributed).
-
- G. Conduct Public Hearing to consider Amendment to 2022 Budget (if necessary) and consider adoption of Resolution to Amend the 2022 Budget and Appropriate Expenditures.
-
- H. Conduct Public Hearing on the proposed 2023 Budget and consider adoption of Resolution to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution to Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – Preliminary Assessed Valuation, draft Budget and Resolutions).
-

- I. Authorize District Accountant to prepare, and appoint Board Member to sign, the DLG-70 Certification of Tax Levies form (“Certification”). Direct District Accountant to file the Certification with the Board of County Commissioners and other interested parties.
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- J. Discuss and consider adoption of Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan (enclosure).
-

- K. Consider appointment of District Accountant to prepare the 2024 Budget.
-

III. LEGAL MATTERS

- A. Review and consider adoption of Resolution Calling May 2, 2023 Election for Directors, appointing Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. Self-Nomination Forms are due by February 24, 2023 (enclosure). Discuss the need for ballot issues and/or questions.
-

- B. Review and consider adoption of Resolution Regarding Continuing Disclosure Policies and Procedures related to the District’s Limited Tax General Obligation Refunding Bonds, Series 2021A₍₃₎ (enclosure).
-

IV. OTHER MATTERS

- A. _____
-

- V. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2022.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.
- Memo regarding New Rate Structure from McGeady Becher PC.

**CANVASS BOARD'S
CERTIFICATE OF DETERMINATION
(CERTIFICATE OF RESULTS)**

**FOR THE MAIL BALLOT ELECTION HELD ON MAY 3, 2022
LIBERTY RANCH METROPOLITAN DISTRICT**

WELD COUNTY, COLORADO

§1-11-103, 1-13.5-1305, 32-1-104(1), CRS

Each of the undersigned members of the Canvass Board of the Liberty Ranch Metropolitan District certifies that the following is a true and correct abstract of the votes cast at the mail ballot election of the Liberty Ranch Metropolitan District, at which time the eligible electors of the Liberty Ranch Metropolitan District voted as indicated on the attached Judges' Certificate of Election Returns, and as a result of which the eligible electors elected to the office the following Directors:

Jereriah Manning	1-year term
Leata Byers	3-year term
Sean Byers	3-year term
Jeffrey William Mark	3-year term

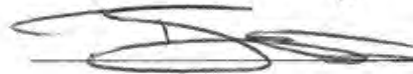
CERTIFIED this 3rd day of May, 2022.



Designated Election Official



Canvasser



Canvasser

Contact Person for the District:
Business Address of the District:

Telephone Number:

Matt Cohrs, District Manager
141 Union Boulevard, Suite 150
Lakewood, CO 80228
(303) 987 0835

Please attach Election Judges' Certificate(s) of Election Results as well as any ballot language for record keeping purposes.

**JUDGES' CERTIFICATE OF ELECTION RETURNS AND
STATEMENT ON BALLOTS**

§1-13.5-613, C.R.S.

CERTIFICATE OF ELECTION RETURNS:

IT IS HEREBY CERTIFIED by the undersigned, who conducted the mail ballot election for the Liberty Ranch Metropolitan District, in the Weld County, Colorado, on the 3rd day of May, 2022, that after qualifying by swearing and subscribing to their Oaths of Office, they opened the polls at 7:00 a.m., and that they kept the polls open continuously until the hour of 7:00 p.m. on such date, after which they counted the ballots cast for Directors of the District and for any ballot issue or ballot question submitted in accordance with the Colorado Local Government Election Code.

That the votes counted for and against each ballot question submitted were as follows:
(Numerical Figures)

ONE YEAR TERM

Votes cast for:	JERERIAH MANNING:	<u>19</u>
Votes cast for:	CRYSTAL CLEMENS:	<u>15</u>
Votes cast for:	KELLEY ZAMZOW:	<u>10</u>

THREE YEAR TERM

Votes cast for:	SEAN BYERS:	<u>39</u>
Votes cast for:	LEATA BYERS:	<u>40</u>
Votes cast for:	JEFFREY WILLIAM MARK:	<u>11</u>
Votes cast for:	BLAKE CARLSON:	<u>9</u>

STATEMENT ON BALLOTS:

It is hereby identified and specified that:

NUMERIC

Total Number of Ballots Delivered to Electors (including UOCAVA ballots):	<u>512</u>
Total Number of Ballots Voted (including UOCAVA ballots):	<u>43</u>
Number of Ballots Returned Undelivered:	<u>31</u>

JUDGES' CERTIFICATE OF ELECTION RETURNS AND STATEMENT ON BALLOTS

Liberty Ranch Metropolitan District
May 3, 2022, Independent Mail Ballot Election

Number of Spoiled Ballots
(Replacement Ballot issued):

0

Number of Rejected Ballots

1

Number of Defective ballots

0

Total Number of Ballots Returned to Designated Election Official (including UOCAVA ballots):

44

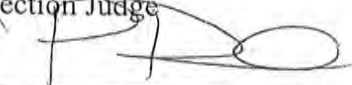
Certified this 3rd day of May, 2022.



Election Judge



Election Judge



Election Judge

Election Judge

OFFICIAL BALLOT FOR LIBERTY RANCH METROPOLITAN DISTRICT

MAY 3, 2022

Matt Cohrs

Facsimile Signature of Designated Election Official

WARNING

Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges, or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both.

SECTION 1-13.5-1105(4)(B), C.R.S.

This may not be your only ballot. Other elections may be held by other political subdivisions by mail or by polling place. Refer to the ballot instructions for complete information on voting. Review your ballot. Be sure you have voted on every office and issue.

To vote, place a crossmark (X) at the right of the name of each candidate. For write-in candidates, print name on blank line and then place a crossmark (X) at the right of that name.

LIBERTY RANCH METROPOLITAN DISTRICT BALLOT QUESTION 500:

VOTE FOR NOT MORE THAN ONE DIRECTOR TO SERVE UNTIL THE NEXT REGULAR ELECTION:

- Jereriah Manning
- Crystal Clemens
- Kelley Zamzow

VOTE FOR NOT MORE THAN THREE DIRECTORS TO SERVE UNTIL THE SECOND REGULAR ELECTION:

- Sean Byers
- Leata Byers
- Jeffrey William Mark
- Blake Carlson

From: [Karen Steggs](#)
To: [Matt Cohrs](#)
Subject: Liberty Ranch Resignation
Date: Tuesday, July 26, 2022 12:33:00 PM
Attachments: [image005.png](#)

From: Brian P. Jumps <bjumps@jumpslaw.com>
Sent: Tuesday, July 26, 2022 7:40 AM
To: Karen Steggs <ksteggs@sdmsi.com>
Subject: RE: Audit extension

Okay, sorry for my delay. Because of time commitments and now unfamiliarity with the project, I need to resign. Thank you

JUMPS LAW
NATIONAL EXPERIENCE | LOCAL TOUCH



Brian P. Jumps
Member
2630 West Belleview Avenue
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bjumps@jumpslaw.com www.jumpslaw.com

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RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE LIBERTY RANCH METROPOLITAN DISTRICT HELD OCTOBER 28, 2021

A Special Meeting of the Board of Directors (referred to hereafter as the "Board") of the Liberty Ranch Metropolitan District (referred to hereafter as the "District") was convened on Thursday, the 28th day of October, 2021, at 1:00 P.M., with Matt Cohrs attending in person at the Comfort Suites Longmont, 11292 Business Park Circle, Firestone, Colorado and all other attendees in attendance via Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Blake Carlson
Brian P. Jumps
Stephanie Reed
Jeffrey Mark

Also In Attendance Were:

Matt Cohrs; Special District Management Services, Inc.

Elisabeth A. Cortese, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Carrie Bartow; CliftonLarsonAllen LLP

Evan Kist; Tierra Financial Advisors, LLC

Tom Wynne, Trung Luc and Ryan Poulsen; Wells Fargo Securities, LLC

K.C. Veio, Esq., Harsha Sekar, Esq. and Lindsay Conroy, Esq.; Kline Alvarado Veio, P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Cohrs noted that a quorum was present and requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted by

RECORD OF PROCEEDINGS

Attorney Cortese that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Mr. Cohrs distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Agenda was approved, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. It was noted that the District meeting was held and properly noticed to be held at the Comfort Suites Longmont, 11292 Business Park Circle, Firestone, Colorado and via Zoom, with Matt Cohrs attending in person at the physical meeting location and all others attending via Zoom. The Board further noted that notice providing the meeting location and Zoom access information was duly posted and that they have not received any objections or any requests that the means of hosting the meeting be changed by taxpaying electors within the District's boundaries.

Public Comment: There was no public comment.

Minutes: The Board reviewed the Minutes of the August 18, 2021 special meeting.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board approved the Minutes of the August 18, 2021 special meeting, as presented.

Board Vacancy: The Board discussed the vacancy on the Board, noting that the District is not aware of any eligible electors interested in serving on the Board.

Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: The Board discussed the business to be conducted in 2022 and the proposed meeting schedule (November 17, 2022 at 1:00 p.m. via Zoom).

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board adopted the Resolution Establishing Regular Meeting Dates, Time and Location, and

RECORD OF PROCEEDINGS

Designating Location for Posting of 24-Hour Notices and determined to hold the 2022 meeting on November 17, 2022 at 1:00 p.m. via Zoom.

§32-1-809, C.R.S., Transparency Notice reporting Requirements and Mode of Eligible Elector Notification: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2022.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board authorized the District Manager to post the Transparency Notice on the Special District Association Website.

Status of District Website:

Engagement of Archipelago Web Inc.: The Board discussed engagement of Archipelago Web Inc. or other provider for website creation and maintenance services.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board authorized the engagement of Archipelago Web Inc. for website creation and maintenance services and authorized any necessary actions in connection therewith.

Termination of Eligible Governmental Entity Agreement with Colorado State Internet Portal Authority: The Board discussed authorizing the termination of the Eligible Governmental Entity Agreement with the Colorado State Internet Portal Authority and all associated documents for website services.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board authorized the termination of the Eligible Governmental Entity Agreement with the Colorado State Internet Portal Authority and all associated documents for website services.

FINANCIAL MATTERS

Master Service Agreement for Accounting Services between the District and CliftonLarsonAllen LLP: The Board reviewed the Master Service Agreement for Accounting Services between the District and CliftonLarsonAllen LLP.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board approved the Master Service Agreement for Accounting Services between the District and CliftonLarsonAllen LLP.

RECORD OF PROCEEDINGS

Claims: The Board considered ratifying approval of the payment of claims in the amounts and through the periods ending as follows:

Fund	Period Ending Aug. 27, 2021	Period Ending Sept. 28, 2021	Period Ending Oct. 21, 2021
General	\$ 1,412.42	\$ 3,857.24	\$ 4,260.53
Debt	\$ -0-	\$ 5,500.00	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ 3,488.75
Total	\$ 1,412.42	\$ 9,357.24	\$ 7,749.28

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

TIF Collections: Ms. Bartow updated the Board on the status of TIF collections.

Unaudited Financial Statements: Ms. Bartow reviewed with the Board the unaudited financial statements for the period ending September 30, 2021.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2021.

2020 Audit: Ms. Bartow updated the Board on the status of the preparation, execution and filing of the 2020 Audit.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board ratified approval of the preparation, execution and filing of the 2020 Audit, including authorization of execution of the Representations Letter.

Engagement of Wipfli LLP for Preparation of 2021 Audit: The Board considered the engagement of Wipfli LLP for the preparation of the 2021 audit, for an amount not to exceed \$5,500.00.

Following consideration, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP for the preparation of the 2021 audit, for an amount not to exceed \$5,500.00.

Resolution Terminating Commercial Facilities Fee: The Board discussed and considered adoption of the Resolution Terminating Commercial Facilities Fee.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board adopted the Resolution Terminating Commercial Facilities Fee.

Resolution Terminating Residential Facilities Fee: The Board discussed and considered adoption of the Resolution Terminating Residential Facilities Fee.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board adopted the Resolution Terminating Residential Facilities Fee.

2021 Budget Amendment Hearing: The President opened the public hearing to consider an amendment to the 2021 Budget and discuss related issues.

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

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2021 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

2022 Budget Hearing: The President opened the public hearing to consider the proposed 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Ms. Bartow reviewed the estimated 2021 expenditures and the proposed 2022 expenditures.

Following discussion, the Board considered the adoption of the Resolution to Adopt the 2022 Budget and Appropriate Sums of Money and the Resolution to Set Mill Levies (General Fund at 8.775 mills and the Debt Service Fund at 54.844 mills, for a total mill levy of 63.619 mills). Upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Resolutions were adopted, and execution of the Certification of Budget and

RECORD OF PROCEEDINGS

Certification of Mill Levies were authorized, subject to receipt of final Certification of Assessed Valuation from the County and final legal review. Mr. Cohrs was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Weld County, not later than December 15, 2021. Mr. Cohrs was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 31, 2022. Copies of the adopted Resolutions are attached to these Minutes and incorporated herein by this reference.

District Accountant to Prepare and sign the DLG-70 Mill Levy Certification Form for Certification to the Board of County Commissioners and other interested parties: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: The Board considered adoption of the Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board adopted the Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Appointment of District Accountant to Prepare the 2023 Budget and Set the Date of the Budget Hearing: The Board considered the appointment of the District Accountant to prepare the 2023 Budget.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2023 Budget.

