

**Erie Highlands Metropolitan Districts  
Nos. 1-5**

**2024  
Consolidated Annual Report**

**Submitted to:  
Town of Erie  
July 31, 2024**

Also filed with:  
Colorado Division of Local Government in the Department of Local Affairs,  
Colorado State Auditor, & Weld County Clerk and Recorder

The Erie Highlands Metropolitan District No. 1 (“District No. 1”), Erie Highlands Metropolitan District No. 2 (“District No. 2”), Erie Highlands Metropolitan District No. 3 (“District No. 3”), Erie Highlands Metropolitan District No. 4 (“District No. 4”), and Erie Highlands Metropolitan District No. 5 (“District No. 5,” and together with District No. 1, District No. 2, District No. 3 and District No. 4, the “Districts”) hereby submit this annual report, as required pursuant to Section VII of the Consolidated Service Plan for the Districts, dated August 30, 2013 and approved by the Town of Erie (the “Town”) on September 24, 2013 (the “Service Plan”). In addition, pursuant to Section 32-1-207(3)(c), C.R.S., the Districts are required to submit an annual report for the preceding calendar year to the Town, the Division of Local Government, the Colorado State Auditor, and the Weld County Clerk and Recorder. This annual report is being submitted to satisfy the reporting requirement for the year 2024. For the year ending December 31, 2023, the Districts make the following report:

## **I. SERVICE PLAN – ANNUAL REPORT REQUIREMENTS.**

### **1. A narrative summary of the progress of the Districts in implementing the Service Plan.**

The Districts were formed by Order of the Weld County District Court dated November 29, 2013. To date, certain public improvements for Filings 1 through 16 have been completed.

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

An application for exemption from audit was filed on behalf of District Nos. 3 and 5 for the fiscal year ending December 31, 2023. Copies of such applications for exemption from audit are attached hereto as **Exhibit A**.

The audited financial statements for District No. 1, District No. 2, and District No. 4 for the fiscal year ending December 31, 2023 are also enclosed herewith as **Exhibit A**.

### **3. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of public facilities in the fiscal year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the fiscal year.**

The Districts have not budgeted any capital expenditures in development of public facilities in 2024 as evidenced in their respective 2024 budgets enclosed herewith nor do the Districts currently have long-range capital improvement/project plans. The Developer and/or homebuilders continue to undertake capital improvements or projects within the Districts which include, but are not limited, to the following public improvements



- Sanitary Sewer
- Water
- Storm/Drainage
- Curb/Gutter/Sidewalks
- Streets
- Gas
- Electric
- Landscaping/Irrigation

and which are completed in accordance with Town approved plans.

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

#### District No. 1

A summary of the financial obligations of District No. 1 as of December 31, 2023, including the requested information, is contained in the audited financial statements of District No. 1 for the year ending December 31, 2023, provided in response to Section I.2.

The assessed valuation of District No. 1 for the year ending December 31, 2023, is \$16,371,130.

A mill levy of 25.488 mills for general operating expenses and 25.000 mills for general obligation bonds and interest was levied for 2024.

#### District No. 2

A summary of the financial obligations of District No. 2 as of December 31, 2023, including the requested information, is contained in the audited financial statements of District No. 2 for the year ending December 31, 2023, provided in response to Section I.2.

The assessed valuation of District No. 2 for the year ending December 31, 2023, is \$11,736,610.

A mill levy of 25.712 mills for general operating expenses and 64.282 mills for general obligation bonds and interest was levied for 2024.

#### District No. 3

The assessed valuation of District No. 3 for the year ending December 31, 2023, is \$403,180.

A mill levy of 20.788 mills for general operating expenses was levied for 2024.

#### District No. 4

A summary of the financial obligations of District No. 4 as of December 31, 2023, including the requested information, is contained in the audited financial statements of District No. 4 for the year ending December 31, 2023, provided in response to Section I.2.

The assessed valuation of District No. 4 for the year ending December 31, 2023, is \$29,930.

A mill levy of 20.788 mills for general operating expenses and 51.971 mills for contractual obligations was levied for 2024.

#### District No. 5

The assessed valuation of District No. 5 for the year ending December 31, 2023, is \$29,930.

A mill levy of 20.788 mills for general operating expenses was levied for 2024.

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

Copies of the 2024 budgets for the Districts are attached hereto as **Exhibit B**.

### **6. A summary of residential and commercial development which has occurred within the Districts for the fiscal year.**

During 2023, approximately forty-six (46) new homes were completed and closed within the Districts. Land development activities were either completed or commenced in Filings 14 through 16. Homebuilding activities continue in Filing 16.

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

#### District No. 1

A mill levy of 25.488 mills for general operating expenses and 25.000 mills for general obligation bonds and interest was levied for 2024.

#### District No. 2

A mill levy of 25.712 mills for general operating expenses and 64.282 mills for general obligation bonds and interest was levied for 2024.

On June 3, 2022, District No. 2 and District No. 4 adopted a Joint Resolution Imposing a Monthly Operations and Maintenance Fee for Erie Highlands Carriage Houses to defray the cost of providing additional operations and maintenance services to the Erie Highlands Carriage Houses (Filing No. 16) in the amount of \$99.83 per month per Carriage House unit located within the boundaries of District No. 2, as defined therein (the “Carriage House Fee”). Pursuant to the Resolution, District No. 2 directed the proceeds of the Carriage House Fee to be paid to District No. 4 to fund District No. 4’s operation and maintenance of additional services in accordance with agreements between the Districts, District No. 2, and District No. 1.

District No. 3

A mill levy of 20.788 mills for general operating expenses was levied for 2024.

District No. 4

A mill levy of 20.788 mills for general operating expenses and 51.971 mills for contractual obligations and interest was levied for 2024.

Please see discussion pertaining to District No. 2 above in this Section I.7. regarding the Carriage House Fee.

District No. 5

A mill levy of 20.788 mills for general operating expenses was levied for 2024.

**8. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board.**

Board Members

Brandon Wyszynski  
District Nos. 2, 3, 4, and 5  
Oakwood Homes LLC  
4908 Tower Road  
Denver, CO 80249  
(303) 486-8500

Chris Carlton  
District Nos. 3, 4, and 5  
Oakwood Homes LLC  
4908 Tower Road  
Denver, CO 80249  
(303) 486-8500

Randy J. Bauer

District Nos. 3, 4, and 5  
Oakwood Homes  
4908 Tower Road  
Denver, CO 80249  
(303) 486-8500

Greg Saia  
District Nos. 3, 4, and 5  
Oakwood Homes  
4908 Tower Road  
Denver, CO 80249  
(303) 486-8500

Todd L. Bloom  
District Nos. 3 and 5  
Oakwood Homes  
4908 Tower Road  
Denver, CO 80249  
(303) 486-8500

Joshua Kiel Malm  
District No. 1  
140 Pebble Brook Ct.  
Erie, CO 80516  
(303) 875-7548

Sam Mayer  
District No. 1  
121 Pebble Broom Court  
Erie, CO 80516  
(203) 731-1112

Jason Edward Manley  
District No. 1  
216 Highlands Circle  
Erie, CO 80516  
(434) 258-3314

Kristine Fillius  
District No. 1  
552 Indian Peaks Dr.  
Erie, CO 80516  
(858) 663-8231

Tonya Baca  
District No. 1

150 Pear Lake Way  
Erie, CO 80516  
(720) 833-4223

Keith Kauffman  
District No. 2  
474 Highlands Circle  
Erie, CO 80516  
(720) 833-4223

Mitchell Gonzales  
District No. 2  
1164 Acadia Circle  
Erie, CO 80516  
(303) 210-2982

Andrew J. Matyus  
District No. 2  
1093 Acadia Circle  
Erie, CO 80516  
(248) 872-8614

Elizabeth Thoma  
District No. 2  
1172 Acadia Cir.  
Erie, CO 80516

District Manager

Jerry A. Jacobs  
Timberline District Consulting, LLC  
25633 Roxana Point Dr  
Evergreen, CO 80439  
(303) 359-9330

General Legal Counsel

District No. 1

Jeffrey Erb  
Erb Law, LLC  
3900 E. Mexico Ave., Suite 300  
Denver, Colorado 80210  
(303) 881-5303

District No. 2

Joan M. Fritsche  
Fritsche Law  
3900 E. Mexico Ave., Suite 300  
Denver, Colorado 80210  
(720) 833-4223

District Nos. 3-5

Jennifer L. Ivey  
Icenogle Seaver Pogue, P.C.  
4725 S. Monaco Street, Suite 360  
Denver, Colorado 80237  
(303) 292-9100

Regular Board Meetings

Wednesday, November 6, 2024 at 3:00 P.M., at the Erie Highlands Clubhouse, 185  
Highlands Circle, Erie, Colorado 80516.

**II. SPECIAL DISTRICT ACT (SECTION 32-1-207(3)(c), C.R.S.) ANNUAL REPORT REQUIREMENTS:**

**For the year ending December 31, 2023, the Districts make the following report pursuant to Section 32-1-207(3)(c), C.R.S.:**

**1. Boundary changes made.**

No boundary changes have been made within the year ending December 31, 2023.

**2. Intergovernmental agreements entered into or terminated with other governmental entities.**

On May 6, 2024, District Nos. 1 and 2 provided District No. 4 with a 90-day notice of termination (“Notice”) under the Intergovernmental Agreement Concerning District Operations, dated September 10, 2018 (the (“IGA”). The Notice terminates District No. 4 as the provider of administrative services and as the party responsible for providing operation and maintenance services of District-Owned Improvements, as defined in the IGA, to District Nos. 1 and 2. The termination as set forth in the Notice is to take effect August 4, 2024.. At the time of filing this 2024 Annual Report, the District Nos. 3-5 and District Nos. 1 and 2 are negotiating an amended and restated intergovernmental agreement for certain maintenance obligations and cost sharing as between the parties.

**3. Access information to obtain a copy of rules and regulations adopted by the board.**

For information concerning rules and regulations adopted by the Districts please contact the Assistant District’s Manager:

Brittany Barnett  
Timberline District Consulting, LLC  
25633 Roxana Point Dr.  
Evergreen, CO 80439  
Phone: (303) 502-7456  
Email: barnett@timberlinedc.com

**4. A summary of litigation involving public improvements owned by the special district.**

General Counsels for the Districts are not aware of any litigation involving public improvements owned by the Districts in 2023.

**5. The status of the construction of public improvements by the special district.**

See Section I.1. above.

**6. A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.**

No facilities or improvements were constructed by the Districts in 2023.

**7. The final assessed valuation of the special district as of December 31 of the reporting year.**

See Section I.4. above.

**8. A copy of the current year's budget.**

See Section I.5. above.

**9. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

See Section I.2. above.

**10. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the special district.**

As of December 31, 2023, the Districts did not receive any notices of uncured defaults existing for more than ninety (90) days under any debt instrument.

**11. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.**

As of December 31, 2023, the Districts did not have any inability to pay their obligations as they come due under any obligation which continued beyond a ninety (90) day period.

