

## ANNUAL REPORT

(Year Ending December 31, 2023)

### **POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT (the "DISTRICT")**

Pursuant to Section VII of the Service Plan for the District approved by the Town of Windsor, Colorado on February 28, 2022, the following report of the District's activities from January 1, 2023 to December 31, 2023 is hereby submitted:

**1. A narrative summary of the progress of the District in implementing the Service Plan for the report year:**

The progress of the District implementing its Service Plan is proceeding as planned. The District did not provide any maintenance operations or activities during 2023. Please see the District's Service Plan for the Capital Plan for Public Improvements.

**2. The audited financial statements of the District for the report year, including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and the statement of operations (i.e., revenues and expenditures for the report year, or the District's application for exemption from Audit:**

The District is currently exempt from audit, pursuant to Section 29-1-604, C.R.S. A copy of the District's 2023 Audit Exemption is attached (**Exhibit A**).

**3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of Public Improvements in the report year and the source of funds for the same:**

Please see attached the 2024 Budget (**Exhibit B**). The District did not construct any Public Improvements in 2023.

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

The District did not issue any debt in 2023. The total assessed valuation for 2023 was \$202,260. The District imposed a Debt Service Mill Levy of 0.000 mills in 2023 for collection in 2024.

**5. Copies of developer Reimbursement Agreements or amendments thereto made in the applicable year.**

Attached is a copy of the First Amendment to the Operation Funding Agreement dated November 16, 2023 (**Exhibit C**) between the District and Meritage Homes of Colorado, Inc.

**6. Copies of documentation establishing compliance with Section V.A.14 (Restrictions of Developer Reimbursements).**

There were no Developer Reimbursements during 2023.

**7. Any other information deemed relevant by the Town Manager.**

There have been no requests for additional information by the Town Manager.

*The following information required by Section 32-1-207(3)(c)(II), C.R.S. (and not already disclosed above) is also provided:*

**8. Boundary changes made.**

There were no boundary changes during 2023.

**9. Intergovernmental Agreements entered into or terminated.**

There were no intergovernmental agreements entered into or terminated during 2023.

**10. Access information to obtain a copy of rules and regulations adopted.**

The District has not adopted any rules or regulations as of December 31, 2023. In the event the District adopts rules and regulations in the future, such documents may be accessed at the offices of Centennial Consulting Group, LLC, 2619 Canton Court, Suite A, Fort Collins, CO 80525, (970) 484-0101, or on the District's website: <https://www.poudreheightsvalleymd.org/>.

**11. Summary of litigation involving the District's Public Improvements.**

To our knowledge there is no litigation involving the District's Public Improvements.

**12. Conveyances or dedications of facilities or improvements, constructed by the District, to the Town of Windsor or Weld County.**

The District did not convey or dedicate any facilities or improvements to the Town or the County in 2023.

**13. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument.**

To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.

**14. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period.**

To our knowledge, the District has been able to pay its obligations as they come due.

**EXHIBIT A**  
**2023 Exemption from Audit**

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

IF EITHER REVENUES OR EXPENDITURES EXCEED \$100,000, USE THE LONG FORM.

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 in the year.

### EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA).

Any preparer of an Application for Exemption from Audit-SHORT FORM must be a person skilled in governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

### READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END.

FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END. APPLICATIONS FOR EXEMPTION FROM AUDIT ARE NOT ELIGIBLE FOR AN EXTENSION OF TIME

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS  
PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.  
APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT:

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

## CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically?
  - If yes, have you read and understand the new Electronic Signature Policy? See [Click Here](#) new policy ->
  - or--
  - If yes, have you included a resolution?
  - Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
  - Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
- If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

Checkout our web portal. Register your account and submit electronic Applications for Exemption From Audit, Extension of Time to File requests, Audited Financial Statements, and more! See the link below.