LEGAL MATTERS

Termination of Facilities Acquisition Agreement by and between the District and Lorson South Land Corp: The Board discussed the Termination of Facilities Acquisition Agreement with Lorson South Land Corp.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote unanimously carried, the Board approved the Termination of Facilities Acquisition Agreement by and between the District and Lorson South Land Corp.

Termination of Facilities Funding and Acquisition Agreement by and between the District and LR Investments LLC: The Board discussed the Termination of Facilities Funding and Acquisition Agreement by and between the District and LR Investments LLC.

Following discussion, upon motion duly made by Director Mark, seconded by Director Reed and, upon vote unanimously carried, the Board approved the Termination of Facilities Funding and Acquisition Agreement by and between the District and LR Investments LLC.

Facilities Acquisition Agreement by and between the District and LR Investments LLC: The Board discussed the Facilities Acquisition Agreement by and between the District and LR Investments LLC.

Following discussion, upon motion duly made by Director Mark, seconded by Director Reed and, upon vote unanimously carried, the Board approved the Facilities Acquisition Agreement by and between the District and LR Investments LLC, subject to final legal review.

2021 Bond Refunding:

Resolution authorizing the issuance of the District's Limited Tax General Obligation Refunding Bonds, Series 2021A₍₃₎, in the maximum aggregate principal amount of up to \$15,000,000 (the "2021 Bonds"), for the purpose of paying and discharging the District's Series 2017A Bonds, its Series 2017B Bonds, and all or a portion of its Series 2017C Bonds and paying the costs incidental to the issuance of the 2021 Bonds; approving the form of the indenture of trust and other related documents and instruments and authorizing the execution and delivery thereof and performance by the District thereunder; appointing a District Representative to act on behalf of the District under such indenture of trust; appointing an Authorized Delegate to make certain determinations relating to the Bonds as authorized under Section 11-57-205, C.R.S.; authorizing incidental action; and establishing the effective date thereof ("2021 Bond Resolution"): Mr. Wynne and Attorney Veio summarized the terms of the proposed 2021 Bond issuance to the Board.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote unanimously carried, the Board adopted the 2021 Bond Resolution and authorized necessary actions in conjunction with the 2021 Bond issuance.

Resolution Adopting Continuing Disclosure Policies and Procedures: Following discussion, the Board deferred action on this item.

Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election (“2022 Election Resolution”): The Board discussed the Regular Election for Directors on May 3, 2022, including whether there was a need for any ballot issues and/or questions.

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote, unanimously carried, the Board adopted the 2022 Election Resolution, noting that no ballot issues or questions were to be considered in this election cycle.

OTHER MATTERS

There were no other matters.

CONTINUANCE

Following discussion, upon motion duly made by Director Carlson, seconded by Director Reed and, upon vote unanimously carried, the Board continued the meeting to November 29th at 1:00 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

RESOLUTION NO. 2022-11-_____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE LIBERTY RANCH METROPOLITAN DISTRICT
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

- A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.
- B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.
- C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.
- D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.
- E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.
- F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.
- G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Liberty Ranch Metropolitan District (the “**District**”), Weld County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2023 shall be held on November ____, 2023 at 1:00 p.m. via Zoom

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://www.libertyranchmd.Colorado.gov> , and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) On the streetlight on the southeast corner of Liberty Dr and CR 5.5

8. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, ESTABLISHING DISTRICT WEBSITE AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]

RESOLUTION APPROVED AND ADOPTED on November 17, 2022.

LIBERTY RANCH METROPOLITAN DISTRICT

By: _____
President

Attest:

Secretary

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1618						
11/18/2021	CliftonLarsonAllen LLP	3001268	Accounting	1-7000	2,376.41	2,376.41
11/18/2021	CliftonLarsonAllen LLP	3050920	Accounting	1-7000	2,306.33	2,306.33
Total 1618:						<u>4,682.74</u>
1619						
11/18/2021	McGeady Becher P.C.	793 09/2021	Legal Services	1-7460	3,882.50	3,882.50
Total 1619:						<u>3,882.50</u>
1620						
11/18/2021	Prairie Mountain Media	1050951	Miscellaneous	1-7480	35.67	35.67
Total 1620:						<u>35.67</u>
1621						
11/18/2021	Special Dist Mgmt Srvs	10/2021	District Manage	1-7440	1,975.97	1,975.97
Total 1621:						<u>1,975.97</u>
1622						
11/18/2021	Wipfli, LLP	1921444	Audit Fees	1-7020	4,100.00	4,100.00
Total 1622:						<u>4,100.00</u>
Grand Totals:						<u><u>14,676.88</u></u>

Liberty Ranch Metropolitan District
November-21

	General	Debt	Capital	Totals
Disbursements	\$ 14,676.88	-	-	\$ 14,676.88
	-	-	-	-
Total Disbursements from Checking Acct	\$ 14,676.88	\$ -	\$ -	\$ 14,676.88

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1623						
12/15/2021	CliftonLarsonAllen LLP	3071232 10-202	Accounting	1-7000	2,184.11	2,184.11
12/15/2021	CliftonLarsonAllen LLP	3090740 11-202	Accounting	1-7000	1,714.91	1,714.91
Total 1623:						<u>3,899.02</u>
1624						
12/15/2021	Colorado Special District	60644 9-2021	Prepaid Expens	1-1240	2,047.00	2,047.00
Total 1624:						<u>2,047.00</u>
1625						
12/15/2021	McGeady Becher P.C.	793C 10-2021	Legal Services	1-7460	8,349.50	8,349.50
Total 1625:						<u>8,349.50</u>
1626						
12/15/2021	Special Dist Mgmt Srvs	11-2021	District Manage	1-7440	733.13	733.13
Total 1626:						<u>733.13</u>
1627						
12/15/2021	T Charles Wilson Insura	10364	Prepaid Expens	1-1240	495.00	495.00
Total 1627:						<u>495.00</u>
Grand Totals:						<u><u>15,523.65</u></u>

**Liberty Ranch Metropolitan District
December-21**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 15,523.65	-	-	\$ 15,523.65
	-	-	-	-
Total Disbursements from Checking Acct	\$ 15,523.65	\$ -	\$ -	\$ 15,523.65

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1628						
01/18/2022	McGeady Becher P.C.	793C 11/2021	Legal Services	1-7460	427.50	427.50
Total 1628:						427.50
1629						
01/18/2022	Special Dist Mgmt Srvs	12/2021	District Manage	1-7440	717.04	717.04
Total 1629:						717.04
Grand Totals:						1,144.54

**Liberty Ranch Metropolitan District
January-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,144.54	-	-	\$ 1,144.54
	-	-	-	-
Total Disbursements from Checking Acct	\$ 1,144.54	\$ -	\$ -	\$ 1,144.54

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1630						
02/08/2022	CliftonLarsonAllen LLP	3123738	Accounting	1-7000	1,868.58	<u>1,868.58</u>
Total 1630:						<u>1,868.58</u>
1631						
02/08/2022	McGeady Becher P.C.	793C 12-2021	Legal Services	1-7460	544.00	<u>544.00</u>
Total 1631:						<u>544.00</u>
1632						
02/08/2022	Special Dist Mgmt Srvs	1-2022	District Manage	1-7440	892.44	<u>892.44</u>
Total 1632:						<u>892.44</u>
Grand Totals:						<u><u>3,305.02</u></u>

**Liberty Ranch Metropolitan District
February-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,305.02	-	-	\$ 3,305.02
	-	-	-	-
Total Disbursements from Checking Acct	\$ 3,305.02	\$ -	\$ -	\$ 3,305.02

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1633						
03/09/2022	CliftonLarsonAllen LLP	3145000	Accounting	1-7000	2,145.68	2,145.68
Total 1633:						<u>2,145.68</u>
1634						
03/09/2022	McGeady Becher P.C.	793C 1-2022	Legal Services	1-7460	2,824.00	2,824.00
Total 1634:						<u>2,824.00</u>
1635						
03/09/2022	Prairie Mountain Media	AD#1867790	Miscellaneous	1-7480	38.57	38.57
Total 1635:						<u>38.57</u>
1636						
03/09/2022	Special Dist Mgmt Srvs	2-2022	District Manage	1-7440	2,739.11	2,739.11
03/09/2022	Special Dist Mgmt Srvs	2-2022	Election Expens	1-7430	547.60	547.60
Total 1636:						<u>3,286.71</u>
1637						
03/09/2022	Special District Associati	2022 DUES	Insurance and B	1-7360	342.18	342.18
Total 1637:						<u>342.18</u>
Grand Totals:						<u><u>8,637.14</u></u>

Liberty Ranch Metropolitan District
March-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 8,637.14	-	-	\$ 8,637.14
	-	-	-	-
Total Disbursements from Checking Acct	\$ 8,637.14	\$ -	\$ -	\$ 8,637.14

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1638						
04/08/2022	CliftonLarsonAllen LLP	3177672	Accounting	1-7000	939.49	939.49
Total 1638:						939.49
1639						
04/08/2022	McGeady Becher P.C.	793C 2-2022	Legal Services	1-7460	2,058.00	2,058.00
Total 1639:						2,058.00
1640						
04/08/2022	Prairie Mountain Media	1879664	Miscellaneous	1-7480	63.80	63.80
Total 1640:						63.80
1641						
04/08/2022	Special Dist Mgmt Srvs	03-2022	District Manage	1-7440	673.73	673.73
04/08/2022	Special Dist Mgmt Srvs	03-2022	Election Expens	1-7430	606.80	606.80
Total 1641:						1,280.53
Grand Totals:						4,341.82

**Liberty Ranch Metropolitan District
April-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,341.82	-	-	\$ 4,341.82
	-	-	-	-
Total Disbursements from Checking Acct	\$ 4,341.82	\$ -	\$ -	\$ 4,341.82

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1642						
05/16/2022	Ann Finn	5-3-2022	Election Expens	1-7430	100.00	100.00
Total 1642:						100.00
1643						
05/16/2022	CliftonLarsonAllen LLP	3218569	Accounting	1-7000	216.88	216.88
Total 1643:						216.88
1644						
05/16/2022	McGeady Becher P.C.	793C 3-2022	Legal Services	1-7460	496.50	496.50
Total 1644:						496.50
1645						
05/16/2022	Peggy Ripko	5-3-2022	Election Expens	1-7430	100.00	100.00
Total 1645:						100.00
1646						
05/16/2022	Shawna Stevens	5-3-2022	Election Expens	1-7430	100.00	100.00
Total 1646:						100.00
1647						
05/16/2022	Special Dist Mgmt Srvs	4-2022	Election Expens	1-7430	4,117.20	4,117.20
05/16/2022	Special Dist Mgmt Srvs	4-2022	District Manage	1-7440	1,283.99	1,283.99
Total 1647:						5,401.19
Grand Totals:						6,414.57

Liberty Ranch Metropolitan District
May-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 6,414.57	-	-	\$ 6,414.57
	-	-	-	-
Total Disbursements from Checking Acct	\$ 6,414.57	\$ -	\$ -	\$ 6,414.57

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1648						
06/16/2022	CliftonLarsonAllen LLP	3287086	Accounting	1-7000	377.27	377.27
Total 1648:						<u>377.27</u>
1649						
06/16/2022	McGeady Becher P.C.	793C 4-2022	Legal Services	1-7460	1,090.00	1,090.00
06/16/2022	McGeady Becher P.C.	793C 5-2022	Legal Services	1-7460	179.50	179.50
Total 1649:						<u>1,269.50</u>
1650						
06/16/2022	Special Dist Mgmt Srvs	5-2022	Election Expens	1-7430	1,458.60	1,458.60
06/16/2022	Special Dist Mgmt Srvs	5-2022	District Manage	1-7440	824.05	824.05
Total 1650:						<u>2,282.65</u>
Grand Totals:						<u><u>3,929.42</u></u>

Liberty Ranch Metropolitan District
June-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,929.42	-	-	\$ 3,929.42
	-	-	-	-
Total Disbursements from Checking Acct	\$ 3,929.42	\$ -	\$ -	\$ 3,929.42

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1651						
07/15/2022	CliftonLarsonAllen LLP	3315553	Accounting	1-7000	1,354.29	<u>1,354.29</u>
Total 1651:						<u>1,354.29</u>
1652						
07/15/2022	Special Dist Mgmt Srvs	6-2022	Election Expens	1-7430	74.00	74.00
07/15/2022	Special Dist Mgmt Srvs	6-2022	District Manage	1-7440	1,466.16	<u>1,466.16</u>
Total 1652:						<u>1,540.16</u>
Grand Totals:						<u><u>2,894.45</u></u>

**Liberty Ranch Metropolitan District
July-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,894.45	-	-	\$ 2,894.45
	-	-	-	-
Total Disbursements from Checking Acct	\$ 2,894.45	\$ -	\$ -	\$ 2,894.45