**EXHIBIT A**  
**2023 Audits and Applications for Exemption from Audit**



APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Erie Highlands Metropolitan District No. 3	For the Year Ended 12/31/23 or fiscal year ended:
ADDRESS	8390 East Crescent Parkway	
	Suite 300	
	Greenwood Village, CO 80111-2814	
CONTACT PERSON	Shelby Clymer	
PHONE	303-779-5710	
EMAIL	shelby.clymer@claconnect.com	

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:	Shelby Clymer
TITLE	Accountant For the District
FIRM NAME (if applicable)	CliftonLarsonAllen LLP
ADDRESS	8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
PHONE	303-779-5710

PREPARER (SIGNATURE REQUIRED)		DATE PREPARED	
SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT		3/6/2024	
Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)	
	<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)	\$ 26,232	
2-2	Specific ownership	\$ 1,122	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22	Interest income	\$ 7	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 27,361	

## PART 3 - EXPENDITURES/EXPENSES

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	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):		
3-24	County Treasurer's fees	\$ 394	
3-25	Transfer to Erie Highlands Metropolitan District No. 4	\$ 26,967	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 27,361	

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: N/A. The District has no outstanding debt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																						
4-3	Is the entity current in its debt service payments? If no, <b>MUST</b> explain below: N/A. The District has no outstanding debt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																						
4-4	<div style="display: flex; justify-content: space-between;"> <div style="width: 50%;">           Please complete the following debt schedule, if applicable:            (please only include principal amounts)(enter all amount as positive numbers)         </div> <div style="width: 45%; text-align: center;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%;">Outstanding at end of prior year*</th> <th style="width: 15%;">Issued during year</th> <th style="width: 15%;">Retired during year</th> <th style="width: 15%;">Outstanding at year end</th> </tr> </thead> <tbody> <tr> <td>General obligation bonds</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Revenue bonds</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Notes/Loans</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Lease &amp; SBITA** Liabilities [GASB 87 &amp; 96]</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Developer Advances</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Other (specify):</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> </tbody> </table> </div> </div>		Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year end	General obligation bonds	\$ -	\$ -	\$ -	\$ -	Revenue bonds	\$ -	\$ -	\$ -	\$ -	Notes/Loans	\$ -	\$ -	\$ -	\$ -	Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -	Developer Advances	\$ -	\$ -	\$ -	\$ -	Other (specify):	\$ -	\$ -	\$ -	\$ -	TOTAL	\$ -	\$ -	\$ -	\$ -
	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year end																																					
General obligation bonds	\$ -	\$ -	\$ -	\$ -																																					
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Developer Advances	\$ -	\$ -	\$ -	\$ -																																					
Other (specify):	\$ -	\$ -	\$ -	\$ -																																					
TOTAL	\$ -	\$ -	\$ -	\$ -																																					

\*\*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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? <span style="float: right; border: 1px solid black; padding: 2px;">\$ 720,000,000.00</span> Date the debt was authorized: <span style="float: right; border: 1px solid black; padding: 2px;">11/5/2013</span>		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much? <span style="float: right; border: 1px solid black; padding: 2px;">\$ -</span>		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding? <span style="float: right; border: 1px solid black; padding: 2px;">\$ -</span>		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased? <span style="float: right; border: 1px solid black; padding: 2px;"></span> What is the original date of the lease? <span style="float: right; border: 1px solid black; padding: 2px;"></span> Number of years of lease? <span style="float: right; border: 1px solid black; padding: 2px;"></span> Is the lease subject to annual appropriation? <span style="float: right; text-align: center;"><input type="checkbox"/></span> What are the annual lease payments? <span style="float: right; border: 1px solid black; padding: 2px;">\$ -</span>		

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	\$ -	
5-2	Certificates of deposit	\$ -	
	<b>Total Cash Deposits</b>		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
5-3		\$ -	
		\$ -	
		\$ -	
	<b>Total Investments</b>		\$ -
	<b>Total Cash and Investments</b>		\$ -

Please answer the following questions by marking in the appropriate boxes

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

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

## PART 6 - CAPITAL 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?

☐☒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:☐☒

N/A. The District has no capital assets.

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?

☐☒

7-2 Does the entity have a volunteer firefighters' pension plan?

☐☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):

\$ -

State contribution amount:

\$ -

Other (gifts, donations, etc.):

\$ -

**TOTAL**

\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 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:☒☐☐8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain:☒☐☐

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 30,000

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

Please answer the following question by marking in the appropriate box		Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]? <small>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.</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Date of formation: <input type="text"/>		
10-2	Has the entity changed its name in the past or current year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	Please list the NEW name & PRIOR name: <input type="text"/>		
10-3	Is the entity a metropolitan district? Please indicate what services the entity provides: <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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: <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10-5	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during If yes: Date Filed: <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10-6	Does the entity have a certified Mill Levy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):		
	Bond Redemption mills	<input type="text" value="-"/>	
	General/Other mills	<input type="text" value="20.000"/>	
	Total mills	<input type="text" value="20.000"/>	
		Yes	No
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. <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

10-3: Mosquito elimination and control, fire protection, parks and recreation, traffic and safety control, sanitation services, street improvement, television relay and translator, transportation, water, solid waste disposal, and covenant enforcement.

10-4: Erie Highlands Metropolitan District Nos. 1, 2, 4, and 5. District No. 4 serves as the operating District and District Nos. 1, 2, 3, and 5 serve as the financing Districts.

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 <u>MAJORITY</u> of the members of the governing body must sign below.
---	---

Board Member 1	Print Board Member's Name  Bertrand Bauer	I, Bertrand Bauer, 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>Bertrand Bauer</u> Date: <u>3/19/2024</u> My term Expires: May 2027
Board Member 2	Print Board Member's Name  Chris Carlton	I, Chris Carlton, 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>Chris Carlton</u> Date: <u>3/21/2024</u> My term Expires: May 2027
Board Member 3	Print Board Member's Name  Brandon Wyszynski	I, Brandon Wyszynski, 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>Brandon Wyszynski</u> Date: <u>3/19/2024</u> My term Expires: May 2027
Board Member 4	Print Board Member's Name  Todd Bloom	I, Todd Bloom, 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>Todd Bloom</u> Date: <u>3/19/2024</u> My term Expires: May 2025
Board Member 5	Print Board Member's Name  Greg Saia	I, Greg Saia, 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>Greg Saia</u> Date: <u>3/21/2024</u> My term Expires: May 2025
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



**CliftonLarsonAllen LLP**  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
phone 303-779-5710 fax 303-779-0348  
[claconnect.com](http://claconnect.com)

## Accountant's Compilation Report

Board of Directors  
Erie Highlands Metropolitan District No. 3  
Weld County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Erie Highlands Metropolitan District No. 3 as of and for the year ended December 31, 2023, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

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

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

We are not independent with respect to Erie Highlands Metropolitan District No. 3.

Greenwood Village, Colorado  
March 6, 2024



**Certificate Of Completion**

Envelope Id: 40D24B5681FF4FC08FEB64A3A5831B8B

Status: Completed

Subject: Complete with DocuSign: EHMD3 - 2023 Audit Exemption.pdf

Client Name: Erie Highlands MD No. 3

Client Number: A369153

Source Envelope:

Document Pages: 8

Signatures: 5

Envelope Originator:

Certificate Pages: 5

Initials: 0

Jacob Theisen

AutoNav: Enabled

220 S 6th St Ste 300

Envelopeld Stamping: Enabled

Minneapolis, MN 55402-1418

Time Zone: (UTC-06:00) Central Time (US &amp; Canada)

Jacob.Theisen@claconnect.com

IP Address: 24.9.162.210

**Record Tracking**

Status: Original

Holder: Jacob Theisen

Location: DocuSign

3/19/2024 10:15:24 AM

Jacob.Theisen@claconnect.com

**Signer Events**

Bertrand Bauer

rbauer@oakwoodhomesco.com

Secretary

Security Level: Email, Account Authentication  
(None)**Signature**

DocuSigned by:



FBAC90B2A16846B...

Signature Adoption: Pre-selected Style

Using IP Address: 216.87.72.100

**Timestamp**

Sent: 3/19/2024 10:22:22 AM

Resent: 3/19/2024 10:32:46 AM

Viewed: 3/19/2024 1:37:34 PM

Signed: 3/19/2024 1:37:42 PM

**Electronic Record and Signature Disclosure:**

Accepted: 3/19/2024 1:37:34 PM

ID: c45b5ca9-ee51-4032-b364-0d0b39f4586a

Brandon Wyszynski

bwyszynski@oakwoodhomesco.com

Board President

Security Level: Email, Account Authentication  
(None)

DocuSigned by:



9E8B75DB3C664FC...

Signature Adoption: Pre-selected Style

Using IP Address: 67.172.144.6

Sent: 3/19/2024 10:22:22 AM

Viewed: 3/19/2024 11:05:35 AM

Signed: 3/19/2024 11:05:40 AM

**Electronic Record and Signature Disclosure:**

Accepted: 3/13/2019 12:31:25 PM

ID: 5fb4ed75-9b46-4253-8a63-f6b610d63593

Chris Carlton

ccarlton@oakwoodhomesco.com

Assistant Secretary

Security Level: Email, Account Authentication  
(None)

DocuSigned by:



B18217EDE74A41D...

Signature Adoption: Pre-selected Style

Using IP Address: 174.212.37.148

Signed using mobile

Sent: 3/19/2024 10:22:22 AM

Viewed: 3/21/2024 7:52:21 AM

Signed: 3/21/2024 7:52:31 AM

**Electronic Record and Signature Disclosure:**

Accepted: 2/29/2020 5:45:54 AM

ID: 92f381dd-ae7a-4c12-bde9-8172b1cf8f93

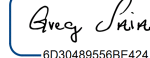
Greg Saia

gsaia@oakwoodhomesco.com

President

Security Level: Email, Account Authentication  
(None)

DocuSigned by:



6D30489556BE424...

Signature Adoption: Pre-selected Style


Using IP Address: 169.197.19.106

Sent: 3/19/2024 10:22:23 AM

Viewed: 3/21/2024 10:23:21 AM

Signed: 3/21/2024 10:23:31 AM

**Electronic Record and Signature Disclosure:**

Signer Events	Signature	Timestamp
Accepted: 3/21/2024 10:23:21 AM ID: 1702e11c-48fc-409c-a833-800836c485cc		
Todd Bloom tbloom@oakwoodhomesco.com Security Level: Email, Account Authentication (None)	<div><div>DocuSigned by:</div><div> 7EF1A057A4CB466...</div></div> <div>Signature Adoption: Pre-selected Style Using IP Address: 76.120.38.217</div>	Sent: 3/19/2024 10:22:22 AM Viewed: 3/19/2024 5:27:38 PM Signed: 3/19/2024 5:27:54 PM
<b>Electronic Record and Signature Disclosure:</b> Accepted: 3/19/2024 5:27:38 PM ID: c05fe151-61a0-457c-bf6e-a86386efda77		
In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/19/2024 10:22:23 AM
Envelope Updated	Security Checked	3/19/2024 10:32:45 AM
Certified Delivered	Security Checked	3/19/2024 5:27:38 PM
Signing Complete	Security Checked	3/19/2024 5:27:54 PM
Completed	Security Checked	3/21/2024 10:23:31 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

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

### **Getting paper copies**

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

### **Withdrawing your consent**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Required hardware and software**

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

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

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

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

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

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Erie Highlands Metropolitan District No. 5	For the Year Ended 12/31/23 or fiscal year ended:
ADDRESS	8390 East Crescent Parkway	
	Suite 300	
	Greenwood Village, CO 80111-2814	
CONTACT PERSON	Shelby Clymer	
PHONE	303-779-5710	
EMAIL	shelby.clymer@claconnect.com	