[Click here to go to the portal](#)

## FILING METHODS

Register and submit your Applications at our web portal! For faster processing the web portal is the preferred method for submission

**WEB PORTAL:** <https://apps.leg.co.gov/osa/lg>

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

*Please Note: The OSA's email addresses have changed as of December 1, 2023. Please ensure you are using the email address noted below.*

**QUESTIONS?** Email: [osa.lg@coleg.gov](mailto:osa.lg@coleg.gov) OR Phone: 303-869-3000

## IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

Poudre Heights Valley Metropolitan District
2619 Canton Court
Fort Collins, CO 80525
Nik Wagner
(970) 484-0101 x109
<a href="mailto:nik@ccgcolorado.com">nik@ccgcolorado.com</a>

For the Year Ended  
12/31/23  
or fiscal year ended:

CONTACT PERSON  
PHONE  
EMAIL

### PART 1 - CERTIFICATION OF PREPARER

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

NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE

Ally Cartmell
District Accountant
Centennial Consulting Group, LLC
2619 Canton Court Fort Collins, CO 80525
(970) 484-0101 x134

PREPARER <small>(SIGNATURE REQUIRED)</small>	DATE PREPARED				
<i>Ally Cartmell</i>	3/14/2024				
Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 2px;">GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small></th> <th style="width: 50%; padding: 2px;">PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small></th> </tr> <tr> <td style="text-align: center; padding: 2px;"><input checked="" type="checkbox"/></td> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> </tr> </table>	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>				
<input checked="" type="checkbox"/>	<input type="checkbox"/>				

## PART 2 - REVENUE

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 350	
2-2	Specific ownership	\$ 15	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 3	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify): Developer Contribution	\$ 6,304	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 6,672	

## PART 3 - EXPENDITURES/EXPENSES

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 5	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 291	
3-7	Accounting and legal fees	\$ 8,590	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ 8	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify): Election	\$ 600	
3-24	SDA Dues	\$ 295	
3-25			
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 9,789	

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



## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, <b>MUST</b> explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, <b>MUST</b> explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*\*Subscription Based Information Technology Arrangements

\*Must agree to prior year-end balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? <span style="float: right;">\$ 185,835,000.00</span> Date the debt was authorized: <span style="float: right;">5/3/2022</span>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? <span style="float: right;">\$ -</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? <span style="float: right;">\$ -</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments? <span style="float: right;">\$ -</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

## PART 5 - CASH AND INVESTMENTS

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

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ 1,882	
5-2 Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>		\$ 1,882
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ 1,882

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

## PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

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

Yes                      No

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

N/A

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -

\*must tie to prior year ending balance

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed:

## PART 7 - PENSION INFORMATION

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

Yes                      No

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firefighters' pension plan?  Yes       No

If yes: Who administers the plan?

Indicate the contributions from:

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

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?

Part 7 - Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

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

Yes                      No                      N/A

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

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 46,440

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

Please answer the following question by marking in the appropriate box

Yes

No

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



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

If no, **MUST** explain:

## PART 10 - GENERAL INFORMATION

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

Yes

No

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



If yes: Date of formation:

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



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

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



Please indicate what services the entity provides:

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



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

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

If yes: Date Filed:




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



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

Bond Redemption mills	-
General/Other mills	20.000
Total mills	20.000
Yes	No
Yes	No
N/A	N/A

**10-7** **NEW 2023!** If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain.





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



## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

#### Policy - Requirements

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

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

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

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

Print the names of ALL members of current governing body below.		A MAJORITY of the members of the governing body must sign below.
Board Member 1	Print Board Member's Name  Chelsey M. Green	I Chelsey M. Green , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Chelsey M. Green</u> Date: <u>19/03/2024</u> My term Expires: <u>May 2027</u>
Board Member 2	Print Board Member's Name  Lisa A. Albers	I Lisa A. Albers , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Lisa A. Albers</u> Date: <u>19/03/2024</u> My term Expires: <u>May 2027</u>
Board Member 3	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 4	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

# EXAMPLE - DO NOT FILL OUT THIS PAGE

This sample resolution/ordinance for exemption from audit is provided as an example of the documentation that is required. The wording may be used as a basis for your own local government document, if needed; however you MUST draft your own ordinance or resolution making any changes where applicable. Legal counsel should be consulted regarding any questions.

## RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

(Pursuant to Section 29-1-604, C.R.S.)

A RESOLUTION/ORDINANCE APPROVING AN EXEMPTION FROM AUDIT FOR FISCAL YEAR 20XX FOR THE **(name of government)**, STATE OF COLORADO.

WHEREAS, the **(governing body)** of **(name of government)** wishes to claim exemption from the audit requirements of Section 29-1-603, C.R.S.; and

WHEREAS, Section 29-1-604, C.R.S., states that any local government where neither revenues nor expenditures exceed seven hundred and fifty thousand dollars may, with the approval of the State Auditor, be exempt from the provision of Section 29-1-603, C.R.S.; and

**[Choose 1 or 2 below, whichever is applicable]**

(1) WHEREAS, neither revenue nor expenditures for **(name of government)** exceeded \$100,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual)**, a person skilled in governmental accounting; and

**OR**

(2) WHEREAS, neither revenues nor expenditures for **(name of government)** exceeded \$750,000 for Fiscal Year 20XX; and

WHEREAS, an application for exemption from audit for **(name of government)** has been prepared by **(name of individual or firm)**, an independent accountant with knowledge of governmental accounting; and

WHEREAS, said application for exemption from audit has been completed in accordance with regulations, issued by the State Auditor.

NOW THEREFORE, be it resolved/ordained by the **(governing body)** of the **(name of government)** that the application for exemption from audit for **(name of government)** for the Fiscal Year ended \_\_\_\_\_, 20XX, has been personally reviewed and is hereby approved by a majority of the **(governing body)** of the **(name of government)**; that those members of the **(governing body)** have signified their approval by signing below; and that this resolution shall be attached to, and shall become a part of, the application for exemption from audit of the **(name of government)** for the fiscal year ended \_\_\_\_\_, 20XX.

ADOPTED THIS \_\_\_ day of \_\_\_\_\_, A.D. 20XX.

EXAMPLE - DO NOT FILL OUT THIS PAGE

\_\_\_\_\_  
Mayor/President/Chairman, etc.

ATTEST:

\_\_\_\_\_  
Town Clerk, Secretary, etc.

Type or Print Names of  
Members of Governing Body

Date  
Term  
Expires

Signature

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



**EXHIBIT B**  
**2024 Budget**

# Poudre Heights Valley Metropolitan District 2024 Budget

Modified Accrual Basis

## General Fund

	2022	2023	2023	2024
	Actual	Budget	Estimated Actual	Budget
<b>Beginning Fund Balance</b>	1,450	1,517	6,450	7,096
<b>Income</b>				
Developer Advance	-	46,100	9,500	53,000
Developer Contribution	13,044	-	-	-
Property Tax	-	349	349	4,045
Specific Ownership Tax	-	21	-	243
Interest Revenue	2	-	3	-
<b>Total Budgeted Operating Income</b>	<u>13,046</u>	<u>46,470</u>	<u>9,852</u>	<u>57,288</u>
<b>Expense</b>				
Management & Accounting Services	1,486	3,840	3,840	4,000
Audit	-	-	80	-
Legal	6,325	25,000	4,000	20,000
Election	-	5,000	600	-
Insurance	-	2,200	291	2,310
Office	37	100	100	100
SDA Dues	198	300	295	315
Utilities	-	-	-	-
Landscape	-	-	-	-
Snow Removal	-	-	-	-
Contingency	-	10,000	-	30,000
<b>Total Budgeted Operating Expense</b>	<u>8,046</u>	<u>46,440</u>	<u>9,206</u>	<u>56,725</u>
<b>Excess Income (Expenses)</b>	5,000	30	646	563
<b>Ending Fund Balance</b>	<u>6,450</u>	<u>1,547</u>	<u>7,096</u>	<u>7,659</u>