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1653						
08/12/2022	CliftonLarsonAllen LLP	3346269	Accounting	1-7000	778.58	778.58
Total 1653:						<u>778.58</u>
1654						
08/12/2022	McGeady Becher P.C.	793C 6-2022	Legal Services	1-7460	418.00	418.00
Total 1654:						<u>418.00</u>
1655						
08/12/2022	Special Dist Mgmt Srvs	7-2022	Election Expens	1-7430	44.40	44.40
08/12/2022	Special Dist Mgmt Srvs	7-2022	District Manage	1-7440	499.24	499.24
Total 1655:						<u>543.64</u>
Grand Totals:						<u><u>1,740.22</u></u>

Liberty Ranch Metropolitan District
August-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,740.22	-	-	\$ 1,740.22
	-	-	-	-
Total Disbursements from Checking Acct	\$ 1,740.22	\$ -	\$ -	\$ 1,740.22

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1656						
09/14/2022	CliftonLarsonAllen LLP	3375034	Accounting	1-7000	1,063.65	1,063.65
Total 1656:						1,063.65
1657						
09/14/2022	Colorado Special District	23WC-60644-01	Insurance and B	1-7360	450.00	450.00
Total 1657:						450.00
1658						
09/14/2022	McGeady Becher P.C.	793C 7-2022	Legal Services	1-7460	298.50	298.50
Total 1658:						298.50
1659						
09/14/2022	Special Dist Mgmt Srvs	8-2022	District Manage	1-7440	453.96	453.96
Total 1659:						453.96
Grand Totals:						2,266.11

**Liberty Ranch Metropolitan District
September-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,266.11	-	-	\$ 2,266.11
	-	-	-	-
Total Disbursements from Checking Acct	\$ 2,266.11	\$ -	\$ -	\$ 2,266.11

Check No/ Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1660						
10/11/2022	CliftonLarsonAllen LLP	3434319	Accounting	1-7000	1,545.86	<u>1,545.86</u>
	Total 1660:					<u>1,545.86</u>
1661						
10/11/2022	RLI Surety	0936280	Insurance and B	1-7360	250.00	<u>250.00</u>
	Total 1661:					<u>250.00</u>
1662						
10/11/2022	Special Dist Mgmt Svcs	9-2022	District Manage	1-7440	623.24	<u>623.24</u>
	Total 1662:					<u>623.24</u>
1663						
10/11/2022	Wipfli, LLP	2118824	Audit Fees	1-7020	4,350.00	<u>4,350.00</u>
	Total 1663:					<u>4,350.00</u>
	Grand Totals:					<u><u>6,769.10</u></u>

**Liberty Ranch Metropolitan District
October-22**

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 6,769.10	-	-	\$ 6,769.10
	-	-	-	-
Total Disbursements from Checking Acct	\$ 6,769.10	\$ -	\$ -	\$ 6,769.10

**LIBERTY RANCH METROPOLITAN DISTRICT
Weld County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

**LIBERTY RANCH METROPOLITAN DISTRICT
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Board of Directors
Liberty Ranch Metropolitan District
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Liberty Ranch Metropolitan District (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Liberty Ranch Metropolitan District as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

September 30, 2022

BASIC FINANCIAL STATEMENTS

**LIBERTY RANCH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 99,339
Cash and Investments - Restricted	31,986
Receivable - County Treasurer	1,883
Prepaid Expense	2,992
Property Taxes Receivable	458,111
Total Assets	594,311
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding	33,196
Total Deferred Outflows of Resources	33,196
LIABILITIES	
Accounts Payable	14,476
Accrued Bond Interest	57,663
Noncurrent Liabilities:	
Due in More Than One Year	13,522,385
Total Liabilities	13,594,524
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	458,111
Total Deferred Inflows of Resources	458,111
NET POSITION	
Restricted for:	
Emergency Reserve	2,000
Unrestricted	(13,427,128)
Total Net Position	\$ (13,425,128)

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 55,392	\$ -	\$ -	\$ -	
Interest and Related Costs on Long-Term Debt	1,816,342	-	-	-	
Total Governmental Activities	\$ 1,871,734	\$ -	\$ -	\$ -	
				428,597	
				23,948	
				22,737	
				310	
				475,592	
				(1,396,142)	
				(12,028,986)	
				\$ (13,425,128)	

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 99,339	\$ -	\$ -	\$ 99,339
Cash and Investments - Restricted	2,000	29,986	-	31,986
Receivable - County Treasurer	260	1,623	-	1,883
Prepaid Expense	2,992	-	-	2,992
Property Taxes Receivable	63,187	394,924	-	458,111
	<u>\$ 167,778</u>	<u>\$ 426,533</u>	<u>\$ -</u>	<u>\$ 594,311</u>
 LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 3,013	\$ 11,463	\$ -	\$ 14,476
Total Liabilities	3,013	11,463	-	14,476
 DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	63,187	394,924	-	458,111
Total Deferred Inflows of Resources	63,187	394,924	-	458,111
 FUND BALANCES				
Nonspendable:				
Prepaid Expenditures	2,992	-	-	2,992
Restricted for:				
Debt Service	-	20,146	-	20,146
Capital Projects	-	-	-	-
Emergency Reserves	2,000	-	-	2,000
Assigned for:				
Subsequent Year Expenditures	25,534	-	-	25,534
Unrestricted	71,052	-	-	71,052
Total Fund Balances	101,578	20,146	-	121,724
	<u>\$ 167,778</u>	<u>\$ 426,533</u>	<u>\$ -</u>	<u>\$ -</u>

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities, including bonds payable and Developer advances, are not due and payable in the current period and, therefore, are not reported in the funds.

Developer Advance Payable	(215,642)
Accrued Interest on Developer Advances	(126,743)
Accrued Bond Interest Payable	(57,663)
Bonds Payable	(13,180,000)
Cost of Refunding	33,196
	<u>33,196</u>

Net Position of Governmental Activities \$ (13,425,128)

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 59,119	\$ 369,478	\$ -	\$ 428,597
Property Tax - URA	3,303	20,645	-	23,948
Specific Ownership Tax	3,136	19,601	-	22,737
Interest Income	75	235	-	310
Total Revenues	<u>65,633</u>	<u>409,959</u>	<u>-</u>	<u>475,592</u>
EXPENDITURES				
Accounting	15,227	-	-	15,227
Audit	4,100	-	-	4,100
County Treasurer's Fee	887	5,545	-	6,432
Dues	320	-	-	320
Insurance	2,993	-	-	2,993
District Management	10,871	-	-	10,871
Legal	18,564	-	-	18,564
Miscellaneous	371	-	-	371
Paying Agent Fees	-	5,500	-	5,500
Bond Interest - Series 2017A	-	405,250	-	405,250
Bond Interest - Series 2017B	-	285,909	-	285,909
Bond interest - Series 2017C	-	1,697,832	-	1,697,832
Bond Principal - Series 2017A	-	5,090,000	-	5,090,000
Bond Principal - Series 2017B	-	2,204,000	-	2,204,000
Bond principal - Series 2017C	-	3,485,000	-	3,485,000
Bond issue costs	-	600,631	-	600,631
Total Expenditures	<u>53,333</u>	<u>13,779,667</u>	<u>-</u>	<u>13,833,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	12,300	(13,369,708)	-	(13,357,408)
OTHER FINANCING SOURCES (USES)				
Transfer from (to) Other Fund	(3,489)	3,533	(44)	-
Bond Issuance	-	13,180,000	-	13,180,000
Total Other Financing Sources (Uses)	<u>(3,489)</u>	<u>13,183,533</u>	<u>(44)</u>	<u>13,180,000</u>
NET CHANGE IN FUND BALANCES				
	8,811	(186,175)	(44)	(177,408)
Fund Balances - Beginning of Year	<u>92,767</u>	<u>206,321</u>	<u>44</u>	<u>299,132</u>
FUND BALANCES - END OF YEAR	<u>\$ 101,578</u>	<u>\$ 20,146</u>	<u>\$ -</u>	<u>\$ 121,724</u>

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (177,408)

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Proceeds	(13,180,000)
Bond Principal Payment	10,779,000
Amortization of Cost of Refunding	(2,059)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Bonds - Change in Liability	1,172,907
Accrued Interest on Developer Advance - Change in Liability	<u>11,418</u>

Changes in Net Position of Governmental Activities \$ (1,396,142)

**LIBERTY RANCH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 59,159	\$ 59,119	\$ (40)
Property Tax - URA	3,303	3,303	-
Specific Ownership Tax	3,123	3,136	13
Interest Income	1,750	75	(1,675)
Total Revenues	<u>67,335</u>	<u>65,633</u>	<u>(1,702)</u>
EXPENDITURES			
Accounting	20,000	15,227	4,773
Audit	4,050	4,100	(50)
County Treasurer's Fee	887	887	-
Dues	550	320	230
Insurance	3,500	2,993	507
District Management	10,000	10,871	(871)
Legal	20,000	18,564	1,436
Miscellaneous	1,263	371	892
Election	1,250	-	1,250
Total Expenditures	<u>61,500</u>	<u>53,333</u>	<u>8,167</u>
EXCESS OF REVENUES OVER EXPENDITURES	5,835	12,300	6,465
Transfers to Other Fund	-	(3,489)	(3,489)
Repay Developer Advance	(10,000)	-	10,000
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(3,489)</u>	<u>6,511</u>
NET CHANGE IN FUND BALANCE	(4,165)	8,811	12,976
Fund Balance - Beginning of Year	<u>87,714</u>	<u>92,767</u>	<u>5,053</u>
FUND BALANCE - END OF YEAR	<u>\$ 83,549</u>	<u>\$ 101,578</u>	<u>\$ 18,029</u>

See accompanying Notes to Basic Financial Statements.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

Liberty Ranch Metropolitan District (the District), a quasi-municipal corporation located entirely in Weld County, Colorado, was organized by order and decree of the District Court for Weld County on December 23, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide for construction and financing for street, safety protection, water, sanitation, and mosquito control facilities and improvements. The street and safety control improvements have been dedicated to and are maintained by the Town of Mead. Water and sanitation improvements have been dedicated to and are maintained by the Longs Peak Water District and St. Vrain Sanitation District, respectively.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Expenditures for property, plant, and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District amended its annual budget for the year ended December 31, 2021.

Pooled Cash and Investments

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Facility Fees

On July 26, 2006, the Board of Directors of the District adopted resolutions imposing certain Facilities Fees upon the property in the District. Pursuant to the Resolutions, the District imposes a Residential Facilities Fee in the amount of \$2,000 per unit for each single-family detached or attached residential unit, and a Commercial Facilities Fee per building in the amount of \$0.50 per square foot of commercial space within the District, both payable upon the issuance of a building permit for the subject property. Any unpaid Facilities Fees constitute a statutory and perpetual lien upon the property until paid.

On December 6, 2010, the District recorded a release of lien by reason of payment in full of the Residential Facilities Fees.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facility Fees (Continued)

On February 4, 2022, the District recorded Resolutions Regarding Termination of Imposition of Residential and Commercial Facilities Fees in the real property records of Weld County at reception Nos. 4800099 and 480098, respectively.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In the government-wide financial statements the deferred cost of bond refunding is being amortized using the interest method over the life of the bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

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

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

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

The transfer from the General Fund to Debt Service Fund was the related to the payment of bond issuance costs.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 99,339
Cash and Investments - Restricted	<u>31,986</u>
Total	<u><u>\$ 131,325</u></u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 22,678
Investments	<u>108,647</u>
Total Cash and Investments	<u><u>\$ 131,325</u></u>

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District's cash deposits had a bank balance of \$38,201 and a carrying balance of \$22,678.

Investments

The District's formal investment policy is to follow state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

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

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

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	<u>\$ 108,647</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE at net asset value as determined by amortized cost. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE 4 LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations as of December 31, 2021:

	<u>Balance at December 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2021</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
G.O. Refunding and Improvement 2021A Bonds	\$ -	\$ 13,180,000	\$ -	\$ 13,180,000	\$ -
G.O. Refunding and Improvement 2017A Bonds	5,090,000	-	5,090,000	-	-
G.O. Subordinate Limited Tax 2017B Bonds	2,204,000	-	2,204,000	-	-
Total Bonds Payable	<u>7,294,000</u>	<u>-</u>	<u>7,294,000</u>	<u>13,180,000</u>	<u>-</u>

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of long-term obligations as of December 31, 2021(continued):

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Governmental Activities:					
Bonds/Notes from Direct Borrowings/Direct Placements:					
Junior Subordinate Cash Flow 2017C Bonds	\$ 3,485,000	\$ -	\$ 3,485,000	\$ -	\$ -
Accrued and Unpaid Interest - Cash Flow 2017C Bonds	1,230,570	467,262	1,697,832	-	-
Developer Advance	215,642	-	-	215,642	-
Developer Advance Interest	109,492	17,251	-	126,743	-
Total Bonds/Notes from Direct Borrowings/Direct Placements	5,040,704	484,513	5,182,832	342,385	-
Total Long-Term Obligations	<u>\$ 12,334,704</u>	<u>\$ 484,513</u>	<u>\$ 12,476,832</u>	<u>\$ 13,522,385</u>	<u>\$ -</u>

\$5,225,000 General Obligation Refunding and Improvement Bonds, Series 2017A, \$2,517,000 Subordinate Limited Tax General Obligation Improvement Bonds, Series 2017B and \$3,485,000 Junior Subordinate Cash Flow Bonds, Series 2017C

On February 22, 2017, the District issued its \$5,225,000 General Obligation Refunding and Improvement Bonds, Series 2017A (2017A Bonds), its \$2,517,000 Subordinate Limited Tax General Obligation Improvement Bonds, Series 2017B (2017B Bonds) and its \$3,485,000 Junior Subordinate Cash Flow Bonds (2017C Bonds, and collectively with the 2017A Bonds and 2017B Bonds, the 2017 Bonds). The proceeds from the sale of the 2017A Bonds were used to refund the District's 2006 General Obligation Bonds, reimburse Developer advances related to public improvements for the District, and to pay the costs of issuing the 2017 Bonds. The proceeds from the sale of the 2017B Bonds were applied to reimburse Developer advances related to public improvements for the District and to pay certain costs of issuing the 2017B Bonds. The proceeds from the sale of the 2017C Bonds were used to reimburse Developer advances related to public improvements for the District and to pay certain costs of issuing the 2017C Bonds.