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:	Shelby Clymer
TITLE	Accountant For the District
FIRM NAME (if applicable)	CliftonLarsonAllen LLP
ADDRESS	8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
PHONE	303-779-5710

PREPARER (SIGNATURE REQUIRED)		DATE PREPARED	
SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT		3/6/2024	
Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)	
	<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)	\$ 6,257	
2-2	Specific ownership	\$ 270	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 6,527	

## PART 3 - EXPENDITURES/EXPENSES

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	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):		
3-24	County Treasurer's fees	\$ 94	
3-25	Transfer to Erie Highlands Metropolitan District No. 4	\$ 6,433	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 6,527	

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: N/A. The District has no outstanding debt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																								
4-3	Is the entity current in its debt service payments? If no, <b>MUST</b> explain below: N/A. The District has no outstanding debt.	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																								
4-4	<div style="display: flex; justify-content: space-between;"> <div style="width: 50%;">           Please complete the following debt schedule, if applicable:            (please only include principal amounts)(enter all amount as positive numbers)         </div> <div style="width: 45%; text-align: center;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 15%;">Outstanding at end of prior year*</th> <th style="width: 15%;">Issued during year</th> <th style="width: 15%;">Retired during year</th> <th style="width: 15%;">Outstanding at year end</th> </tr> </thead> <tbody> <tr> <td>General obligation bonds</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Revenue bonds</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Notes/Loans</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Lease &amp; SBITA** Liabilities [GASB 87 &amp; 96]</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Developer Advances</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Other (specify):</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ -</td> </tr> </tbody> </table> </div> </div>		Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year end	General obligation bonds	\$ -	\$ -	\$ -	\$ -	Revenue bonds	\$ -	\$ -	\$ -	\$ -	Notes/Loans	\$ -	\$ -	\$ -	\$ -	Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -	Developer Advances	\$ -	\$ -	\$ -	\$ -	Other (specify):	\$ -	\$ -	\$ -	\$ -	TOTAL	\$ -	\$ -	\$ -	\$ -		
	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year end																																							
General obligation bonds	\$ -	\$ -	\$ -	\$ -																																							
Revenue bonds	\$ -	\$ -	\$ -	\$ -																																							
Notes/Loans	\$ -	\$ -	\$ -	\$ -																																							
Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -																																							
Developer Advances	\$ -	\$ -	\$ -	\$ -																																							
Other (specify):	\$ -	\$ -	\$ -	\$ -																																							
TOTAL	\$ -	\$ -	\$ -	\$ -																																							

\*\*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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? <span style="float: right;">\$ 720,000,000.00</span> Date the debt was authorized: <span style="float: right;">11/5/2013</span>		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much? <span style="float: right;">\$ -</span>		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding? <span style="float: right;">\$ -</span>		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased? <span style="float: right;"></span> What is the original date of the lease? <span style="float: right;"></span> Number of years of lease? <span style="float: right;"></span> Is the lease subject to annual appropriation? <span style="float: right;"><input type="checkbox"/></span> What are the annual lease payments? <span style="float: right;">\$ -</span>		

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	\$ -	
5-2	Certificates of deposit	\$ -	
	<b>Total Cash Deposits</b>		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
5-3		\$ -	
		\$ -	
		\$ -	
	<b>Total Investments</b>		\$ -
	<b>Total Cash and Investments</b>		\$ -

Please answer the following questions by marking in the appropriate boxes

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

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



## PART 6 - CAPITAL 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?

☐☒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:☐☒

N/A. The District has no capital assets.

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?

☐☒

7-2 Does the entity have a volunteer firefighters' pension plan?

☐☒

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):

\$ -

State contribution amount:

\$ -

Other (gifts, donations, etc.):

\$ -

**TOTAL**

\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan 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:☒☐☐8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain:☒☐☐

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 8,000

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

Please answer the following question by marking in the appropriate box

Yes

No

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

☒

☐

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

If no, MUST explain:

## PART 10 - GENERAL INFORMATION

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

Yes

No

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

☐

☒

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:

See below

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

☒

☐

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

See below

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

☐

☒

If yes: Date Filed:

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

☒

☐

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

Bond Redemption mills

General/Other mills

Total mills

	-
	20.000
	20.000

Yes

No

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:

10-3: Mosquito elimination and control, fire protection, parks and recreation, traffic and safety control, sanitation services, street improvement, television relay and translator, transportation, water, solid waste disposal, and covenant enforcement.

10-4: Erie Highlands Metropolitan District Nos. 1, 2, 3, and 4. District No. 4 serves as the operating District and District Nos. 1, 2, 3, and 5 serve as the financing Districts.

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 <u>MAJORITY</u> of the members of the governing body must sign below.
---	---

Board Member 1	Print Board Member's Name  Bertrand Bauer	I, Bertrand Bauer, 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></u> Date: <u>3/19/2024</u> My term Expires: May 2027
Board Member 2	Print Board Member's Name  Chris Carlton	I, Chris Carlton, 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></u> Date: <u>3/21/2024</u> My term Expires: May 2027
Board Member 3	Print Board Member's Name  Brandon Wyszynski	I, Brandon Wyszynski, 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></u> Date: <u>3/19/2024</u> My term Expires: May 2027
Board Member 4	Print Board Member's Name  Todd Bloom	I, Todd Bloom, 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></u> Date: <u>3/19/2024</u> My term Expires: May 2025
Board Member 5	Print Board Member's Name  Greg Saia	I, Greg Saia, 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></u> Date: <u>3/21/2024</u> My term Expires: May 2025
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



**CliftonLarsonAllen LLP**  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
phone 303-779-5710 fax 303-779-0348  
[claconnect.com](http://claconnect.com)

## Accountant's Compilation Report

Board of Directors  
Erie Highlands Metropolitan District No. 5  
Weld County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit Erie Highlands Metropolitan District No. 5 as of and for the year ended December 31, 2023, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

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

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

We are not independent with respect to Erie Highlands Metropolitan District No. 5

Greenwood Village, Colorado  
March 6, 2024

**Certificate Of Completion**

Envelope Id: A33DD2CA271F415A9B6625BCC4BA98C0

Status: Completed

Subject: Complete with DocuSign: EHMD5 - 2023 Audit Exemption.pdf

Client Name: Erie Highlands MD No. 5

Client Number: A361951

Source Envelope:

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Signatures: 5

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Initials: 0

Jacob Theisen

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220 S 6th St Ste 300

Envelopeld Stamping: Enabled

Minneapolis, MN 55402-1418

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**Signer Events**

Bertrand Bauer

rbauer@oakwoodhomesco.com

Secretary

Security Level: Email, Account Authentication  
(None)**Signature**

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FBAC90B2A16846B...**Timestamp**

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Accepted: 3/19/2024 1:38:04 PM

ID: 00807dde-1c95-45c2-a919-3e9cf7f55867

Brandon Wyszynski

bwyszynski@oakwoodhomesco.com

Board President

Security Level: Email, Account Authentication  
(None)

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**Electronic Record and Signature Disclosure:**

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ID: 5fb4ed75-9b46-4253-8a63-f6b610d63593

Chris Carlton

ccarlton@oakwoodhomesco.com

Assistant Secretary

Security Level: Email, Account Authentication  
(None)

DocuSigned by:

  
B18217EDE74A41D...

Sent: 3/19/2024 10:32:09 AM

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Signature Adoption: Pre-selected Style

Using IP Address: 174.212.37.148

Signed using mobile

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Accepted: 2/29/2020 5:45:54 AM

ID: 92f381dd-ae7a-4c12-bde9-8172b1cf8f93

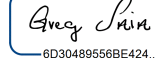
Greg Saia

gsaia@oakwoodhomesco.com

President

Security Level: Email, Account Authentication  
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Signer Events	Signature	Timestamp
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Todd Bloom tbloom@oakwoodhomesco.com Security Level: Email, Account Authentication (None)	<div>DocuSigned by:  7EF1A057A4CB466...</div> <div>Signature Adoption: Pre-selected Style Using IP Address: 76.120.38.217</div>	Sent: 3/19/2024 10:32:09 AM Viewed: 3/19/2024 5:26:15 PM Signed: 3/19/2024 5:26:48 PM

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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/19/2024 10:32:10 AM
Certified Delivered	Security Checked	3/19/2024 5:26:15 PM
Signing Complete	Security Checked	3/19/2024 5:26:48 PM
Completed	Security Checked	3/21/2024 10:22:56 AM
Payment Events	Status	Timestamps
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To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

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

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**Weld County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1  
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Dazzio & Associates, PC

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Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Erie Highlands Metropolitan District No. 1  
Weld County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Erie Highlands Metropolitan District No. 1, as of and for the year ended December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2023, and the respective changes in financial position and the 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. 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, 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 for 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

***Required Supplementary Information***

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America 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 opinion on the basic financial statements is 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 purposes of additional analysis and is not a required part of the basic financial statements. Such 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, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The Other Information comprises the Schedule of Debt Service Requirements to Maturity, the Schedule of Assessed Valuation, Mill Levy, and Property Taxes Collected and the Annual Disclosure Information, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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.

*Duggio & Associates, P.C.*

May 10, 2024

## **BASIC FINANCIAL STATEMENTS**



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 1,130
Cash and Investments - Restricted	395,973
Receivable from County Treasurer	2,336
Property Tax Receivable	826,546
Prepaid Bond Insurance	132,583
Capital Assets:	
Capital Assets Not Being Depreciated	183,458
Capital Assets Net of Depreciation	123,130
Total Assets	<u>1,665,156</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Refunding	<u>235,891</u>
Total Deferred Outflows of Resources	<u>235,891</u>
<b>LIABILITIES</b>	
Due to District No. 4	2,139
Accrued Interest	17,492
Noncurrent Liabilities:	
Due Within One Year	245,000
Due in More Than One Year	<u>8,194,789</u>
Total Liabilities	<u>8,459,420</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax	<u>826,546</u>
Total Deferred Inflows of Resources	<u>826,546</u>
<b>NET POSITION</b>	
Invested in Capital Assets, Net of Related Debt	(64,937)
Restricted for:	
Debt Service	101,709
Unrestricted	<u>(7,421,691)</u>
Total Net Position	<u><u>\$ (7,384,919)</u></u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 361,028	\$ -	\$ -	\$ -	\$ (361,028)
Interest and Related Costs on Long-Term Debt	242,550	-	-	-	(242,550)
Total Governmental Activities	<u>\$ 603,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(603,578)
<b>GENERAL REVENUES</b>					
Property Taxes					766,039
Specific Ownership Taxes					32,596
Interest Income					29,407
Total General Revenues					<u>828,042</u>
<b>CHANGE IN NET POSITION</b>					224,464
Net Position - Beginning of Year					<u>(7,609,383)</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ (7,384,919)</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 1,130	\$ -	\$ 1,130
Cash and Investments - Restricted	-	395,973	395,973
Receivable from County Treasurer	1,009	1,327	2,336
Property Tax Receivable	417,267	409,279	826,546
	<u>417,267</u>	<u>409,279</u>	<u>826,546</u>
Total Assets	<u>\$ 419,406</u>	<u>\$ 806,579</u>	<u>\$ 1,225,985</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to District No. 4	\$ 2,139	\$ -	\$ 2,139
Total Liabilities	<u>2,139</u>	<u>-</u>	<u>2,139</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax	417,267	409,279	826,546
Total Deferred Inflows of Resources	<u>417,267</u>	<u>409,279</u>	<u>826,546</u>
<b>FUND BALANCES</b>			
Restricted for:			
Debt Service	-	397,300	397,300
Total Fund Balances	<u>-</u>	<u>397,300</u>	<u>397,300</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 419,406</u>	<u>\$ 806,579</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			306,588
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds Payable			(8,275,000)
Bond Premium			(164,789)
Bond Interest Payable			(17,492)
Cost of Refunding			235,891
Prepaid Bond Insurance			132,583
Net Position of Governmental Activities			<u>\$ (7,384,919)</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 331,012	\$ 435,027	\$ 766,039
Specific Ownership Taxes	14,085	18,511	32,596
Interest Income	237	29,170	29,407
Total Revenues	345,334	482,708	828,042
<b>EXPENDITURES</b>			
Current:			
County Treasurer's Fees	4,965	6,526	11,491
Transfer to District No. 4	340,369	-	340,369
Debt Service:			
Bond Interest	-	216,800	216,800
Bond Principal	-	230,000	230,000
Paying Agent Fees	-	4,000	4,000
Total Expenditures	345,334	457,326	802,660
<b>NET CHANGE IN FUND BALANCES</b>	-	25,382	25,382
Fund Balances - Beginning of Year	-	371,918	371,918
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 397,300</u>	<u>\$ 397,300</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	25,382
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Depreciation Expense		(15,694)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal Payment		230,000
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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		575
Bond Premium Amortization		12,782
Cost of Refunding Amortization		(18,297)
Bond Insurance Amortization		(10,284)
		(10,284)