# Poudre Heights Valley Metropolitan District 2024 Budget

Modified Accrual Basis

## Capital Projects Fund

	2023 Actual	2024 Budget	2024 Amended Budget
<b>Beginning Fund Balance</b>	-	-	-
<b>Income</b>			
Proceeds from Developer Note	-	-	4,765,504
Transfer from General Fund	-	-	50,000
<b>Total Budgeted Income</b>	-	-	4,815,504
<b>Expense</b>			
Capital Outlay - Filing 3; Phase 1	-	-	4,765,504
Engineering	-	-	50,000
<b>Total Budgeted Expense</b>	-	-	4,815,504
<b>Excess Income (Expenses)</b>	-	-	-
<b>Ending Fund Balance</b>	-	-	-

## **EXHIBIT C**

### **First Amendment to the Operation Funding Agreement**

## FIRST AMENDMENT TO OPERATION FUNDING AGREEMENT

This **FIRST AMENDMENT TO OPERATION FUNDING AGREEMENT** (“**Amendment**”) is made and entered into this 15<sup>th</sup> day of November, 2023, by and between **POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”) and **MERITAGE HOMES OF COLORADO, INC.**, an Arizona corporation (the “**Developer**”) (individually, each a “**Party**” and collectively the “**Parties**”).

### RECITALS

A. The District and the Developer entered into that certain Operation Funding Agreement, dated August 18, 2022 and effective as of July 20, 2022, (the “**Agreement**”), whereby the Developer agreed to advance funds to the District for operations and maintenance expenses.

B. Pursuant to the Agreement, the obligation of the Developer to fund the Shortfall Amount expires on December 31, 2023.

C. The District anticipates that it will not have sufficient revenues to make payment of its operations and maintenance expenses through fiscal year 2024.

D. The District and the Developer desire to amend the provisions of the Agreement, pertaining to the term of the Agreement and Shortfall Amount.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the Parties contained herein, the Parties agree as follows:

### COVENANTS AND AGREEMENTS

1. All terms which are not defined herein shall have the same meaning as set forth in the Agreement.

2. Amendment to Section 1 of the Agreement. Section 1 of the Agreement is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“1. Acknowledgement of Anticipated Shortfalls. The District anticipates a shortfall in revenues available for operations and maintenance expenses to be incurred for fiscal years 2022 through 2024 in an aggregate amount of Sixty-Two Thousand Five Hundred Dollars (\$62,500) (the “**Shortfall Amount**”).”

3. Amendment to Section 8 of the Agreement. Section 8 of the Agreement is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“8. Term/Repose. Any obligation of Developer to advance funds will expire upon amounts sufficient to pay expenses incurred in 2022 through 2024. Any obligation of District to reimburse

Developer shall expire on December 31, 2064. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to this Agreement on or before December 31, 2064, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.”

4. All references in the Agreement, to the phrase “fiscal years 2022 through 2023” shall be deleted in their entirety and substituted in lieu thereof shall be the phrase: “fiscal years 2022 through 2024.”

5. Except as expressly set forth in this Amendment, all provisions of the Agreement remain unchanged and in full force and effect, valid and binding on the parties thereto.

**SIGNATURE PAGE FOLLOWS**

**SIGNATURE PAGE TO FIRST AMENDMENT  
TO OPERATION FUNDING AGREEMENT**

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the day and year first set forth above.

**POUDRE HEIGHTS VALLEY  
METROPOLITAN DISTRICT**, a quasi-  
municipal corporation and political subdivision  
of the State of Colorado

By: Chelsey Green  
President

Attest:

Jennifer S. Henry  
Secretary

**MERITAGE HOMES OF COLORADO,  
INC.**, an Arizona corporation

By: Michael Salmina  
Name: Mike Salmina  
Title: Vice President – Land Acquisitions