The 2017 A-C Bonds were paid off on November 30, 2021 with the issuance of the Series 2021A Bonds described below.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$13,180,000 Limited Tax General Obligation Refunding Bonds, Series 2021A₍₃₎

On November 30, 2021, the District issued its \$13,180,000 Limited Tax General Obligation Refunding Bonds, Series 2021A(3) (2021A Bonds). The 2021A Bonds were issued for the purposes of (i) paying and discharging the 2017 Bonds and (ii) paying the costs of issuance of the 2021A Bonds. The 2021A Bonds bear interest at the rate of 5.25% per annum payable annually on each December 1, beginning on December 1, 2022, but only from and to the extent of available Pledge Revenue, and mature on December 1, 2051 (Maturity Date), subject to mandatory redemption and optional redemption.

The 2021A Bonds are structured as limited tax "cash flow" general obligations of the District, secured by and payable solely from the Pledged Revenue (defined below). As cash flow bonds the interest on the 2021A Bonds is payable on each Interest Payment Date to the extent any Pledged Revenue is available. There are no scheduled payments of principal on the 2021A Bonds prior to their Maturity Date, but rather the 2021A Bonds are subject to mandatory redemption, commencing December 1, 2022, to the extent of moneys on deposit, if any, in the Mandatory Redemption Account of the Bond Fund as provided in the Indenture.

Any principal of a Bond that is not paid when due will remain outstanding until paid and any interest on a Bond that is not paid when due will compound annually on each December 1 at the interest rate then borne by such Bond. If any amount of principal or interest due on the 2021A Bonds remains unpaid after the application of all Pledged Revenue available on December 1, 2061, such unpaid amount will be deemed discharged.

Optional Redemption

The 2021A Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The 2021A Bonds are payable solely from and to the extent of the Pledged Revenue, consisting generally of the moneys derived from the following sources, net of any costs of collection:

- (a) all District Property Tax Revenues;
- (b) the District portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy;
- (c) revenues received from the MURA Cooperation Agreement (see Note 7); and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Property Tax Revenues

“Property Tax Revenues” means the ad valorem property taxes derived from the District’s imposition of the Required Mill Levy, net of the costs of collection of the County and any tax refunds or abatements authorized by or on behalf of the County.

Required Mill Levy

The Indenture provides a Required Mill Levy be imposed in an amount sufficient to pay the principal of and interest on the 2021A Bonds each year, but not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after April 11, 2005).

The annual debt service requirements of the 2021A Bonds are not currently determinable since they are payable only from available Pledged Revenue.

Debt Service Requirements

The District’s long-term obligations regarding the Series 2021A Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 693,872	\$ 693,872
2023	-	691,950	691,950
2024	-	691,950	691,950
2025	-	691,950	691,950
2026	-	691,950	691,950
2027-2031	-	3,459,750	3,459,750
2032-2036	1,490,000	3,366,510	4,856,510
2037-2041	3,193,000	2,764,388	5,957,388
2042-2046	4,965,000	1,751,820	6,716,820
2047-2049	3,532,000	354,952	3,886,952
Total	<u>\$ 13,180,000</u>	<u>\$ 15,159,092</u>	<u>\$ 28,339,092</u>

Authorized Debt

On November 1, 2005, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$108,800,000 at an interest rate not to exceed 18% per annum. At December 31, 2021, the District had the following remaining authorized but unissued indebtedness:

	Authorized November 1, 2005 Election	2006 Authorization Used	2017A-C Authorization Used	2021A Authorization Used	Remaining at December 31, 2021
Streets	\$ 9,900,000	\$ 1,950,000	\$ 3,156,218	\$ -	\$ 4,793,782
Water Facilities	14,800,000	2,175,000	1,950,538	-	10,674,462
Sanitation Facilities	10,300,000	810,000	1,866,465	-	7,623,535
Mosquito Control	100,000	-	-	-	100,000
Safety Protection	1,000,000	-	-	-	1,000,000
Operations and Maintenance	500,000	-	-	-	500,000
Debt Refunding	36,100,000	-	4,253,779	13,180,000	18,666,221
Intergovernmental Agreement	36,100,000	-	-	-	36,100,000
Total	<u>\$ 108,800,000</u>	<u>\$ 4,935,000</u>	<u>\$ 11,227,000</u>	<u>\$ 13,180,000</u>	<u>\$ 79,458,000</u>

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to the District's Service Plan, the District is limited to issuing a total of \$18,500,000 in bonds. The District is also limited to a maximum debt service mill levy of 50 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District, pursuant to the Service Plan. In 2019, the residential assessment rate changed from 7.20% to 7.15%; therefore, the maximum mill levy for debt service is 54.642 mills as of December 31, 2021. In December 2021, the District certified an adjusted debt service mill levy of 54.844 mills for collection in budget year 2022.

In the future, the District may issue a portion or all of the remaining authorized but unissued debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Developer Advances

Facilities Acquisition Agreement(s)

The District entered into a Facilities Acquisition Agreement on March 1, 2006, with Centex Homes (Centex) whereby Centex will design, construct, complete, and convey to the District, and the District will accept, certain public infrastructure improvements benefiting the development within the District. The District agrees to make payment to Centex for costs of the improvements, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management up to a maximum amount of \$18,500,000, together with interest thereon, at an annual rate of 8%. The Facilities Acquisition Agreement was amended on November 29, 2006, to decrease the maximum amount to be advanced by Centex to \$9,000,000. Repayment of the advances is subject to annual appropriation by the District's Board of Directors.

On December 1, 2010, the District terminated its Facilities Acquisition Agreement with Centex and entered into a Facilities Funding and Acquisition Agreement with LR Investments, LLC (LR), subject to the closing of the sale of property within the District's boundaries from Centex to LR. Previous advances made by Centex and the accrued interest on those advances were transferred to LR through the simultaneous execution of the Termination of Facilities Acquisition Agreement with Centex and the Facilities Funding and Acquisition Agreement with LR. During 2017, the District repaid the outstanding principal and interest balance and had no outstanding obligations as of December 31, 2021. On October 28, 2021, the District and LR entered into a Termination of Facilities Funding and Acquisition Agreement.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (continued)

Facilities Acquisition Agreement(s) (continued)

On July 8, 2014, the District entered into a Facilities Acquisition Agreement with Lorson South Land Corporation (LSLC) whereby the LSLC will design, construct, complete, and convey to the District, and the District will accept, certain public infrastructure improvements benefitting the development within the District. The District agrees to make payment to LSLC for costs of the improvements, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management, together with interest thereon, at an annual rate of 8%. Repayment of the advances is subject to annual appropriation by the District's Board of Directors. During 2014, the District accepted \$2,879,630 in improvements. During 2017, the district repaid the outstanding principal and interest due and had no outstanding obligation at December 31, 2021. On October 28, 2021, the District and LSLC entered into a Termination of Facilities Funding and Acquisition Agreement.

On October 28, 2021, the District entered into a Facilities Acquisition Agreement with LR whereby LR will construct or cause the construction of certain Improvements (defined therein) to be conveyed to the District and the District will accept the Improvements benefitting the development within the District (2021 FAA). The District agrees to make payment to the Developer for costs of the Improvements, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management (Construction Costs). LR and the District agree that a condition to the District's acquisition of the Improvements and obligation to reimburse LR for the Construction Costs is the District's receipt of a written certification of an independent engineer stating the Construction Costs are reasonable and comparable to the costs of similar public improvements constructed in the Town and in the greater Weld County area (Certified Construction Costs). The District agrees to reimburse LR for Certified Construction Costs up to a maximum amount of \$1,500,000 together with interest thereon, at an annual rate of 8%. Repayment of the advances is subject to annual appropriation by the District's Board of Directors. During 2021, the District accepted no Improvements. As of December 31, 2021, there were no outstanding advances under the 2021 FAA.

Operations Funding Agreements

On March 1, 2006, the District and Centex entered into an Operations Funding Agreement (2006 OFA) in which Centex agreed to advance amounts to a maximum stated amount to fund operations and maintenance expenditures of the District in the event District revenues are not sufficient. The District agreed to repay Centex for such advances plus accrued interest at the rate of 8%. Additionally, the District entered into Operation Funding Agreements (hereinafter referred to as 2007 OFA, 2008 OFA, 2009 OFA, and 2010 OFA and, collectively with the 2006 OFA, the 2006-2010 OFAs) with similar terms and provisions for 2007, 2008, 2009, and 2010.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (continued)

Operations Funding Agreements (continued)

On December 1, 2010, the District terminated the 2006-2010 OFAs with Centex and entered into a 2010-2011 Operation Funding Agreement (2010-2011 OFA) with LR. Pursuant to the 2010-2011 OFA, LR agrees to advance up to \$30,000 for operations and maintenance for the period beginning December 1, 2010 through December 31, 2011. Previous advances made by Centex and the accrued interest on those advances have been transferred to LR through the simultaneous execution of the Termination of 2006-2010 OFAs with Centex and the 2010-2011 OFA with LR.

On November 2, 2011, the District entered into a 2012 Operation Funding Agreement with LR (2012 OFA). Under the 2012 OFA, LR agreed to advance up to \$14,000 through December 31, 2012. No amounts were advanced under the 2012 OFA.

As of December 31, 2021, the outstanding advances under the 2010-2011 OFA totaled \$215,642 and accrued interest totaled \$126,743.

NOTE 5 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021, as follows:

Restricted Net Position:

TABOR Emergency Reserve	\$ 2,000
Total Restricted Net Position	<u>\$ 2,000</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for the refunding of the District's debt.

NOTE 6 RELATED PARTY

Certain owners of the majority of the undeveloped property within the District are LR and LSLC. Certain members of the Board of Directors are associated with LR and/or LSLC, and/or may have conflicts of interest in dealing with the District.

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 AGREEMENTS

St. Vrain Intergovernmental Agreement

The District and the St. Vrain Sanitation District (SVSD) entered into an Intergovernmental Agreement (the St. Vrain IGA) on February 15, 2006, pursuant to which SVSD consented to the formation of the District and authority of the District to construct and finance certain on-site sanitary sewer system improvements as necessary within the development. Upon completion and acceptance of the sewer improvements by SVSD, the District dedicated and conveyed such sewer improvements to SVSD, at which time SVSD was assigned the responsibility for the operation and maintenance of the sewer improvements.

The District agrees to request a meeting of SVSD to discuss and implement steps to dissolve the District when all of the financial obligations issued by the District have been repaid or when adequate provisions for payment in full have been made and there are not further operational requirements for District improvements which the District is responsible for.

Longs Peak Intergovernmental Agreement

The District and Longs Peak Water District (LPWD) entered into an Intergovernmental Agreement (the Longs Peak IGA) on April 20, 2006, pursuant to which LPWD consented to the formation of the District and authority of the District to construct and finance certain limited water system improvements as may be necessary within the Development. Upon completion and acceptance of the water improvements by LPWD, the District dedicated and conveyed such water improvements to LPWD, at which time LPWD assumed the responsibility for the operation and maintenance of the water improvements.

The District is required to obtain the consent of LPWD prior to including any property into the boundaries of the District or amending its Service Plan. In addition, the District also agrees to notify LPWD to request a meeting to discuss and implement steps to dissolve the District when all of the financial obligations issued by the District have been repaid or when adequate provisions for payment have been made and there are no further operational requirements for District improvements for which the District is responsible.

Mead Urban Renewal Authority Cooperation Agreement

The District entered into a Cooperation Agreement on January 30, 2017, with the town of Mead, Colorado, and the Mead Urban Renewal Authority (MURA). Under the terms of the agreement, MURA agrees to deposit all of the increase in property tax revenues allocated to MURA as a result of the levy of the District upon taxable property within the Urban Renewal Area. MURA then agrees to remit those funds to the District. The District received \$23,948 from MURA under the agreement for year ended December 31, 2021.

NOTE 8 RISK MANAGEMENT

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

**LIBERTY RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 RISK MANAGEMENT (CONTINUED)

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

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

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

On November 1, 2005, District voters passed an election question to increase property taxes \$500,000 annually, without limitation of rate, to pay the District's operational and maintenance costs. The voters also authorized the District to retain and spend all revenue from sources other than property taxes without regard to any limitations under TABOR.