Changes in Net Position of Governmental Activities	\$	224,464
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*See accompanying Notes to Basic Financial Statements.*

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 331,208	\$ 331,012	\$ (196)
Specific Ownership Taxes	19,872	14,085	(5,787)
Interest Income	200	237	37
Other Revenue	3,720	-	(3,720)
Total Revenues	355,000	345,334	(9,666)
<b>EXPENDITURES</b>			
County Treasurer's Fees	4,444	4,965	(521)
Transfer to District No. 4	346,312	340,369	5,943
Contingency	4,244	-	4,244
Total Expenditures	355,000	345,334	9,666
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

Erie Highlands Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by court order and decree and recorded with the Weld County Clerk and Recorder on December 2, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the Town of Erie (the Town), in Weld County (the County), Colorado. The District was established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and financing of water, sanitation, solid waste disposal, streets, safety, parks and recreation, transportation, fire protection, mosquito control, television relay and translation, and services within and without its boundaries.

The District was organized in conjunction with Erie Highlands Metropolitan District Nos. 2, 3, 4, and 5 (each District Nos. 2, 3, 4, and 5, respectively, and together with the District, the Districts) and operates under a Consolidated Service Plan approved by the Town on September 24, 2013. The Districts entered into an Intergovernmental Agreement Concerning District Operations (the District IGA) on September 10, 2018, which set forth the respective roles, responsibilities and obligations of each district with respect to the provision of administrative services, ownership, operation and maintenance of public improvements serving the property within the Districts. The District IGA acknowledges that the District previously funded certain improvements with bonds issued in 2015. It additionally acknowledges that District No. 2 funded certain public improvements with bonds issued in 2018. The Districts further agree to assist each other with offsetting the costs of public improvements serving the Districts pursuant to the Consolidated Service Plan.

The District IGA provides that the District will own and operate any public improvements not dedicated to the Town or another governmental entity that were financed with its previous bond issue, and that District No. 4 will own and operate the remaining such improvements. The Districts engaged District No. 4 as the operator of the District-Owned Improvements and the District No. 4-Owned Improvements. The Districts not owning and operating any public improvements agree to provide funds for the operation of such improvements. District No. 4 agrees to act as the district responsible for overall administrative services, and the remaining districts agree to compensate District No. 4 for those services.

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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1    DEFINITION OF REPORTING ENTITY (CONTINUED)**

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including the other Erie Highlands Metropolitan Districts Nos. 2-5.

The District has no employees, and contracts for all of its management and professional services.

**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 taxes and intergovernmental revenues.

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.

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.

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.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, and facility fees. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 general obligation debt of the governmental funds.

**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 and other financing uses 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.

**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 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 30 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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes (Continued)**

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows 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.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of 10 to 20 years.

**Facility Fees**

Facility fees consist of the fees imposed by the District pursuant to an amended and restated resolution adopted by the District, on December 2, 2015 in an amount equal to \$1,500 per residential unit and \$1.00 per square foot of any commercial property within the District. The Facility Fees are payable on the date of issuance of a building permit of the related residential unit.

**Amortization**

**Original Issue Premium**

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Amortization (Continued)**

**Cost of Bond Refunding**

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

**Deferred Outflows and Inflows 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 amounts are incurred.

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.

**Fund 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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund 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.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 1,130
Cash and Investments - Restricted	395,973
Total Cash and Investments	<u>\$ 397,103</u>

Cash and investments as of December 31, 2023 consist of the following:

Investments	\$ 397,103
Total Cash and Investments	<u>\$ 397,103</u>

**Deposits with Financial Institutions**

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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits with Financial Institutions (Continued)**

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, 2023, the District had no cash deposits.

**Investments**

The District has not adopted a formal investment policy; however, the District follows 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

As of December 31, 2023, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 397,103

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Capital Assets, Not Being Depreciated:				
Landscape Improvements	\$ 183,458	\$ -	\$ -	\$ 183,458
Total Capital Assets, Not Being Depreciated	183,458	-	-	183,458
Capital Assets, Being Depreciated:				
Entryways	11,608	-	-	11,608
Parks & Recreation	237,072	-	-	237,072
Total Capital Assets, Being Depreciated	248,680	-	-	248,680
Less Accumulated Depreciation for:				
Entryways	4,065	581	-	4,646
Parks & Recreation	105,791	15,113	-	120,904
Total Accumulated Depreciation	109,856	15,694	-	125,550
Total Capital Assets, Being Depreciated, Net	138,824	(15,694)	-	123,130
Governmental Activities Capital Assets, Net	<u>\$ 322,282</u>	<u>\$ (15,694)</u>	<u>\$ -</u>	<u>\$ 306,588</u>

During 2018, a significant portion of the capital assets constructed by the District were conveyed to District No. 4. The costs of all capital assets transferred to District No. 4 were removed from the District's financial records. Such capital assets were funded with a portion of the proceeds of the District No. 2 bonds and constitute District No. 4-Owned Improvements, as permitted by the District IGA described in Note 1.

Depreciation expense was charged to the general government function of the District in the amount of \$15,694 for the year ended December 31, 2023.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance - December 31, 2022	Additions	Reductions	Balance - December 31, 2023	Due Within One Year
General Obligation Limited Tax Refunding Bonds - Series 2020	\$ 8,505,000	\$ -	\$ 230,000	\$ 8,275,000	\$ 245,000
Bond Premium	177,571	-	12,782	164,789	-
Total	<u>\$ 8,682,571</u>	<u>\$ -</u>	<u>\$ 242,782</u>	<u>\$ 8,439,789</u>	<u>\$ 245,000</u>

The details of the District's long-term obligations are as follows:

**General Obligation Bonds**

\$8,930,000 General Obligation Limited Tax Refunding Bonds, Series 2020, dated November 17, 2020 (the Bonds).

**Use of Proceeds**

Proceeds from the sale of the Bonds were used to:

- (a) refund the outstanding Series 2015 Bonds;
- (b) purchase a municipal bond insurance policy for the Bonds;
- (c) purchase a Reserve Policy to be issued by the Bond Insurer in the amount of 50% of the Required Reserve and fund the remaining 50% of the Reserve Fund, and
- (d) pay the costs of issuing the Bonds and refunding the Series 2015 Bonds.

**Bond Details**

The Bonds bear interest at rates ranging from 2.0% to 3.0%, payable semi-annually to the extent of Pledged Revenue available on June 1 and December 1, beginning on June 1, 2021. The Bonds consist of serial bonds in the original amount of \$2,590,000 due annually in varying amounts through beginning on December 1, 2021 through December 1, 2030, term bonds in the original amount of \$1,760,000 due on December 1, 2035, term bonds in the original amount of \$2,080,000 due on December 1, 2040 and term bonds in the original amount of \$2,500,000 due on December 1, 2045. The term bonds maturing on December 1, 2035 are subject to mandatory sinking fund redemption commencing on December 1, 2031. The term bonds maturing on December 1, 2040 are subject to mandatory sinking fund redemption commencing on December 1, 2036. The term bonds maturing on December 1, 2045 are subject to mandatory sinking fund redemption commencing on December 1, 2041.

Repayment of both principal and interest on the bonds are insured by Build America Mutual Assurance Company. The bonds are assigned an insured rating of "AA" by Standard and Poor's. All of the Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 2, 2055 (the Termination Date), regardless of the amount of principal and interest paid on the Bonds prior to the Termination Date.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Optional Redemption**

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2030, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

**Pledged Revenue**

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, generally consisting of:

- (a) the Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and
- (c) any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

**Required Mill Levy**

The Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal and interest on the Bonds as they become due and, if necessary, to replenish the Reserve Fund to the amount of the Required Reserve, but not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2014). The Required Mill Levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. The current maximum mill levy, as adjusted, is 63.721.

**Reserve Fund**

The Bonds are further secured by the Reserve Fund in the Required Reserve Amount of \$556,200, which is funded through the issuance of the Reserve Policy and a portion of the Bonds' proceeds of \$278,100. The Reserve Policy and proceeds of the Bonds are each in the amount of 50% of the Required Reserve. The Reserve Fund is to be maintained in the amount of the Required Reserve for so long as the Bonds are outstanding.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Reserve Fund (Continued)**

The District's long-term obligations on the Senior Bonds will mature as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$ 245,000	\$ 209,900	\$ 454,900
2025	250,000	202,550	452,550
2026	265,000	197,550	462,550
2027	275,000	192,250	467,250
2028	285,000	184,000	469,000
2029-2033	1,630,000	793,150	2,423,150
2034-2038	1,950,000	604,850	2,554,850
2039-2043	2,315,000	362,851	2,677,851
2044-2045	1,060,000	48,000	1,108,000
Total	<u>\$ 8,275,000</u>	<u>\$ 2,795,101</u>	<u>\$ 11,070,101</u>

**Authorized Debt**

On November 5, 2013, District voters approved debt authorization in the amount of \$540,000,000 for the construction of capital improvements. The voters also authorized debt of \$60,000,000 for the cost of operating and maintaining the District's systems, \$60,000,000 for management agreements, and \$60,000,000 for mortgages.