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

SUPPLEMENTARY INFORMATION

**LIBERTY RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 369,730	\$ 369,730	\$ 369,478	\$ (252)
Property Tax - URA	20,645	20,645	20,645	-
Specific Ownership Tax	19,519	19,519	19,601	82
Interest Income	1,576	1,576	235	(1,341)
Total Revenues	<u>411,470</u>	<u>411,470</u>	<u>409,959</u>	<u>(1,511)</u>
EXPENDITURES				
County Treasurer's Fee	5,546	5,546	5,545	1
Paying Agent Fees	5,500	5,500	5,500	-
Bond Interest - Series 2017A	254,500	405,250	405,250	-
Bond Interest - Series 2017B	76,000	285,909	285,909	-
Bond interest - Series 2017C	-	1,697,832	1,697,832	-
Bond Principal - Series 2017A	65,000	5,090,000	5,090,000	-
Bond Principal - Series 2017B	-	2,204,000	2,204,000	-
Bond principal - Series 2017C	-	3,485,000	3,485,000	-
Bond issue costs	-	605,270	600,631	4,639
Contingency	8,504	715,693	-	715,693
Total Expenditures	<u>415,050</u>	<u>14,500,000</u>	<u>13,779,667</u>	<u>720,333</u>
EXCESS OF REVENUES UNDER EXPENDITURES				
	(3,580)	(14,088,530)	(13,369,708)	(721,844)
OTHER FINANCING SOURCES (USES)				
Bond Issuance	-	14,500,000	13,180,000	(1,320,000)
Transfers from Other Funds	-	3,533	3,533	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>14,503,533</u>	<u>13,183,533</u>	<u>(1,320,000)</u>
NET CHANGE IN FUND BALANCE				
	(3,580)	415,003	(186,175)	(601,178)
Fund Balance - Beginning of year	<u>208,330</u>	<u>208,330</u>	<u>206,321</u>	<u>(2,009)</u>
FUND BALANCE - END OF YEAR				
	<u>\$ 204,750</u>	<u>\$ 623,333</u>	<u>\$ 20,146</u>	<u>\$ (603,187)</u>

**LIBERTY RANCH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer to Other Fund	-	(44)	(44)	-
Total Other Financing Uses	-	(44)	(44)	-
NET CHANGE IN FUND BALANCE	-	(44)	(44)	-
Fund Balance - Beginning of Year	-	44	44	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**LIBERTY RANCH METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for			Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Refunds and Abatements	Levied	Collected	
2017	\$ 11,134,732	8.000	50.000	0.000	\$ 645,815	\$ 645,881	100.01 %
2018	9,241,217	8.000	55.277	0.000	584,757	585,645	100.15
2019	8,954,995	8.000	55.277	0.000	566,645	487,293	86.00 ⁽¹⁾
2020	7,124,732	8.690	55.571	0.000	457,842	457,841	100.00
2021	6,766,410	8.743	55.571	0.000	428,889	428,597	99.93
Estimated for Calendar Year Ending December 31,							
2022	\$ 7,200,852	8.775	54.642	0.000	\$ 456,656		

⁽¹⁾ Collections in 2019 are net of an abatement of \$125,465 in the District.

NOTE: Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from County Treasurer does not permit identification of specific year of assessment.

November 7, 2022

Liberty Ranch Metropolitan District
c/o CliftonLarsonAllen LP
8390 E. Crescent Pkwy, Suite 300
Greenwood Village, CO 80111

We are pleased to serve as the independent auditors for Liberty Ranch Metropolitan District (“Client”) for the year ended December 31, 2022. This letter, together with the attached Professional Services Terms and Conditions – Attest Engagements, confirms the terms of our engagement, and are collectively referred to herein as the “Letter” or the “Engagement Letter”.

Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$5,000. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

Our fees for the services described below are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Client personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, then the fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred.

Audit Scope and Objectives

We will audit Client’s financial statements, as of and for the year ended December 31, 2022, and the disclosures (collectively, the “financial statements”), and if applicable, supplementary information.

The objectives of our audit are to obtain reasonable assurance about whether Client's financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether Client's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they could influence the judgment of a reasonable user made based on the financial statements.

The supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole.

The other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

Auditor's Responsibilities for the Audit of the Financial Statements

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

An audit includes an evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as an evaluation of the overall presentation of the financial statements, including the disclosures, to assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. To express an opinion, we are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to Client or to acts by management or employees acting on behalf of Client.

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

In the conduct of our audit, we will obtain an understanding of Client and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

In performing our audit, we will consider and conclude whether, based on the audit evidence obtained, there are conditions or events, considered in the aggregate, which raise substantial doubt about Client's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of cash, receivables, loan balances, and certain assets and liabilities by correspondence with selected customers, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may submit an invoice for responding to this inquiry.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. Management is also responsible for making available to us drafts of financial statements, all financial records, and related information, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within Client from whom we determine it necessary to obtain audit evidence.

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

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

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters. Because of the importance of management's representations to an effective audit, Client agrees to release and indemnify Wipfli LLP ("Wipfli"), its partners, employees, agents, and assigns from any claim, liability, cost, or expense relating to our services under this Engagement Letter attributable in any respect to any knowing misrepresentation by management. The preceding sentence shall not apply and shall be of no effect in the event its application, in the judgment of any government body or regulatory agency, would impair our independence as your auditor.

Reporting

We will issue a written report upon completion of our audit of Client's financial statements. Our report will be addressed to the board of directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, has been discussed with appropriate personnel. Timely completion of this work will facilitate the completion of our engagement.

Engagement Partner

Greg Livin will be your audit engagement partner.

Other Services

We may prepare (or assist in preparing) Client financial statements in conformity with GAAP based on information provided by management, but the responsibility for the financial statements remains with management.

Management agrees to assume all management responsibilities for these services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Workers without Authorization

We certify that Wipfli LLP shall comply with the provisions of C.R.S. 8-17.5-101, et seq.

- A. *Employment or Contracting with Workers without Authorization.* We certify that Wipfli LLP does not knowingly employ or contract with a worker without authorization to perform work under this engagement letter or will enter into a contract with a subcontractor that fails to certify to Wipfli LLP that such subcontractor does not knowingly employ or contract with a worker without authorization to perform work under this engagement letter.
- B. *Verification Regarding Workers without Authorization.* We certify that Wipfli LLP has verified the employment eligibility of all employees who are newly hired for employment, to perform the work under this engagement letter, through participation in either the Electronic Employment Verification Program, or Employment Verification Program which is established pursuant to Section 8-17.5-102 (5)(c), C.R.S., (collectively referred to as "Verification Programs").
- C. *Limitation Regarding Verification Programs.* We agree that Wipfli LLP will use the Verification Programs to undertake pre-employment screening of job applicants while performing professional services on behalf of the District.
- D. *Duty to Terminate Subcontractor:* If Wipfli LLP obtains actual knowledge that a subcontractor performing work pursuant to this engagement letter knowingly employs or contracts with a worker without authorization, Wipfli LLP shall:

(i) notify the subcontractor and the District within three (3) days that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and

(ii) terminate the subcontract with the subcontractor if, within three (3) days of receiving notice required pursuant to C.R.S. 8-17.5-102(2)(b)(III)(A) that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization.

Wipfli LLP shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- E. *Duty to Comply with Investigation.* Wipfli LLP shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation that the Colorado Department of Labor and Employment is undertaking pursuant to the authority established by C.R.S. 8-17.5-102(5).
- F. *Notification.* The District shall notify the office of the Colorado Secretary of State if Wipfli LLP violates a provision of C.R.S. 8-17.5-102(2), and the District terminates the engagement for such breach. The District will notify the Colorado Secretary of State if a court made such a determination.
- G. *Participation in Employment Verification Program.* Wipfli LLP shall notify the District of its participation in the Employment Verification Program and shall comply with the requirements of C.R.S. § 8-17.5-102(5)(c).

Conclusion and Approval to Proceed

If the terms of this Engagement Letter are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and management and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Wipfli LLP

Wipfli LLP

ACCEPTED: **LIBERTY RANCH METROPOLITAN DISTRICT**

By: _____

(Print Name and Title)

Date: _____

GL/tp

Enc.

Cc: Jeffrey Mark, Board of Directors

1. Entire Agreement

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the Engagement Letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. No provision of these terms and conditions will apply to any attest services that may be performed by Wipfli for Client if such provision would impair Wipfli’s independence from Client requiring pursuant to applicable professional standards, such services being governed exclusively by the Engagement Letters issued with respect thereto. Wipfli may be referred to herein as “we” or “us” or in a similar manner, and Client may be referred to as “you” or in a similar manner, and such references shall be read in context.

2. Commencement and Term

The Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Termination of Agreement

The Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in the Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of the Engagement Letter shall have no effect on either party’s obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement with immediate effect if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

4. Fee Estimates and Change Orders

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or services. Wipfli provides fee estimates as an accommodation to Client. These estimates depend on certain assumptions, including: (a) anticipated cooperation from Client personnel, (b) timely responses to our inquiries, (c) timely completion and delivery of Client assistance requests, (d) timely communication of all significant accounting and financial reporting matters, (e) the assumption that unexpected circumstances will not be encountered during the engagement, and (f) where applicable, the assumption that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

Services that fall outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli’s invoice for such services. A “Change Order” means a mutually agreed-upon change in the schedule or the time for Wipfli’s performance of the services on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the service will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; technology fees; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

5. Payment of Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, services may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue services in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops services or withdraws from this engagement as a result of Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli shall not be liable to Client for any damages that occur whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages.

In the event Wipfli is required to respond to a subpoena, court order, government regulatory inquiries, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs, including attorney’s fees, that we incur. Any services under this paragraph will be deemed a separate engagement and, to the extent permitted by law and applicable professional standards, we will promptly notify you of the matter.

6. Privacy and Engagement Staffing

Wipfli expressly reserves the right to replace, in its sole discretion, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. These parties and their personnel may be located within or outside the United States. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned subsidiary based in India and contractors in the Philippines) or any of their respective affiliates. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client's information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data") and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the Engagement Letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the Engagement Letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes, and Wipfli may rely on the representation that Client has obtained such consents.

Please see Wipfli's Privacy Statement located at www.wipfli.com/privacy-statement for further information.

Applicable rules in some states require that we advise you that some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

7. Intellectual Property Rights

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all materials and information produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client materials, data or other information, all of which shall remain the property of Client. Upon completion of the services contemplated by the Engagement Letter, Wipfli grants to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client, provided that any use or modification of such deliverable, other

than for the stated purposes in the Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

8. Mutual Confidentiality

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, except as required by law, regulation, or to comply with professional standards applicable to a party or for the performance of the services, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

9. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

10. Non-Exclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any engagement letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

11. Dispute Resolution

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties. Except for an action by us to collect payment of our invoices, Wipfli and Client

agree that no claim arising out of services rendered pursuant to the Engagement Letter or any Change Order shall be filed: (i) in the case of any report or deliverable issued by Wipfli under the Engagement Letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of the Engagement Letter), or (ii) in the case of any tax form or similar governmental filing, no later than two years after the initial due date of such tax form or filing.

12. Governing Law

Any and all claims relating to agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

13. Severability

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

14. Notices

All notices required to be given to either party under the Engagement Letter shall be in writing and sent by traceable carrier to each party's address indicated on the Engagement Letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice should be provided to Wipfli's General Counsel at wipfli-legal@wipfli.com.

15. Electronic Signature

Each party hereto agrees that any electronic signature of a party to the Engagement Letter or any electronic signature to a document contemplated hereby is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to: (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities, or (iv) a digital signature. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

16. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, Client's original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

17. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control

of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

18. Force Majeure

Either party may suspend (or if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) under the Engagement Letter or any amendment or Change Order, if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, fires, floods, storms, washouts, tsunamis, earthquakes, wars (declared or undeclared), civil disturbances, accidents, terrorist acts (including biochemical attacks), health pandemics, acts of any governmental body, damage to its plants and equipment, computer network problems caused by any Internet Service Provider or telecommunications company servicing Wipfli and/or Client, or acts of God or events beyond a party's control (collectively referred to herein as "Force Majeure"). Each party will use reasonable efforts to promptly minimize the duration and consequences of any failure of or delay in performance resulting from a Force Majeure event. In such event, the affected party will not be liable to the other for delay or failure to perform its obligations under this Engagement Letter.

CERTIFICATION OF VALUATION BY WELD COUNTY ASSESSOR

Name of Jurisdiction: 1387 - LIBERTY RANCH METRO

IN WELD COUNTY ON 8/18/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN WELD COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,200,852
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$8,457,920
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$793,351
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$7,664,569
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$33.08

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN WELD COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$92,266,814
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$13,229
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

**LIBERTY RANCH METROPOLITAN
DISTRICT**

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**LIBERTY RANCH METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/15/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 299,132	\$ 101,378	\$ 121,724	\$ 121,724	\$ 76,047
REVENUES					
Property taxes	428,597	458,111	456,060	458,111	492,410
Property tax - URA	23,948	20,769	-	20,769	50,204
Specific ownership tax	22,737	23,944	13,706	23,944	27,131
Interest income	310	300	770	1,300	1,750
Bond issuance - Series 2021	13,180,000	-	-	-	-
Other revenue	-	10,000	-	-	5,000
Total revenues	<u>13,655,592</u>	<u>513,124</u>	<u>470,536</u>	<u>504,124</u>	<u>576,495</u>
TRANSFERS IN	<u>3,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>13,958,257</u>	<u>614,502</u>	<u>592,260</u>	<u>625,848</u>	<u>652,542</u>
EXPENDITURES					
General Fund	53,333	94,989	32,508	95,436	87,989
Debt Service Fund	13,779,667	443,669	5,883	454,365	502,668
Total expenditures	<u>13,833,000</u>	<u>538,658</u>	<u>38,391</u>	<u>549,801</u>	<u>590,657</u>
TRANSFERS OUT	<u>3,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>13,836,533</u>	<u>538,658</u>	<u>38,391</u>	<u>549,801</u>	<u>590,657</u>
ENDING FUND BALANCES	<u>\$ 121,724</u>	<u>\$ 75,844</u>	<u>\$ 553,869</u>	<u>\$ 76,047</u>	<u>\$ 61,885</u>
Emergency Reserve	\$ 2,000	\$ 2,100	\$ 2,000	\$ 2,100	\$ 2,400
Surplus Fund	204,750	204,750	-	-	-
TOTAL RESERVE	<u>\$ 206,750</u>	<u>\$ 206,850</u>	<u>\$ 2,000</u>	<u>\$ 2,100</u>	<u>\$ 2,400</u>

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/15/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION					
Residential Single Family	\$ 5,858,950	\$ 6,441,770	\$ 6,441,770	\$ 6,441,770	\$ 6,267,050
Commercial	11,490	180	180	180	24,010
Agricultural	670	700	700	700	640
Vacant land	110,410	113,060	113,060	113,060	113,060
State assessed	221,460	230,520	230,520	230,520	311,450
Oil & Gas	947,010	746,040	746,040	746,040	1,741,710
	<u>7,149,990</u>	<u>7,532,270</u>	<u>7,532,270</u>	<u>7,532,270</u>	<u>8,457,920</u>
TIF Adjustments	(383,580)	(331,418)	(331,418)	(331,418)	(793,351)
Certified Assessed Value	<u>\$ 6,766,410</u>	<u>\$ 7,200,852</u>	<u>\$ 7,200,852</u>	<u>\$ 7,200,852</u>	<u>\$ 7,664,569</u>
MILL LEVY					
General	8.743	8.775	8.775	8.775	8.861
Debt Service	54.642	54.844	54.844	54.844	55.384
Total mill levy	<u>63.385</u>	<u>63.619</u>	<u>63.619</u>	<u>63.619</u>	<u>64.245</u>
PROPERTY TAXES					
General	\$ 59,159	\$ 63,187	\$ 63,187	\$ 63,187	\$ 67,916
Debt Service	369,730	394,924	394,924	394,924	424,494
Levied property taxes	428,889	458,111	458,111	458,111	492,410
Adjustments to actual/rounding	(292)	-	(2,051)	-	-
Budgeted property taxes	<u>\$ 428,597</u>	<u>\$ 458,111</u>	<u>\$ 456,060</u>	<u>\$ 458,111</u>	<u>\$ 492,410</u>
BUDGETED PROPERTY TAXES					
General	\$ 59,119	\$ 63,187	\$ 62,904	\$ 63,187	\$ 67,916
Debt Service	369,478	394,924	393,156	394,924	424,494
	<u>\$ 428,597</u>	<u>\$ 458,111</u>	<u>\$ 456,060</u>	<u>\$ 458,111</u>	<u>\$ 492,410</u>

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/15/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 92,767	\$ 101,378	\$ 101,578	\$ 101,578	\$ 76,047
REVENUES					
Property Taxes	59,119	63,187	62,904	63,187	67,916
Property Tax - URA	3,303	2,865	-	2,865	6,924
Specific Ownership Tax	3,136	3,303	1,891	3,303	3,742
Interest Income	75	100	323	550	750
Total revenues	<u>65,633</u>	<u>69,455</u>	<u>65,118</u>	<u>69,905</u>	<u>79,332</u>
Total funds available	<u>158,400</u>	<u>170,833</u>	<u>166,696</u>	<u>171,483</u>	<u>155,379</u>
EXPENDITURES					
General and administrative					
Accounting	15,227	20,000	5,812	15,000	17,500
Audit	4,100	6,250	-	6,250	6,500
County Treasurer's Fee	887	948	945	948	1,019
Dues	320	1,000	-	500	1,000
Insurance	2,993	3,500	3,334	3,334	3,500
District management	10,871	15,000	5,140	12,000	15,000
Legal	18,564	20,000	9,931	25,000	25,000
Miscellaneous	371	291	242	300	470
Election	-	3,000	7,104	7,104	3,000
Repay Developer Advance	-	25,000	-	25,000	15,000
Total expenditures	<u>53,333</u>	<u>94,989</u>	<u>32,508</u>	<u>95,436</u>	<u>87,989</u>
TRANSFERS OUT					
Transfers to Other Fund	<u>3,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>56,822</u>	<u>94,989</u>	<u>32,508</u>	<u>95,436</u>	<u>87,989</u>
ENDING FUND BALANCE	<u>\$ 101,578</u>	<u>\$ 75,844</u>	<u>\$ 134,188</u>	<u>\$ 76,047</u>	<u>\$ 67,390</u>
Emergency Reserve	<u>\$ 2,000</u>	<u>\$ 2,100</u>	<u>\$ 2,000</u>	<u>\$ 2,100</u>	<u>\$ 2,400</u>
TOTAL RESERVE	<u>\$ 2,000</u>	<u>\$ 2,100</u>	<u>\$ 2,000</u>	<u>\$ 2,100</u>	<u>\$ 2,400</u>

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/15/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 206,321	\$ -	\$ 20,146	\$ 20,146	\$ -
REVENUES					
Property Taxes	369,478	394,924	393,156	394,924	424,494
Property Tax - URA	20,645	17,904	-	17,904	43,280
Specific Ownership Tax	19,601	20,641	11,815	20,641	23,389
Bond issuance - Series 2021	13,180,000	-	-	-	-
Interest Income	235	200	447	750	1,000
Other revenue	-	10,000	-	-	5,000
Total revenues	<u>13,589,959</u>	<u>443,669</u>	<u>405,418</u>	<u>434,219</u>	<u>497,163</u>
TRANSFERS IN					
Transfers from Other Funds	<u>3,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>13,799,813</u>	<u>443,669</u>	<u>425,564</u>	<u>454,365</u>	<u>497,163</u>
EXPENDITURES					
General and administrative					
County Treasurer's Fee	5,545	5,924	5,883	5,924	6,367
Paying Agent Fees	5,500	5,000	-	5,000	5,000
Contingency	-	10,000	-	-	10,000
Debt Service					
Bond Interest - Series 2017A	405,250	-	-	-	-
Bond Interest - Series 2017B	285,909	-	-	-	-
Bond Interest - Series 2017C	1,697,832	-	-	-	-
Bond Interest - Series 2021	-	422,745	-	443,441	481,301
Bond Principal - Series 2017A	5,090,000	-	-	-	-
Bond Principal - Series 2017B	2,204,000	-	-	-	-
Bond Principal - Series 2017C	3,485,000	-	-	-	-
Bond issue costs	600,631	-	-	-	-
Total expenditures	<u>13,779,667</u>	<u>443,669</u>	<u>5,883</u>	<u>454,365</u>	<u>502,668</u>
Total expenditures and transfers out requiring appropriation	<u>13,779,667</u>	<u>443,669</u>	<u>5,883</u>	<u>454,365</u>	<u>502,668</u>
ENDING FUND BALANCE	<u>\$ 20,146</u>	<u>\$ -</u>	<u>\$ 419,681</u>	<u>\$ -</u>	<u>\$ (5,505)</u>
Surplus fund	<u>\$ 204,750</u>	<u>\$ 204,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ 204,750</u>	<u>\$ 204,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

10/15/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 44	\$ -	\$ -	\$ -	\$ -
REVENUES					
Total revenues	-	-	-	-	-
Total funds available	44	-	-	-	-
EXPENDITURES					
Total expenditures	-	-	-	-	-
TRANSFERS OUT					
Transfers to Other Fund	44	-	-	-	-
Total expenditures and transfers out requiring appropriation	44	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**LIBERTY RANCH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Liberty Ranch Metropolitan District (District), a quasi-municipal corporation located entirely in Weld County, Colorado, was organized on December 23, 2005, and is governed pursuant to provisions of the Colorado Special District Act. The District was established to provide for construction and financing for street, safety protection, water, sanitation and mosquito control facilities and improvements. The street and safety control improvements will be dedicated to and maintained by the Town of Mead. Water and sanitation improvements will be dedicated to and maintained by the Longs Peak Water District and St. Vrain Sanitation District, respectively.

On November 1, 2005, the District's voters authorized total indebtedness of \$36,100,000 for the above listed facilities and \$500,000 for operations and maintenance. Additionally the District's voters authorized a total indebtedness of \$36,100,000 each for debt refunding and intergovernmental contracts. The election also approved an annual increase in property taxes of \$500,000 without limitation of rate, to pay the District's operation and maintenance costs.

Pursuant to the District's Service Plan, the District is limited to issuing a total of \$18,500,000 in bonds. The District is also limited to a maximum debt service mill levy of 50.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District, pursuant to the Service Plan.

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

The District prepares its budget on the modified accrual basis of accounting and 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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the Budget.

**LIBERTY RANCH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term bonds are outstanding.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.35%.

Property Taxes – URA

A portion of the District is located in an urban renewal area. The District mill levy applied to the tax increment portion of the final certified assessed value will be remitted to the District as levied, net treasurer fees.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and banking fees.

Debt and Leases

On February 30, 2021, the District issued its \$13,180,000 Limited Tax General Obligation Refunding and Improvement Bonds, Series 2021A. The Bonds were issued for the purposes of (i) paying and discharging the 2017 Bonds and (ii) paying the costs of issuance of the Bonds.

**LIBERTY RANCH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Instead, principal on the Bonds is payable annually on each December 1 from and to the extent of Pledged Revenue available, pursuant to a mandatory redemption. To the extent principal of any Bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or the Termination Date and is to continue to bear interest at the rate then borne by the Bond. The Bonds mature on December 1, 2051.

The Bonds bear interest at the rate of 5.25% per annum payable annually on each December 1, beginning on December 1, 2022, but only from and to the extent of available Pledge Revenue. In the event interest on any Bond is not paid when due, such interest is to compound annually on each December 1, at the rate then borne by the Bond.

If any amount of principal or interest due on the Bonds remains unpaid on the Termination Date of December 1, 2061, such unpaid amount will be deemed discharged.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

The District has no operating or capital leases.

The District has outstanding developer advances. Anticipated activity is as follows:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
2021 Limited Tax Obligation				
Refunding Bonds	\$ 13,180,000	\$ -	\$ -	\$ 13,180,000
Accrued interest - 2021 Limited Tax				
Obligation Refunding Bonds	-	693,872	481,301	212,571
Developer Advance	215,642	-	-	215,642
Accrued Interest - Developer Advance	126,743	17,251	25,000	118,994
Total Developer Advances	\$ 342,385	\$ 17,251	\$ 25,000	\$ 334,636

**LIBERTY RANCH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

	Balance at			Balance at
	December 31,			December 31,
	2022	Additions	Reductions	2023
2021 Limited Tax Obligation				
Refunding Bonds	\$ 13,180,000	\$ -	\$ -	\$ 13,180,000
Accrued interest - 2021 Limited Tax				
Obligation Refunding Bonds	212,571	703,110	431,304	484,377
Developer Advance	215,642	-	-	215,642
Accrued Interest - Developer Advance	118,994	17,251	15,000	121,245
Total Developer Advances	<u>\$ 334,636</u>	<u>\$ 17,251</u>	<u>\$ 15,000</u>	<u>\$ 336,887</u>

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending, defined under TABOR.

This information is an integral part of the accompanying budget.

RESOLUTION NO. 2022 - 11 - __
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LIBERTY RANCH METROPOLITAN DISTRICT
TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Liberty Ranch Metropolitan District (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 17, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

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

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Liberty Ranch Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Liberty Ranch Metropolitan District for the 2023 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District

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

ADOPTED this 17th day of November, 2022.

Secretary

(SEAL)

EXHIBIT A
(Budget)

I, _____, hereby certify that I am the duly appointed Secretary of the Liberty Ranch Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Liberty Ranch Metropolitan District held on November 17, 2022.

By: _____
Secretary

RESOLUTION NO. 2022 - 11 - __
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LIBERTY RANCH METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Liberty Ranch Metropolitan District (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on November 17, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Liberty Ranch Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Weld County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 17th day of November, 2022.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

RESOLUTION NO. 2022-11-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF LIBERTY RANCH
METROPOLITAN DISTRICT AUTHORIZING ADJUSTMENT OF THE DISTRICT
MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN**

A. Liberty Ranch Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.

B. The District operates pursuant to its Service Plan approved by the Town of Mead, on April 11, 2005 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.

C. The Service Plan authorizes a maximum mill levy of fifty (50) mills for debt service (“**Maximum Debt Mill Levy**”). The Maximum Debt Mill Levy does not apply to the District’s ability to increase its mill levy for operation and maintenance services.