The District had authorized but unissued debt at December 31, 2023 for the following detailed purposes:

	Authorized November 5, 2013 Election	Series 2015A Authorization Used	Series 2015B Authorization Used	Remaining at December 31, 2023
Streets	\$ 60,000,000	\$ 3,640,658	\$ 666,043	\$ 55,693,299
Water	60,000,000	881,138	161,200	58,957,662
Sanitary Sewer and Storm Sewer	60,000,000	1,599,157	292,559	58,108,284
Parks and Recreation	60,000,000	1,619,047	296,198	58,084,755
Traffic and Safety	60,000,000	-	-	60,000,000
Mosquito Control	60,000,000	-	-	60,000,000
Public Transportation	60,000,000	-	-	60,000,000
Television Relay and Translation	60,000,000	-	-	60,000,000
Operations and Maintenance	60,000,000	-	-	60,000,000
Debt Refunding	60,000,000	-	-	60,000,000
Mortgages	60,000,000	-	-	60,000,000
Management Services Related to District Facilities	60,000,000	-	-	60,000,000
Total	<u>\$ 720,000,000</u>	<u>\$ 7,740,000</u>	<u>\$ 1,416,000</u>	<u>\$ 710,844,000</u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Authorized Debt (Continued)**

Because the Bonds were issued for the purpose of refinancing the Series 2015 Bonds at a lower interest rate, in accordance with the Article X, Section 20 of the Colorado Constitution, no portion of the District's electoral authorization is required to be allocated to the portion of the Bonds that does not exceed the outstanding principal amount of the Series 2015 Bonds (\$9,156,000). Because the par amount of the Bonds (\$8,930,000) does not exceed the outstanding principal amount of the Series 2015 Bonds, the District is not required to allocate any of its electoral authorization for debt refunding to the Bonds.

Pursuant to the Consolidated Service Plan, each District shall not issue debt in an aggregate amount in excess of \$60,000,000. Additionally, the maximum debt mill levy is 50 mills as adjusted, which shall not be imposed for longer than 40 years after the year of the initial imposition of such debt mill levy.

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

**NOTE 6 NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:

Capital Assets, Net	\$ 306,588
Noncurrent Portion of Long-Term Obligations	(371,525)
Net Investment in Capital Assets	<u>\$ (64,937)</u>

Restricted Net Position:

Debt Service	\$ 101,709
Total Restricted Net Position	<u>\$ 101,709</u>

The District has a deficit in unrestricted net position. The deficit is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 DISTRICT AGREEMENTS**

**Advance and Reimbursement Agreement**

The District entered into an Advance and Reimbursement Agreement (the Agreement) with Oakwood Homes LLC (the Developer) on December 2, 2015. The Agreement was assigned to Clayton Properties Group, LLC (Clayton) pursuant to a Bill of Sale and Assignment and Assumption Agreement between inter alia Oakwood Homes and Clayton dated July 3, 2017. Pursuant to the Agreement, the Developer will provide advances to the District for operations and maintenance.

The District will reimburse the Developer for the advances, together with interest at the rate of 8% per annum. The District will make payment for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expenses of the District. Payments by the District are applied first to interest on, then to principal of the advances.

This agreement shall be in effect until the end of the next fiscal year after the date of execution and shall automatically renew, each fiscal year until terminated. As of December 31, 2023, there were no amounts owed to the Developer by the District for operations and maintenance.

**Advance and Reimbursement and Facilities Acquisition Agreement**

The District and the Developer entered into an Advance and Reimbursement and Facilities Acquisition Agreement dated as of October 30, 2015 (the AR Agreement). The AR Agreement was assigned to Clayton Properties Group, LLC (Clayton) pursuant to a Bill of Sale and Assignment and Assumption Agreement between inter alia Oakwood Homes and Clayton dated July 3, 2017. The District and Clayton entered into a First Amendment to the AR Agreement on November 14, 2017 and a Second Amendment on September 10, 2018, both concerning and recognizing the advances made by Clayton, or its predecessors, the reimbursement of the advances by the District, and providing for a current accounting of the amounts owed at the time.

Pursuant to the AR Agreement, the Developer agreed to advance funds to the District to be used for capital construction of certain Public Improvements (the Advances). In return, the District agreed to reimburse the Developer for the Advances, together with an interest rate of 3% per annum accruing from the date that the Advances were made, subject to annual appropriation and available funds of the District, and acquire any Public Improvements constructed by the Developer.

As of December 31, 2023, there were no outstanding amounts owed to the Developer by the District for Public Improvements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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.

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 and public officials' liability 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.

The District transfers its net operating revenue to District No. 4 pursuant to the District IGA. Therefore, the Emergency Reserves related to the District's revenue are captured in the financial statements of District No. 4.

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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 9 TAX SPENDING, AND DET LIMITATIONS (CONTINUED)**

On November 5, 2013, the District voters passed an election question to increase property taxes \$2,000,000 annually, with a maximum mill levy of 20 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation), to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue annually, other than ad valorem taxes, without regard to limitations under TABOR.

**NOTE 10 SUBSEQUENT EVENTS**

On April 29, 2024, the District's Board voted to terminate the District IGA effective August 4, 2024. As of the date of these financials, the financial impact to the District and disposition of public improvements owned by District No. 4 are unknown.

## **SUPPLEMENTARY INFORMATION**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 435,284	\$ 435,027	\$ (257)
Specific Ownership Taxes	26,117	18,511	(7,606)
Interest Income	8,000	29,170	21,170
Total Revenues	<u>469,401</u>	<u>482,708</u>	<u>13,307</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	6,529	6,526	3
Bond Interest	216,800	216,800	-
Bond Principal	230,000	230,000	-
Paying Agent Fees	4,000	4,000	-
Contingency	2,671	-	2,671
Total Expenditures	<u>460,000</u>	<u>457,326</u>	<u>2,674</u>
<b>NET CHANGE IN FUND BALANCE</b>	9,401	25,382	15,981
Fund Balance - Beginning of Year	<u>367,173</u>	<u>371,918</u>	<u>(4,745)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 376,574</u>	<u>\$ 397,300</u>	<u>\$ 11,236</u>



## **OTHER INFORMATION**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2023**

<p>\$8,930,000  General Obligation Limited Tax Bonds  Dated November 17, 2020  Series 2020  Interest Rate of 2.00-3.00%  Payable June 1 and December 1  Principal Due December 1</p>			
Bonds and Interest Maturing in the Year Ending December 31,	Principal	Interest	Total
2024	\$ 245,000	\$ 209,900	\$ 454,900
2025	250,000	202,550	452,550
2026	265,000	197,550	462,550
2027	275,000	192,250	467,250
2028	285,000	184,000	469,000
2029	295,000	175,450	470,450
2030	320,000	166,600	486,600
2031	325,000	157,000	482,000
2032	345,000	150,500	495,500
2033	345,000	143,600	488,600
2034	370,000	136,700	506,700
2035	375,000	129,300	504,300
2036	390,000	121,800	511,800
2037	400,000	113,025	513,025
2038	415,000	104,025	519,025
2039	430,000	94,688	524,688
2040	445,000	85,013	530,013
2041	455,000	75,000	530,000
2042	485,000	61,350	546,350
2043	500,000	46,800	546,800
2044	520,000	31,800	551,800
2045	540,000	16,200	556,200
Total	<u>\$ 8,275,000</u>	<u>\$ 2,795,101</u>	<u>\$ 11,070,101</u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Percent Change	Mills Levied		Total Property Taxes		Percentage Collected to Levied
			General	Debt Service	Levied	Collected	
2019	\$ 9,410,490	45.47 %	22.111	55.277	\$ 728,259	\$ 724,871	99.53 %
2020	11,964,470	27.14	22.111	55.663	932,367	932,333	100.00
2021	12,483,300	4.34	22.265	33.832	700,276	697,784	99.64
2022	14,717,260	17.90	22.265	33.832	825,594	824,955	99.92
2023	14,509,480	(1.41)	22.827	30.000	766,492	766,039	99.94
Estimated for Year Ending December 31, 2024	\$ 16,371,130	12.83 %	25.488	25.000	\$ 826,546		

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 the County Treasurer does not permit identification of specific year of assessment.

## **ANNUAL DISCLOSURE**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**ANNUAL DISCLOSURE**  
**DECEMBER 31, 2023**

<u>Class</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>	<u>Actual Valuation</u>	<u>Percent of Actual Valuation</u>
Vacant Land	\$ 1,330	0.01 %	\$ 4,585	0.00 %
Residential	14,116,180	97.29	203,098,641	99.41
Commercial	23,880	0.16	82,358	0.04
Oil and Gas	80,970	0.56	130,923	0.06
State Assessed	<u>287,120</u>	<u>1.98</u>	<u>990,065</u>	<u>0.48</u>
Total	<u>\$ 14,509,480</u>	<u>100.00 %</u>	<u>\$ 204,306,572</u>	<u>100.00 %</u>

NOTE: Totals do not include exempt classes of property.

**ERIE HIGHLANDS METROPOLITAN  
DISTRICT NO. 2  
Weld County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2  
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## Dazzio & Associates, PC

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Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Erie Highlands Metropolitan District No. 2  
Weld County, Colorado

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Erie Highlands Metropolitan District No. 2, as of and for the year ended December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2023, and the respective changes in financial position and the 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. 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, 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 for 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

***Required Supplementary Information***

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America 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 opinion on the basic financial statements is 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 purposes of additional analysis and is not a required part of the basic financial statements. Such 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, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The Other Information comprises the Schedule of Debt Service Requirements to Maturity and the Schedule of Assessed Valuation, Mill Levy, and Property Taxes Collected, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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.

*Daggio & Associates, P.C.*

May 10, 2024

## **BASIC FINANCIAL STATEMENTS**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 654
Cash and Investments - Restricted	1,106,226
Receivable from County Treasurer	2,045
Property Tax Receivable	<u>1,056,224</u>
Total Assets	2,165,149
<b>LIABILITIES</b>	
Accounts Payable	8,000
Due to District No. 4	1,238
Accrued Interest Payable	51,188
Noncurrent Liabilities:	
Due Within One Year	135,000
Due in More Than One Year	<u>19,642,591</u>
Total Liabilities	19,838,017
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax	<u>1,056,224</u>
Total Deferred Inflows of Resources	<u>1,056,224</u>
<b>NET POSITION</b>	
Restricted for:	
Debt Service	100,261
Net Position - Unrestricted	<u>(18,829,353)</u>
Total Net Position	<u><u>\$ (18,729,092)</u></u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 199,670	\$ -	\$ -	\$ (199,670)
Interest and Related Costs	1,220,333	-	-	(1,208,333)
on Long-Term Debt				
Total Governmental Activities	<u>\$ 1,420,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,408,003)</u>
GENERAL REVENUES				
Property Taxes				671,023
Specific Ownership Taxes				27,707
Interest Income				64,628
Total General Revenues and Transfers				<u>763,358</u>
				(644,645)
CHANGE IN NET POSITION				
Net Position - Beginning of Year				<u>(18,084,447)</u>
NET POSITION - END OF YEAR				<u>\$ (18,729,092)</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 654	\$ -	\$ 654
Cash and Investments - Restricted	-	1,106,226	1,106,226
Receivable from County Treasurer	584	1,461	2,045
Property Tax Receivable	<u>301,771</u>	<u>754,453</u>	<u>1,056,224</u>
Total Assets	<u>\$ 303,009</u>	<u>\$ 1,862,140</u>	<u>\$ 2,165,149</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 8,000	\$ 8,000
Due to District No. 4	<u>1,238</u>	<u>-</u>	<u>1,238</u>
Total Liabilities	1,238	8,000	9,238
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Tax	<u>301,771</u>	<u>754,453</u>	<u>1,056,224</u>
Total Deferred Inflows of Resources	301,771	754,453	1,056,224
<b>FUND BALANCES</b>			
Restricted for:			
Debt Service	<u>-</u>	<u>1,099,687</u>	<u>1,099,687</u>
Total Fund Balances	<u>-</u>	<u>1,099,687</u>	<u>1,099,687</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 303,009</u>	<u>\$ 1,862,140</u>	

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

Bonds Payable	(17,119,000)
Bond Interest Payable on Subordinate Bonds	(2,658,591)
Bond Interest Payable on Senior Bonds	<u>(51,188)</u>
Net Position of Governmental Activities	<u>\$ (18,729,092)</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 191,717	\$ 479,306	\$ 671,023
Specific Ownership Taxes	7,916	19,791	27,707
System Development Fees	-	12,000	12,000
Interest Income	37	64,591	64,628
Total Revenues	<u>199,670</u>	<u>575,688</u>	<u>775,358</u>
<b>EXPENDITURES</b>			
Current:			
County Treasurer's Fees	2,872	7,180	10,052
Transfer to District No. 4	196,798	-	196,798
Debt Service:			
Bond Interest	-	615,563	615,563
Bond Principal	-	25,000	25,000
Paying Agent Fees	-	8,000	8,000
Total Expenditures	<u>199,670</u>	<u>655,743</u>	<u>855,413</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(80,055)	(80,055)
Fund Balances - Beginning of Year	<u>-</u>	<u>1,179,742</u>	<u>1,179,742</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 1,099,687</u></u>	<u><u>\$ 1,099,687</u></u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ (80,055)
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal Payment	25,000
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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 2018A Bonds	109
Accrued Interest on 2018B Bonds	(189,767)
Accrued Interest on 2018C Bonds	<u>(399,932)</u>

Changes in Net Position of Governmental Activities	<u>\$ (644,645)</u>
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**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

	Original and Final Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 191,667	\$ 191,717	\$ 50
Specific Ownership Taxes	11,500	7,916	(3,584)
Interest Income	40	37	(3)
Other Revenue	3,793	-	(3,793)
Total Revenues	207,000	199,670	(7,330)
<b>EXPENDITURES</b>			
County Treasurer's Fees	2,875	2,872	3
Contingency	3,793	-	3,793
Transfer to District No. 4	200,332	196,798	3,534
Total Expenditures	207,000	199,670	7,330
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

Erie Highlands Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by court order and decree and recorded with the Weld County Clerk and Recorder on December 2, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the Town of Erie (the Town), in Weld County (the County), Colorado. The District was established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and financing of water, sanitation, solid waste disposal, streets, safety, parks and recreation, transportation, fire protection, mosquito control, television relay and translation, and services within and without its boundaries.

The District was organized in conjunction with Erie Highlands Metropolitan District Nos. 1, 3, 4, and 5 (each District Nos. 1, 3, 4, and 5, respectively, and together with the District, the Districts) and operates under a Consolidated Service Plan approved by the Town on September 24, 2013. The Districts entered into an Intergovernmental Agreement Concerning District Operations (the "District IGA") on September 10, 2018, which set forth the respective roles, responsibilities and obligations of each district with respect to the provision of administrative services, ownership, operation and maintenance of public improvements serving the property within the Districts. The District IGA acknowledges that the District No. 1 previously funded certain improvements with bonds issued in 2015. It additionally acknowledges that the District funded certain public improvements with bonds issued in 2018. The Districts further agree to assist each other with offsetting the costs of public improvements serving the Districts pursuant to the Service Plan.

The District IGA provides that District No. 1 will own and operate any public improvements not dedicated to the Town or another governmental entity that were financed with its previous bond issue, and that District No. 4 will own and operate the remaining such improvements. The Districts engaged District No. 4 as the operator of the District No. 1-Owned Improvements and the District No. 4-Owned Improvements. The Districts not owning and operating any public improvements agree to provide funds for the operation of such improvements. District No. 4 agrees to act as the district responsible for overall administrative services, and the remaining districts agree to compensate District No. 4 for those services.

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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1    DEFINITION OF REPORTING ENTITY (CONTINUED)**

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

The District has no employees and contracts for all of its management and professional services.

**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 taxes and intergovernmental revenues.

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.

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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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, specific ownership taxes, and facility fees. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 general obligation debt of the governmental funds.

**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 and other financing uses 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.

**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 total cash.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 30 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 inflows 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**

Facility fees consist of the fees imposed by the District pursuant to a resolution adopted by the District on August 9, 2018, with an effective date of March 1, 2018, in an amount equal to \$1,500 per single-family residential unit, \$1,000 per single family attached unit, and \$1.00 per square foot of any commercial property within the District. The Facility Fees are due and payable on the date of issuance of a building permit for the related residential unit.

**District Fees**

On June 5, 2022, the District adopted a joint resolution with District No. 4 imposing the "Carriage House Operations & Maintenance Fee" to fund the cost of maintaining the public improvements located within Erie Highlands Filing No. 16, in the amount of \$99.83 per month. The Fee was imposed by the District and the revenue is paid to District No. 4.

**Deferred Inflows 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.

**Fund 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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Equity (Continued)**

**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.

*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.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 654
Cash and Investments - Restricted	1,106,226
Total Cash and Investments	<u>\$ 1,106,880</u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments as of December 31, 2023, consist of the following:

Investments	\$ 1,106,880
Total Cash and Investments	<u>\$ 1,106,880</u>

**Deposits with Financial Institutions**

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, 2023, the District had no cash deposits.

**Investments**

The District has not adopted a formal investment policy; however, the District follows 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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund	Weighted-Average	
Trust (CSAFE)	Under 60 Days	\$ 1,106,880
		<u>\$ 1,106,880</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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE (Continued)**

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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. 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 an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Compounding of Unpaid Interest	Balance at December 31, 2023	Due Within One Year
Limited Tax General Obligation Bonds - Series 2018A	\$ 11,725,000	\$ -	\$ 25,000	\$ -	\$ 11,700,000	\$ 135,000
Subordinate Limited Tax General Obligation Bonds - Series 2018B:						
Principal	1,819,000	-	-	-	1,819,000	-
Interest	669,745	139,340	-	50,427	859,512	-
Junior Lien Limited Tax General Obligation Bonds - Series 2018C:						
Principal	3,600,000	-	-	-	3,600,000	-
Interest	1,399,147	289,417	-	110,515	1,799,079	-
Total Long-Term Obligations	<u>\$ 19,212,892</u>	<u>\$ 428,757</u>	<u>\$ 25,000</u>	<u>\$ 160,942</u>	<u>\$ 19,777,591</u>	<u>\$ 135,000</u>

he details of the District's long-term obligations are as follows:

**Bond Details**

The District issued Limited Tax General Obligation Bonds, Series 2018A (the "2018A Senior Bonds"), Subordinate Limited Tax General Obligation Bonds, Series 2018B (the "2018B Subordinate Bonds"), and Junior Lien Limited Tax General Obligation Bonds, Series 2018C (the "2018C Junior Lien Bonds," and together with the 2018A Senior Bonds and the 2018B Subordinate Bonds, the "2018 Bonds") on September 28, 2018 in the amounts of \$11,725,000, \$1,819,000, and \$3,600,000, respectively.

Proceeds of the 2018A Senior Bonds were used to: (i) finance public improvements; (ii) pay capitalized interest on the 2018A Senior Bonds; (iii) fund the Senior Reserve Fund; and (iv) pay other costs in connection with the issuance of the 2018A Senior Bonds. Proceeds of the 2018B Subordinate Bonds and the 2018C Junior Lien Bonds were used to finance additional public improvements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Bond Details (Continued)**

The 2018A Senior Bonds bear interest at 5.25%, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The 2018 Bonds mature on December 1, 2048. To the extent the 2018A Senior Bonds are not paid when due, the unpaid principal will continue to bear interest and the unpaid interest will compound semi-annually on each June 1 and December 1 until the total repayment obligation of the District for the 2018A Senior Bonds equals the amount permitted by law. Any amounts due and owing on the 2018A Senior Bonds remaining outstanding on December 1, 2058, shall be deemed discharged and shall no longer be due and outstanding.

The 2018B Subordinate Bonds bear interest at 7.625% and mature on December 15, 2048. The 2018B Subordinate Bonds constitute subordinate "cash flow" bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Subordinate Pledged Revenue is available for payment. Principal and interest payments are due on the 2018B Subordinate Bonds on each December 15 only to the extent Subordinate Pledged Revenue is available therefor. In the event that the Subordinate Pledged Revenue is insufficient to pay the 2018B Subordinate Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the 2018B Subordinate Bonds equals the amount permitted by law. Any amounts due and owing on the 2018B Subordinate Bonds remaining outstanding on December 15, 2058, shall be deemed discharged and shall no longer be due and outstanding.

The 2018C Junior Lien Bonds bear interest at 8% through December 14, 2023 and 6% thereafter. The 2018C Junior Lien Bonds mature on December 15, 2052. The 2018C Junior Lien Bonds constitute junior lien "cash flow" bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Junior Lien Pledged Revenue is available for payment. Principal and interest payments are due on the 2018C Junior Lien Bonds on each December 15 only to the extent Junior Lien Pledged Revenue is available therefor. In no event will any amounts be paid on the 2018C Junior Lien Bonds until such time as there has been paid in full or defeased the 2018B Subordinate Bonds, and, to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations issued by the District.

In the event that the Junior Lien Pledged Revenue is insufficient to pay the 2018C Junior Lien Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the 2018C Junior Lien Bonds equals the amount permitted by law. In the event any amounts due and owing on the 2018C Junior Lien Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Optional Redemption**

The 2018A Senior Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, 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, 2023, to November 30, 2024	3.00%
December 1, 2024, to November 30, 2025	2.00
December 1, 2025, to November 30, 2026	1.00
December 1, 2026, and thereafter	0.00

The 2018B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2023, 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 15, 2023, to December 14, 2024	3.00%
December 15, 2024, to December 14, 2025	2.00
December 15, 2025, to December 14, 2026	1.00
December 15, 2026, and thereafter	0.00

The 2018C Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2023, 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 15, 2023, to December 14, 2024	3.00%
December 15, 2024, to December 14, 2025	2.00
December 15, 2025, to December 14, 2026	1.00
December 15, 2026, and thereafter	0.00

**Pledged Revenue**

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: (i) all Senior Property Tax Revenues; (ii) all Senior Specific Ownership Tax Revenues; (iii) all Capital Fees; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The 2018A Senior Bonds are additionally secured by the Senior Reserve Fund, which will initially be funded with proceeds of the 2018A Senior Bonds in the amount of the Reserve Requirement, capitalized interest which will be funded with proceeds of the 2018A Senior Bonds and by amounts in the Senior Surplus Fund, if any. The Senior Surplus Fund will not be funded as of the date of issuance of the 2018A Senior Bonds.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Pledged Revenue (Continued)**

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue defined generally in the 2018B Subordinate Indenture as the following, net of any costs of collection: (i) all Subordinate Property Tax Revenues; (ii) all Subordinate Specific Ownership Tax Revenues; (iii) all Subordinate Capital Fee Revenue; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The 2018C Junior Lien Bonds are payable solely from and to the extent of the Junior Lien Pledged Revenue, which is defined generally in the 2018C Junior Lien Indenture as the following, net costs of collection: (i) all Junior Lien Property Tax Revenues; (ii) all Junior Lien Specific Ownership Tax Revenues; (iii) all Junior Lien Capital Fee Revenue; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

**Property Tax Revenues**

"Senior Property Tax Revenues" are generally defined as all moneys derived from imposition by the District of the Senior Required Mill Levy, but excluding Senior Specific Ownership Tax Revenues. Senior Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

"Subordinate Property Tax Revenues" are defined as all moneys derived from imposition by the District of the Subordinate Required Mill Levy, but excluding Subordinate Specific Ownership Tax Revenues. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

"Junior Lien Property Tax Revenues" are defined as all moneys derived from imposition by the District of the Junior Lien Required Mill Levy, but excluding Junior Lien Specific Ownership Tax Revenues. Junior Lien Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

**Required Mill Levy**

Pursuant to the 2018A Senior Indenture, the District will impose a Senior Required Mill Levy on all taxable property of the District each year to pay the principal of and interest on the 2018A Senior Bonds, replenish the Reserve Fund to the Reserve Requirement and, for so long as it is in existence, fund the Surplus Fund to the Maximum Surplus Amount in an amount equal to: (i) 50 mills (subject to adjustment described below) or (ii) such lesser amount that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Senior Bond Fund, the Surplus Fund, and the Reserve Fund will pay the 2018A Senior Bonds in full. In no event is the District to be required to impose the Senior Required Mill Levy after December 2057 (for collection in calendar year 2058).