D. Section VI.C. of the Service Plan authorizes adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after April 11, 2005 (the “**Baseline Year**”), by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The Maximum Debt Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board of Directors (the “**Board**”) in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

E. The Service Plan provides that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

F. At the time of the Baseline Year, the residential assessment ratio set by the Colorado General Assembly was 7.96%.

G. In 2003, Colorado General Assembly (the “**General Assembly**”) passed House Bill 03-1332, signed by the Governor of Colorado on May 22, 2003, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.96% (decreased from 9.15%) for property tax years commencing on and after January 1, 2003, until the next property tax year that the General Assembly determined to adjust the ratio of valuation for assessment for residential real property.

H. In 2017, the General Assembly passed House Bill 17-1349, which amended Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.20% (decreased from 7.96%) for property tax years commencing on and after

January 1, 2017, until the next property tax year that the General Assembly determined to adjust the ratio of valuation for assessment for residential real property.

I. In 2019, the General Assembly passed Senate Bill 19-255, further amending Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.20%) for property tax years commencing on or after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.

J. In 2020, the voters of the State of Colorado passed Amendment B, which repealed Article X, Section 3 of the Colorado Constitution such that the ratio of valuation for assessment of real property for 2021 and thereafter, unless further amended by the General Assembly or voters of the State, is 7.15%.

K. In 2021, the General Assembly passed Senate Bill 21-293, further amending Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property, other than multi-family residential real property, at 6.95% (decreased from 7.15%) for property tax years commencing on January 1, 2022 and January 1, 2023, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.

L. In compliance with the Service Plan, in order to mitigate the effect of the reduction in the ratio of valuation for residential real property as set by the General Assembly for property tax year 2022, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to adjust the Maximum Debt Mill Levy, so that the actual tax revenues to be received by the District are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment since the Baseline Year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Liberty Ranch Metropolitan District, Weld County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Debt Mill Levy to reflect that Senate Bill 21-293 set the ratio of valuation for assessment for residential real property other than multi-family residential real property to 6.95%, which is a change from the 7.96% ratio of valuation for assessment of residential property as of the Baseline Year.

2. The Service Plan allows for a total mill levy imposition of 57.266 mills for debt service (the “**Maximum Adjusted Debt Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the ratio of valuation for assessment being set at 6.95% for collection year 2023.

3. Instead of imposing the Maximum Adjusted Debt Mill Levy, the District elected to approve a debt mill levy imposition of ____ mills (the “**Adjusted Debt Mill Levy**”) since this Adjusted Debt Mill Levy is sufficient for the District’s payment of debt.

4. The Adjusted Debt Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the County Commissioners of Weld County on or before December 15, 2022, for collection in 2023.

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN]**

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 17, 2022.

**LIBERTY RANCH METROPOLITAN
DISTRICT**

President

Attest:

Secretary

RESOLUTION NO. 2022-11-____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
LIBERTY RANCH METROPOLITAN DISTRICT
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023**

A. The term of the office of Director Manning shall expire upon the election of his successor at the regular election, to be held on May 2, 2023 (“**Election**”), and upon such successor taking office.

B. A vacancy currently exists on the Board of Directors of the District.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the second regular election, to occur May 4, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Liberty Ranch Metropolitan District (the “**District**”) of the County of Weld, Colorado:

1. Date and Time of Election. The Election shall be held on May 2, 2023, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the second regular election, to occur May 4, 2027.

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

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

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

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

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, c/o Special District Management Services,

Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 25, 2023).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from the Designated Election Official for the District, c/o Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, 303-987-0835 and on the District's website at <http://libertyranchmd.colorado.gov>.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on February 28, 2023, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

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

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

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

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 2, 2023]**

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 17, 2022.

**LIBERTY RANCH METROPOLITAN
DISTRICT**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2022-11-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
LIBERTY RANCH METROPOLITAN DISTRICT REGARDING CONTINUING
DISCLOSURE POLICIES AND PROCEDURES**

A. The Liberty Ranch Metropolitan District, located in the Town of Mead, Weld County, Colorado (the “**District**”) has entered into the continuing disclosure undertaking(s) set forth in **Exhibit A** attached hereto (referred to collectively herein, whether one or more than one, the “**Continuing Disclosure Undertaking**”).

B. The Board of Directors of the District (the “**Board**”) desires to adopt policies and procedures in an effort to ensure compliance by the District with its obligations set forth in the Continuing Disclosure Undertaking (the “**Continuing Disclosure Policy**”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LIBERTY RANCH METROPOLITAN DISTRICT, TOWN OF MEAD, WELD COUNTY, COLORADO:

1. The Continuing Disclosure Policy, as hereby approved, adopted and made a part of the public records of the District, shall be to impose the procedures set forth in **Exhibit B** attached hereto (the “**Compliance Procedures**”).

2. The Board hereby delegates the tasks and responsibilities set forth in the Compliance Procedures to the responsible parties as set forth therein.

3. The Continuing Disclosure Policy is intended to supplement any previous post-issuance compliance procedures that may have been adopted by the District and any procedures evidenced in writing by any Official Statement or continuing disclosure undertaking heretofore or hereafter issued, entered into or executed and delivered by the District or on its behalf.

4. The Board may revise the Continuing Disclosure Policy from time to time as the Board deems necessary or desirable to comply with federal and state securities laws or otherwise as the Board may determine in its sole discretion.

5. Prior to the engagement of the responsible parties listed in the Compliance Procedure, and other consultants as may be applicable with respect to the Continuing Disclosure Undertaking, such responsible parties and consultants shall be required to review and comply with the Continuing Disclosure Policy, including, without limitation, the responsibilities set forth in the Compliance Procedures.

6. Within thirty (30) days, or earlier if necessary, of entering into any new continuing disclosure undertaking and/or with respect to any changes or modifications to the Continuing Disclosure Undertaking, the responsible parties and consultants shall meet with bond counsel and disclosure counsel to review the continuing disclosure compliance requirements and develop a process for compliance with respect to such new and/or changed continuing disclosure undertaking.

RESOLUTION APPROVED AND ADOPTED on November 17, 2022.

**LIBERTY RANCH METROPOLITAN
DISTRICT**

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT A
Continuing Disclosure Undertaking

CONTINUING DISCLOSURE AGREEMENT

LIBERTY RANCH METROPOLITAN DISTRICT In the Town of Mead, Weld County, Colorado

\$13,180,000 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS SERIES 2021A⁽³⁾

This Continuing Disclosure Agreement (this “Agreement”) is entered into as of November 30, 2021, by and between Liberty Ranch Metropolitan District, in the Town of Mead, Weld County, Colorado, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and UMB Bank, n.a., having corporate trust offices in Denver, Colorado, as trustee (the “Trustee”), under the Indenture (defined below) relating to the above captions bonds (the “Bonds”).

Section 1. **Purpose.** This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by Wells Fargo Securities, LLC, (the “Underwriter”), of the Bonds pursuant to the terms of a Bond Purchase Agreement between the Underwriter and the District dated as of November 17, 2021.

Section 2. **Definitions.** Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indenture (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

“*Audited Annual Financial Statements*” means the District's most recent annual financial statements, prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds.

“*Bonds*” means the District’s Limited Tax General Obligation Refunding Bonds, Series 2021A⁽³⁾, in the aggregate principal amount of \$13,180,000, issued pursuant to the Indenture.

“*Business Day*” means (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which trust operations of the Trustee are located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

“*Certificate of Occupancy*” means the final certificate of occupancy issued by the Town of Mead, Colorado, allowing complete occupancy and use of the structure for its intended purposes.

“*Debt to Assessed Ratio*” means the ratio derived by dividing the aggregate principal amount of the then-outstanding Bonds by the assessed valuation of taxable property of the District as then certified by the appropriate county assessor(s).

“*Indenture*” means that certain Indenture of Trust between the District and UMB Bank, n.a., in its role as trustee thereunder, dated as of the date of issuance of the Bonds, pursuant to which the Bonds are issued, including any supplements or amendments thereto adopted in accordance therewith.

“*Limited Offering Memorandum*” means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated November 17, 2021.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“*Participant*” means any broker-dealer, bank, or other financial institution from time to time for which DTC (as defined in the Indenture) or another Depository (as defined in the Indenture) holds the Bonds.

“*Report*” means any report provided by the District pursuant to, and as described in, this Agreement.

Section 3. Requirement for Semiannual or Annual Reports.

(a) ***Provision of Information to Trustee.*** The District hereby undertakes and agrees to provide certain information specified below to the Trustee on the dates specified below.

(i) *Timing of Reports.*

(A) Semiannual Reports. The District shall provide a current semiannual Report to the Trustee (each, a “Semiannual Report”) on the following dates each year, commencing May 15, 2022; provided, however, that if any such date falls on a day which is not a Business Day, the Semiannual Report shall be provided to the Trustee on the next succeeding day which is a Business Day:

(1) May 15 (which Semiannual Report shall be for the period commencing on October 1 of the immediately preceding year through and including March 31 of the then current year); and

(2) November 15 (which Semiannual Report shall be for the period commencing April 1 of the then current year through and including September 30 of the same year).

(B) Annual Reports. The District shall provide a current annual Report (each, an “Annual Report”) to the Trustee not later than November 15 of each year, commencing November 15, 2022; provided, however, if such date falls on a day which is not a Business Day, the Annual Report shall be provided to the Trustee on the next succeeding day which is a Business Day.

(ii) *Contents of Reports.* For each Report:

(A) The District shall complete Sections 1(a) and (b) of the Report based on public records, and shall complete Sections 1(c) and (d) of the Report based on information, if any, available from the applicable property owners;

(B) The Trustee shall provide the information required by Section 2 of each Report to the District not later than 10 days prior to the due date of such Report. Any or all of the items required to be updated in such Report may be incorporated by reference from other documents, including official statements of debt issues which are available to the public on the MSRB’s Internet Web Site or

filed with the SEC. The District shall clearly identify each such document incorporated by reference; and

(C) The District shall complete Sections 3, 4 and 5 of each Report although Sections 4 and 5 must be completed only on an annual basis and shall be completed with the Semiannual Report due for semiannual period ending each September 30, such Semiannual Report being due on November 15.

(iii) *Termination of Obligation to Provide Development Information.* Commencing with the Report prepared for the semiannual period (which may constitute an annual Report) immediately following the semiannual period in which the Debt to Assessed Ratio first becomes 50% or less, the obligation to provide the information in Section 1 of each Report (entitled “Development Activity”) shall terminate.

(iv) *Termination of Obligation to Provide Certain Other Information.* Commencing with the Report prepared for the semiannual period (which may constitute an annual Report) immediately following the semiannual period in which the Debt to Assessed Ratio first becomes 50% or less, the obligation to provide the information in Sections 2 and 3 of each Report shall terminate, after which time the District shall remain obligated to provide (A) Notices of Material Events pursuant to Section 4 of this Agreement; (B) the information required under Section 4 of each Report (entitled “Additional District Information to be Updated”); and (C) the information required under Section 5 of each Report (entitled “Attached Annual Financial Information”).

(b) ***Provision of Reports to the MSRB.*** Within 10 days after receipt of each Report from the District, the Trustee shall provide such Report to the MSRB in an electronic format as prescribed by the MSRB. Each Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as described in Section 3(a)(ii)(B) above.

If the District fails to provide to the Trustee a Report by the date required pursuant to Section 3(a) above, and such failure results in the Trustee's inability to provide a Report to the MSRB by the date required, the Trustee shall file or cause to be filed with the MSRB a notice in substantially the form attached as Appendix B hereto. If the Trustee files or causes to be filed with the MSRB a notice in substantially the form attached as Appendix B hereto, the Trustee shall submit a copy of such filing to the District as follows:

If to the District: Liberty Ranch Metropolitan District
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228
Attention: Matt Cohrs
Email: mcohres@sdmsi.com
Telephone: (303) 987-0835

With a copy to: McGeady Becher P.C.
450 East 17th Avenue, Suite 400
Denver, Colorado 80203
Email: legalnotices@specialdistrictlaw.com
Telephone: (303) 592-4380

In addition to the foregoing, the Trustee shall, prior to the date of each filing of a Report, determine the appropriate electronic format prescribed by the MSRB. After the Trustee files a

Report or the notice described in the preceding paragraph with the MSRB, the Trustee shall upon request send a report to the District stating the date that such Report or notice was filed and listing all the entities to which it was provided.

(c) **Means of Transmitting Information.** Subject to technical and economic feasibility, the District shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable; provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 4. **Notice of Material Events.** Whenever the District obtains actual knowledge of the occurrence of any of the following events, the District shall cause the Trustee to provide, in a timely manner, a notice of such event to the MSRB:

(a) the failure or refusal by the District to impose or collect the Required Mill Levy, or to collect and apply the other components of the Pledged Revenue as required by the Indenture;

(b) any other Event of Default occurs under the Indenture, including a description of such default;

(c) a non-payment related default under the Indenture (if the District deems such default to be material to the Owners), including a description of such default;

(d) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(e) modifications to rights of Bond owners, if material;

(f) Bond calls and tender offers; and

(g) defeasance.