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Required Mill Levy (Continued)**

In the event that the method of calculating assessed valuation is changed after January 1, 2014, the minimum and maximum mill levy of 50 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

The 2018B Subordinate Indenture requires the District to impose the Subordinate Required Mill Levy, which is generally defined as an ad valorem mill levy equal to 50 mills less the Senior Obligation Mill Levy (the sum of the Senior Required Mill Levy and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations), subject to adjustment.

The Junior Lien Required Mill Levy is generally defined in the 2018C Junior Lien Indenture as an ad valorem mill levy equal to 50 mills less the sum of the Senior Required Mill Levy required to be imposed by the District in accordance with the 2018A Senior Indenture, the Subordinate Required Mill Levy required to be imposed by the District in accordance with the 2018B Subordinate Indenture and any other ad valorem property tax levy required to be imposed by the District for the payment of other Senior/Subordinate Obligations, subject to adjustment. The maximum mill levy for the repayment of debt shall not apply to the District's ability to increase its mill levy as necessary for the provision of operation and maintenance services to their taxpayers. The Consolidated Service Plan allows for the imposition of a maximum of 20 mills, as adjusted, for operations and maintenance.

**Specific Ownership Tax Revenues**

"Senior Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy.

"Subordinate Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy.

"Junior Lien Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of the Junior Lien Required Mill Levy.

**Capital Fee Revenues**

Capital Fees pledged to the payment of the 2018A Senior Bonds include Facilities Fees. The Facilities Fee is imposed in the amount of \$1,500 per single family detached unit, \$1,000 per single family attached unit, and \$1.00 per square foot of any commercial property within the District. The Facilities Fee is due and payable to the District upon issuance of a building permit for construction of structures on property within the District.

"Subordinate Capital Fee Revenue" means any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Capital Fee Revenues (Continued)**

"Junior Lien Capital Fee Revenue" means any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior/Subordinate Obligations.

**Senior Reserve Fund**

Moneys in the Senior Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the 2018A Senior Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose.

If a withdrawal from the Senior Reserve Fund is made that reduces the balance in such fund below the Reserve Requirement of \$948,238, the District shall include in the computation of its next mill levy certification the amount necessary to replenish the Senior Reserve Fund to the Reserve Requirement.

Amounts on deposit in the Senior Reserve Fund on the maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds on such date. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in December 2047 for collection in calendar year 2048.

**Senior Surplus Fund**

Senior Pledged Revenue that is not needed to pay debt service on the 2018A Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,172,500.

It is intended that amounts in the Senior Surplus Fund are to be transferred to the Senior Bond Fund prior to any transfer from the Senior Reserve Fund or the Senior Project Fund, for so long as such account remains in existence. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds maturing on such date.

The District's long-term obligations on the 2018A Senior Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 135,000	\$ 614,250	\$ 749,250
2025	155,000	607,163	762,163
2026	175,000	599,025	774,025
2027	185,000	589,838	774,838
2028	210,000	580,125	790,125
2029-2033	1,330,000	2,717,400	4,047,400
2034-2038	1,965,000	2,305,013	4,270,013
2039-2043	2,765,000	1,709,400	4,474,400
2044-2048	4,780,000	877,800	5,657,800
Total	<u>\$ 11,700,000</u>	<u>\$ 10,600,013</u>	<u>\$ 22,300,013</u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

The amounts of principal and interest payments to be made in future years on the 2018B Subordinate Bonds and the 2018C Junior Lien Bonds will depend on pledged revenue collected and cannot be predicted with certainty.

**Authorized Debt**

On November 5, 2013, District voters approved debt authorization in the amount of \$540,000,000 for the construction of capital improvements. The voters also authorized debt of \$60,000,000 for the cost of operating and maintaining the District's systems, \$60,000,000 for management agreements, and \$60,000,000 for mortgages.

The District had authorized but unissued debt at December 31, 2023, for the following detailed purposes:

	Authorized November 5, 2013 Election	Series 2018A Authorization Used	Series 2018B Authorization Used	Series 2018C Authorization Used	Remaining at December 31, 2023
Streets	\$ 60,000,000	\$ 7,357,846	\$ 822,966	\$ 78,837	\$ 51,740,351
Water	60,000,000	1,498,578	214,094	20,509	58,266,819
Sanitary Sewer and Storm Sewer	60,000,000	2,342,323	388,554	37,222	57,231,901
Parks and Recreation	60,000,000	526,253	393,386	3,463,432	55,616,929
Traffic & Safety	60,000,000	-	-	-	60,000,000
Mosquito Control	60,000,000	-	-	-	60,000,000
Public Transportation	60,000,000	-	-	-	60,000,000
Television Relay and Translation	60,000,000	-	-	-	60,000,000
Operations and Maintenance	60,000,000	-	-	-	60,000,000
Debt Refunding	60,000,000	-	-	-	60,000,000
Mortgages	60,000,000	-	-	-	60,000,000
Management Services Related to District Facilities	60,000,000	-	-	-	60,000,000
<b>Total</b>	<b>\$ 720,000,000</b>	<b>\$ 11,725,000</b>	<b>\$ 1,618,000</b>	<b>\$ 3,600,000</b>	<b>\$ 702,856,000</b>

Pursuant to the Consolidated Service Plan, each District shall not issue debt in an aggregate amount in excess of \$60,000,000. Additionally, the maximum debt mill levy is 50 mills as adjusted, which shall not be imposed for longer than 40 years after the year of the initial imposition of such debt mill levy.

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 NET POSITION**

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

Restricted net position includes assets 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, 2023 as follows:

Restricted Net Position:

Debt Service	\$ 100,261
Total Restricted Net Position	<u>\$ 100,261</u>

The District has a deficit in unrestricted net position. The deficit is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

**NOTE 6 RELATED PARTIES**

Some of the members of the Board of Directors during 2023 were employees of, or consultants to, Clayton Properties Group II, Inc., a Colorado corporation doing business as Oakwood Homes and the major landowner, developer and homebuilder of the property within the Districts, and may have conflicts of interest with the District.

An affiliated entity of Clayton Properties Group II, Inc. holds the 2018C Junior Lien Bonds.

**NOTE 7 DISTRICT AGREEMENTS**

**Advance and Reimbursement and Facilities Acquisition Agreement**

The District and the Developer entered into an Advance and Reimbursement and Facilities Acquisition Agreement dated as of September 10, 2018 (the Acquisition Agreement). Pursuant to the Acquisition Agreement, the Developer agreed to advance funds to the District to be used for capital construction of certain Public Improvements (the "Advances"). In return, the District agreed to reimburse the Developer for the Advances, together with an interest rate of 3% per annum accruing from the date that the Advances were made, subject to annual appropriation and available funds of the District, and acquire any Public Improvements constructed by the Developer.

The District paid the Developer \$8,711,809 for the cost of certain Public Improvements from proceeds of the issuance of the 2018 Bonds. As of December 31, 2023, there were no outstanding amounts owed to the Developer by the District for Public Improvements.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**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.

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 and public officials' liability 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. The District transfers its net operating revenue to District No. 4. Therefore, the Emergency Reserves related to the District's revenues are reported in District No. 4.

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.

On November 5, 2013, the District voters passed an election question to increase property taxes \$2,000,000 annually, with a maximum mill levy of 20 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation), to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue annually, other than ad valorem taxes, without regard to limitations under TABOR.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 SUBSEQUENT EVENTS**

On April 29, 2024, the District's Board voted to terminate the District IGA effective August 4, 2024. As of the date of these financials, the financial impact to the District and disposition of public improvements owned by District No. 4 are unknown.

## **SUPPLEMENTARY INFORMATION**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 479,181	\$ 479,306	\$ 125
Specific Ownership Taxes	28,751	19,791	(8,960)
System Development Fees	105,000	12,000	(93,000)
Interest Income	23,000	64,591	41,591
Total Revenues	635,932	575,688	(60,244)
<b>EXPENDITURES</b>			
County Treasurer's Fees	7,188	7,180	8
Paying Agent Fees	8,000	8,000	-
Bond Interest	615,563	615,563	-
Bond Principal	25,000	25,000	-
Contingency	4,249	-	4,249
Total Expenditures	660,000	655,743	4,257
<b>NET CHANGE IN FUND BALANCE</b>	(24,068)	(80,055)	(55,987)
Fund Balance - Beginning of Year	1,210,652	1,179,742	(30,910)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,186,584</u>	<u>\$ 1,099,687</u>	<u>\$ (86,897)</u>

## **OTHER INFORMATION**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2023**

	<b>\$11,725,000</b> <b>Limited Tax General Obligation Bonds</b> <b>Dated September 28, 2018</b> <b>Series 2018A</b> <b>Interest Rate of 5.25%</b> <b>Payable June 1 and December 1</b> <b>Principal Due December 1</b>		
Bonds and Interest Maturing in the Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 135,000	\$ 614,250	\$ 749,250
2025	155,000	607,163	762,163
2026	175,000	599,025	774,025
2027	185,000	589,838	774,838
2028	210,000	580,125	790,125
2029	220,000	569,100	789,100
2030	250,000	557,550	807,550
2031	260,000	544,425	804,425
2032	290,000	530,775	820,775
2033	310,000	515,550	825,550
2034	340,000	499,275	839,275
2035	360,000	481,425	841,425
2036	395,000	462,525	857,525
2037	415,000	441,788	856,788
2038	455,000	420,000	875,000
2039	480,000	396,113	876,113
2040	520,000	370,913	890,913
2041	545,000	343,613	888,613
2042	595,000	315,000	910,000
2043	625,000	283,763	908,763
2044	675,000	250,950	925,950
2045	710,000	215,513	925,513
2046	770,000	178,238	948,238
2047	810,000	137,813	947,813
2048	1,815,000	95,288	1,910,288
Total	<u>\$ 11,700,000</u>	<u>\$ 10,600,013</u>	<u>\$ 22,300,013</u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Total Mills Levied		Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service	Levied	Collected	
2019	\$ 1,948,370	22.111	55.277	\$ 150,780	\$ 132,689 *	88.00 %
2020	3,140,450	22.265	55.663	244,729	244,729	100.00
2021	5,334,870	22.265	55.663	415,736	415,228	99.88
2022	6,765,870	22.265	55.663	527,251	527,278	100.01
2023	8,564,600	22.379	55.949	670,848	671,023	100.03
Estimated for Year Ending December 31, 2024	\$ 11,736,610	25.712	64.282	\$ 1,056,224		

\*In 2019, refunds and abatements totaled \$18,901.