Whenever the Trustee obtains actual knowledge of the occurrence of any of the aforementioned events, the Trustee shall promptly notify the District of such event. For purposes of this paragraph, “actual knowledge” of the Trustee means actual knowledge by an officer of the Trustee having responsibility for matters regarding the Indenture or the Bonds.

Section 5. **Reporting of Listed Events.** The District shall file or caused to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the events listed below with respect to the Bonds.

(a) incurrence of a financial obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; or

(b) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

Section 6. **Termination.** The obligations of the District and the Trustee as to the provision of Reports hereunder shall terminate at such time as none of the Bonds are Outstanding under the Indenture.

Section 7. **Liability for Content of Information Provided.** So long as the parties to this Agreement act in good faith, such entities shall not be liable for any errors, omissions or misstatements in the information provided pursuant to this Agreement. Without limiting the foregoing, the District makes no representation as to the accuracy of any information provided to it by third parties with respect to information in Section 1 of each Report.

Section 8. **Amendment.** Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the majority of the Owners of the Bonds then Outstanding.

Section 9. **Failure to Perform.** Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations hereunder.

Section 10. **Severability.** If any section, paragraph, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 11. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

Section 12. **Compensation.** As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

¹ For purposes of the events identified in subparagraphs 5(a) and 5(b) above, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB. Numerous other terms contained in these subsections and/or in the definition of “financial obligation” are not defined; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term “debt obligation” generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

Section 13. **Beneficiaries.** This Agreement shall inure solely to the benefit of the District, the Trustee, the Underwriter, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. **Trustee.** The Trustee shall have only such duties as are specifically set forth in this Agreement, and no implied covenants or obligation shall be read into this Agreement against the Trustee. The District agrees, to the extent permitted by law and under the terms of the Indenture, to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The Trustee may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or Report prepared by the District pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.


Section 15. **Electronic Transactions.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterpart of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 16. **Assignment.** The covenants and conditions herein contained apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

Section 17. **Counterparts.** This Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Continuing Disclosure Agreement to be executed in their respective names, all as of the date first above written.

LIBERTY RANCH METROPOLITAN DISTRICT,
in the Town of Mead, Weld County, Colorado

By: 

President

UMB BANK, N.A., as Trustee

By: _____
Authorized Officer

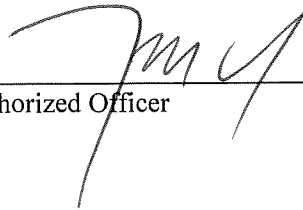
IN WITNESS WHEREOF, the parties have caused this Continuing Disclosure Agreement to be executed in their respective names, all as of the date first above written.

LIBERTY RANCH METROPOLITAN DISTRICT,
in the Town of Mead, Weld County, Colorado

By: _____
President

UMB BANK, N.A., as Trustee

By: _____
Authorized Officer



APPENDIX A

FORM OF REPORT

**LIBERTY RANCH METROPOLITAN DISTRICT
In the Town of Mead, Weld County, Colorado**

**\$13,180,000
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
SERIES 2021A⁽³⁾**

Date of Report: _____, 20__

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement (the “Agreement”) entered into as of November 30, 2021, by and between Liberty Ranch Metropolitan District, in the Town of Mead, Weld County, Colorado, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and UMB Bank, n.a., having corporate trust offices in Denver, Colorado, as trustee (the “Trustee”), under the Indenture (defined in the Agreement) relating to the above captioned bonds (the “Bonds”). Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above.

Section 1. **Development Activity.** [*District to complete; to be updated for each Report until the Debt to Assessed Ratio (as defined in the Agreement) first becomes 50% or less.*]

(a) **Building Permits.** State the number of building permits which have been issued for property within the District for the following periods: (i) since the date of issuance of the Bonds _____; and (ii) since the date of the last Semiannual Report _____.

(b) **Certificates of Occupancy.** State the number of Certificates of Occupancy which have been issued for property within the District for the following periods: (i) since the date of issuance of the Bonds _____; and (ii) since the date of the last Semiannual Report _____.

(c) **Land Sales.** To the extent information is available from the applicable property owners, describe any changes to the ownership of property in the District since the date of the last Report.

(d) **Land Entitlements.** To the extent available from the applicable property owners, describe any changes to the zoning, platting or uses of property permitted by government entities in the District since the date of the last Report.

Section 2. **Fund Balances.** [*District to complete based upon information received from the Trustee; to be updated for each Report until the Debt to Assessed Ratio (as defined in the Agreement) first becomes 50% or less.*] The amount on deposit in the following fund for the Bonds is as set forth below:

(i) amount on deposit in the Bond Fund is \$ _____.

Section 3. **Authorized Denominations.** [*District to complete; to be updated for each Report until the Debt to Assessed Ratio (as defined in the Agreement) first becomes 50% or less.*] The Bonds are presently outstanding in Authorized Denominations of (*check as appropriate*):

- \$500,000 and any integral multiple of \$1,000 in excess thereof; or
- Pursuant to paragraph (c) of the definition of Authorized Denominations in the Indenture, the Authorized Denominations were reduced to \$1,000 or any integral multiple thereof on *(insert date)* _____, 20__.

Section 4. **Additional District Information to be Updated.** [*District to complete; to be provided annually with the Report due on or before November 15.*]

(a) The District shall update the following tables included in the Limited Offering Memorandum:

(i) *District Assessed Valuation and Statutory "Actual Value 2011 -2020"* including, for the most recent assessment year, a statement of the assessed valuation and statutory "actual" value by class of property; and

(ii) *Assessed Valuation of Taxable Property in the District by Property Class 2011-2021 Levy Years.*

(iii) *Historical District Mill Levies and Property Tax Collections.*

(b) The following information shall be attached to the Report:

(i) Audited Annual Financial Statements of the District for the previous year (20__); and

(ii) Annual Budget of the District for the current year (20__).

Section 5. **Attached Annual Financial Information.** [*District to provide annually with the Report due on or before November 15.*] The District shall attach the following to the Annual Report:

(a) Audited Annual Financial Statements of the District for fiscal year ending December 31, 20__ (previous year); and

(b) Annual Budget of the District for budget year 20__ (current year).

The information contained in this Report has been obtained from sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness. The information contained in this Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds, and is neither intended to, nor shall it be, used by the owners or beneficial owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Report by any person or entity shall create no obligation or liability of the District or the Trustee.

The undersigned hereby certifies that they are an authorized representative of the District, and further certifies on behalf of the District that the information contained in the foregoing Report is, to their actual knowledge, true, accurate and complete.

LIBERTY RANCH METROPOLITAN DISTRICT,
in the Town of Mead, Weld County, Colorado

By: _____
President

APPENDIX B

NOTICE OF FAILURE TO FILE REPORT

Name of Issuer: Liberty Ranch Metropolitan District, in the Town of Mead, Weld County, Colorado (the “District”)

Name of Bond Issue: \$13,180,000 Limited Tax General Obligation Refunding Bonds, Series 2021A₍₃₎

CUSIP: 53117T AE5

Date of Issuance: November 30, 2021

NOTICE IS HEREBY GIVEN that the District has not provided a Report with respect to the above described Bonds as required by the Continuing Disclosure Agreement dated November 30, 2021, entered into by and between the District and the Trustee relating to the Bonds. The District anticipates that the Report will be filed by (*insert date*) _____, 20__.

Dated: _____, 20__

UMB BANK, N.A., as Trustee

By: _____
Authorized Officer

EXHIBIT B
Compliance Procedure

Liberty Ranch Metropolitan District, Town of Mead, Weld County, Colorado
\$13,180,000 Limited Tax General Obligation Refunding Bonds, Series 2021A₍₃₎
Subject to SEC Rule 15c2-12: NO

FINANCIAL DISCLOSURES	
SUBMITTAL DATE TO TRUSTEE	REQUIRED DOCUMENTATION PREPARED BY:
<p>Semiannual Reports:</p> <ul style="list-style-type: none"> • May 15 <i>commencing with the Semiannual Report due May 15, 2022</i> (for the period commencing on Oct 1 of the immediately preceding year through and including March 31 of the same year) • November 15 (for the period commencing on April 1 of the then current year through and including September 30 of the same year) 	<p>Section 1¹ “Development Activity” of the Semiannual Report: LR Investments LLC and Lorson South Land Corp. (“Developers”) to provide the following to CliftonLarsonAllen LLP (“Accountant”) at least thirty (30) days prior to submittal date, information on the following:</p> <ul style="list-style-type: none"> • Building Permits • Certificates of Occupancy • Land Sales • Land Entitlements <p>Section 2² “Fund Balances” of the Semiannual Report: UMB Bank, n.a. (“Trustee”) to provide the Bond Fund Balance to the Accountant on each March 31 and September 30, respectively.</p> <p>Section 3³ “Authorized Denominations” of the Semiannual Report: Accountant to complete.</p>
<p>Annual Report:</p> <ul style="list-style-type: none"> • November 15 <i>commencing on Nov 15, 2022</i> 	<p>Section 4 “Additional District Information to be Updated” of the Nov 15 Semiannual Report: Accountant to update the following tables in the Limited Offering Memorandum:</p> <ul style="list-style-type: none"> • District Assessed Valuation and Statutory “Actual Value 2011-2020” • Assessed Valuation of Taxable Property in the District by Property Class 2011-2021 Levy Years • Historical District Mill Levies and Property Tax Collections <p>Accountant to include:</p> <ul style="list-style-type: none"> • Audited Financial Statements [for the previous year] • Annual Budget [for the current year] <p>SECTION 4 TO ONLY BE PROVIDED ANNUALLY WITH THE SEMIANNUAL REPORT DUE NOVEMBER 15</p> <p>Section 5 “Attached Annual Financial Information” of the Nov 15 Semiannual Report: Accountant to include:</p> <ul style="list-style-type: none"> • Audited Financial Statements [for the previous year] • Annual Budget [for the current year] <p>SECTION 5 TO ONLY BE PROVIDED ANNUALLY WITH THE SEMIANNUAL REPORT DUE NOVEMBER 15</p>

1. Per Section 3(a)(iii) of the Continuing Disclosure Agreement, commencing with the Report prepared for the semiannual period (which may constitute an annual Report) immediately following the semiannual period in which the Debt to Assessed Ratio first becomes 50% or less, the obligation to provide the information in Section 1 of each Report (entitled “Development Activity”) shall terminate.

2. Per Section 3(a)(iv) of the Continuing Disclosure Agreement, commencing with the Report prepared for the semiannual period (which may constitute an annual Report) immediately following the semiannual period in which the Debt to Assessed Ratio first becomes 50% or less, the obligation to provide the information in Sections 2 and 3 of each Report shall terminate after which time the District shall remain obligated to provide (A) Notices of Material Events pursuant to Section 4 of the Agreement; (B) the information required under Section 4 of each Report (entitled “Additional District Information to be Updated”); and (C) the information required under Section 5 of each Report (entitled “Attached Annual Financial Information”).

Procedure:

1. Accountant will prepare first draft of the report due.
2. Accountant to submit report to Trustee on applicable submittal date and shall simultaneously forward a copy of the submittal to McGeady Becher P.C. at continuingdisclosure@specialdistrictlaw.com.

<u>NOTICE OF MATERIAL EVENT</u>		
Reporting / Submittal Deadlines	Responsible Party to Report Event of Default	Party Responsible to Notify Trustee of Event of Default
District shall cause the Trustee to provide, in a timely manner, a notice of a material event to the MSRB	Accountant, McGeady Becher P.C. (or then current general counsel for the District), the Trustee (to the extent the Trustee obtains actual knowledge of the occurrence of a Material Event)	Accountant



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: September 2, 2022

RE: Notice of 2023 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (8.5%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.



October 15, 2022

Dear Client:

Our Firm prides itself on providing the highest level of service in the most efficient manner. In the current economic environment, we are facing increased costs in all areas of the business. In order to continue to provide consistent high-level service we have found it necessary to implement a rate increase.

In accordance with the Firm's fee engagement letter, this letter is to advise you that effective January 1, 2023, the hourly rates of selected attorneys and staff will be adjusted. Hourly rates will be as follows: Shareholders \$425 - \$550; Of Counsel \$380 - \$425; Associates \$275 - \$375; Paralegals and Directors \$225 - \$240; Law Clerks \$150; File Clerks \$30.

Commencing on January 1, 2023, we will begin charging most costs incurred on your behalf as an administrative fee equal to 1% of the legal fees charged in a given month. This fee includes such costs as long-distance telephone calls, research requiring a subscription database, in-office photocopies and faxes, ordinary postage, and messenger and delivery services, and includes a small overhead component. This fee may be adjusted with notice.

This fee is based on our historic experience, as well as client feedback, that invoices that itemize every photocopy, fax, and delivery charge are confusing. Any advances made on behalf of the client as well as major costs, such as major travel expenses, application/submittal/recording fees, election expenses, court costs, publication costs, express delivery, and conference calls and videoconferencing where a third-party provider is used, will be separately invoiced at our actual cost. If you have any questions or concerns about this change, please let us know.

We appreciate your continued trust and confidence in our Firm and look forward to representing your interests in 2023 and beyond.

Very truly yours,

McGEADY BECHER P.C.

A handwritten signature in blue ink that reads "Cheryl L. Matlosz". The signature is written in a cursive, flowing style.

Cheryl L. Matlosz
Firm Administrator