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 the County Treasurer does not permit identification of specific year of assessment.

**ERIE HIGHLANDS METROPOLITAN  
DISTRICT NO. 4  
Weld County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4  
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Dazzio & Associates, PC

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Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Erie Highlands Metropolitan District No. 4  
Weld County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Erie Highlands Metropolitan District No. 4, as of and for the year ended December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparisons for the General Fund and the Special Revenue 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. 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, 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 for 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

***Required Supplementary Information***

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America 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 opinion on the basic financial statements is 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 purposes of additional analysis and is not a required part of the basic financial statements. Such 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, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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.

*Dassio & Associates, P.C.*

June 25, 2024

## **BASIC FINANCIAL STATEMENTS**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 91,325
Cash and Investments - Restricted	81,569
Due from Other Districts	3,476
Receivable from County Treasurer	68
Accounts Receivable	31,625
Prepaid Expense	12,501
Property Taxes Receivable	2,178
Capital Assets Not Being Depreciated	151,182
Capital Assets, Net	<u>3,074,750</u>
Total Assets	<u>3,448,674</u>
<b>LIABILITIES</b>	
Accounts Payable	172,330
Prepaid Assessments	572
Landscape Escrow	31,500
Noncurrent Liabilities:	
Due in More Than One Year	<u>1,965,329</u>
Total Liabilities	<u>2,169,731</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	<u>2,178</u>
Total Deferred Inflows of Resources	<u>2,178</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	3,225,932
Restricted for:	
Emergency Reserves	21,900
Debt Service	59,717
Unrestricted	<u>(2,030,784)</u>
Total Net Position	<u><u>\$ 1,276,765</u></u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
	<u>Expenses</u>				
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 1,020,690	\$ 68,942	\$ 664,851	\$ -	\$ (286,897)
Interest and Related Costs on Long-Term Debt	112,837	-	-	-	(112,837)
	<u>\$ 1,133,527</u>	<u>\$ 68,942</u>	<u>\$ 664,851</u>	<u>\$ -</u>	(399,734)
<b>GENERAL REVENUES</b>					
Property Taxes					21,898
Specific Ownership Taxes					946
Net Investment Income					8,773
Other Revenue					550
Total General Revenues					<u>32,167</u>
<b>CHANGE IN NET POSITION</b>					(367,567)
Net Position - Beginning of Year					<u>1,644,332</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 1,276,765</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 79,196	\$ 12,129	\$ -	\$ 91,325
Cash and Investments - Restricted	20,200	1,700	59,669	81,569
Receivable from County Treasurer	20	-	48	68
Accounts Receivable	25,720	5,905	-	31,625
Due from District No. 1	2,139	-	-	2,139
Due from District No. 2	1,238	-	-	1,238
Due from District No. 3	80	-	-	80
Due from District No. 5	19	-	-	19
Prepaid Expenses	12,501	-	-	12,501
Property Taxes Receivable	622	-	1,556	2,178
Total Assets	<u>\$ 141,735</u>	<u>\$ 19,734</u>	<u>\$ 61,273</u>	<u>\$ 222,742</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 144,460	\$ 27,870	\$ -	\$ 172,330
Prepaid Assessments	-	572	-	572
Landscape Escrow	31,500	-	-	31,500
Total Liabilities	<u>175,960</u>	<u>28,442</u>	<u>-</u>	<u>204,402</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax	622	-	1,556	2,178
Total Deferred Inflows of Resources	<u>622</u>	<u>-</u>	<u>1,556</u>	<u>2,178</u>
<b>FUND BALANCES</b>				
Nonspendable	12,501	-	-	12,501
Restricted for:				
Emergency Reserves	20,200	1,700	-	21,900
Debt Service	-	-	59,717	59,717
Unassigned	(67,548)	(10,408)	-	(77,956)
Total Fund Balances	<u>(34,847)</u>	<u>(8,708)</u>	<u>59,717</u>	<u>16,162</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 141,735</u>	<u>\$ 19,734</u>	<u>\$ 61,273</u>	

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

Capital assets are reported as assets on the Statement of Net Position but are recorded as expenditures in the funds.	
Capital Assets, Net	3,225,932
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer Advances Payable	(1,594,549)
Accrued Interest on Developer Advances	(370,780)
Net Position of Governmental Activities	<u>\$ 1,276,765</u>

See accompanying Notes to Basic Financial Statements.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 6,257	\$ -	\$ 15,641	\$ 21,898
Specific Ownership Taxes	270	-	676	946
Clubhouse Rental	6,675	-	-	6,675
Design Review Fee	6,250	-	-	6,250
Transfer from District No. 1	340,369	-	-	340,369
Transfer from District No. 2	196,798	-	-	196,798
Transfer from District No. 3	26,967	-	-	26,967
Transfer from District No. 5	6,433	-	-	6,433
Net Investment Income	8,773	-	-	8,773
Insurance Proceeds	61,361	-	-	61,361
Grant Proceeds	10,700	-	-	10,700
Other Revenue	550	-	-	550
Carriage House District Fees	-	56,017	-	56,017
Total Revenues	671,403	56,017	16,317	743,737
<b>EXPENDITURES</b>				
Current:				
General and Administrative	380,153	16,176	-	396,329
District Operations and Maintenance	207,303	55,862	-	263,165
Clubhouse Operations	93,590	-	-	93,590
Pool Operations	122,239	-	-	122,239
Debt Service:				
County Treasurer's Fees	-	-	235	235
Total Expenditures	803,285	72,038	235	875,558
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(131,882)	(16,021)	16,082	(131,821)
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	75,000	12,000	-	87,000
Developer Contribution	22,223	-	-	22,223
Total Other Financing Sources (Uses)	97,223	12,000	-	109,223
<b>NET CHANGE IN FUND BALANCES</b>	(34,659)	(4,021)	16,082	(22,598)
Fund Balances - Beginning of Year	(188)	(4,687)	43,635	38,760
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (34,847)</u>	<u>\$ (8,708)</u>	<u>\$ 59,717</u>	<u>\$ 16,162</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Governmental Funds	\$ (22,598)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Depreciation	(145,367)
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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. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Developer Advances	(87,000)
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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.

Change in Accrued Interest on Developer Advances	(112,602)
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Change in Net Position of Governmental Activities	\$ <u>(367,567)</u>
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**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**GENERAL FUND –**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 6,355	\$ 6,355	\$ 6,257	\$ (98)
Specific Ownership Taxes	381	275	270	(5)
Clubhouse Rental	5,000	7,000	6,675	(325)
Design Review Fee	5,000	7,000	6,250	(750)
Transfer from District No. 1	346,312	339,414	340,369	955
Transfer from District No. 2	200,332	196,625	196,798	173
Transfer from District No. 3	27,578	27,277	26,967	(310)
Transfer from District No. 5	6,641	6,568	6,433	(135)
Net Investment Income	3,000	9,000	8,773	(227)
Insurance Proceeds	-	61,407	61,361	(46)
Grant Proceeds	-	10,700	10,700	-
Other Revenue	1,000	-	550	550
Total Revenues	601,599	671,621	671,403	(218)
<b>EXPENDITURES</b>				
General and Administrative	226,302	381,000	380,153	847
District Operations and Maintenance	236,075	208,715	207,303	1,412
Clubhouse Operations	127,300	95,450	93,590	1,860
Pool Operations	85,323	122,835	122,239	596
Total Expenditures	675,000	808,000	803,285	4,715
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(73,401)	(136,379)	(131,882)	4,497
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer Advance	75,000	114,500	75,000	(39,500)
Developer Contribution	-	22,223	22,223	-
Total Other Financing Sources (Uses)	75,000	136,723	97,223	(39,500)
<b>NET CHANGE IN FUND BALANCE</b>	1,599	344	(34,659)	(35,003)
Fund Balance - Beginning of Year	21,917	(188)	(188)	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 23,516</u>	<u>\$ 156</u>	<u>\$ (34,847)</u>	<u>\$ (35,003)</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4  
SPECIAL REVENUE FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Carriage House District Fees	\$ 65,678	\$ 56,017	\$ (9,661)
Other Revenue	24,500	-	(24,500)
Total Revenues	90,178	56,017	(34,161)
<b>EXPENDITURES</b>			
General and Administrative:			
Billing	15,000	15,837	(837)
Contingency	728	339	389
Operations and Maintenance:			
Landscaping	25,000	31,484	(6,484)
Operations Management	20,000	19,069	931
Winter Watering	1,000	-	1,000
Covenant Control and Inspections	2,500	641	1,859
Snow Removal	20,000	4,518	15,482
Repairs and Maintenance	3,750	150	3,600
Total Expenditures	87,978	72,038	15,940
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,200	(16,021)	(18,221)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	-	12,000	12,000
Total Other Financing Sources (Uses)	-	12,000	12,000
<b>NET CHANGE IN FUND BALANCE</b>	2,200	(4,021)	(6,221)
Fund Balance - Beginning of Year	500	(4,687)	(5,187)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,700</u>	<u>\$ (8,708)</u>	<u>\$ (11,408)</u>

See accompanying Notes to Basic Financial Statements.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

Erie Highlands Metropolitan District No. 4 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by court order and decree and recorded with the Weld County Clerk and Recorder on December 2, 2013 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the Town of Erie (the Town), in Weld County (the County), Colorado. The District was established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and financing of water, sanitation, solid waste disposal, streets, safety, parks and recreation, transportation, fire protection, mosquito control, television relay and translation, and services within and without its boundaries.

The District was organized in conjunction with Erie Highlands Metropolitan District Nos. 1, 2, 3, and 5 (each District Nos. 1, 2, 3, and 5, respectively, and together with the District, the Districts) and operates under a Consolidated Service Plan for the Districts approved by the Town on September 24, 2013, as amended by the First Amendment to Service Plan for the Districts as approved by the Town of October 19, 2020 (the Service Plan). The Districts entered into an Intergovernmental Agreement Concerning District Operations (the District IGA) on September 10, 2018, which set forth the respective roles, responsibilities and obligations of each district with respect to the provision of administrative services, ownership, operation and maintenance of public improvements serving the property within the Districts. The District IGA acknowledges that District No. 1 previously funded certain improvements with bonds issued in 2015. It additionally acknowledges that District No. 2 funded certain public improvements with bonds issued in 2018. The Districts further agree to assist each other with offsetting the costs of public improvements serving the Districts pursuant to the Service Plan.

The District IGA provides that District No. 1 will own and operate any public improvements not dedicated to the Town or another governmental entity that were financed with its previous bond issue, and that the District will own and operate the remaining such improvements. The Districts engaged the District as the operator of the District No. 1-Owned Improvements and the District-Owned Improvements. The Districts not owning and operating any public improvements agree to provide funds for the operation of such improvements. The District agrees to act as the district responsible for overall administrative services, and the remaining districts agree to compensate the District for those services.

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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1    DEFINITION OF REPORTING ENTITY (CONTINUED)**

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

The District has no employees, and contracts for all of its management and professional services.

**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 taxes and intergovernmental revenues.

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.

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.

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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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, specific ownership taxes, and facility fees. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with the operation and maintenance of the Carriage Homes filings.

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

**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 and other financing uses 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 budget for the year ended December 31, 2023.

**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 total cash.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 30 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 inflows 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.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of 10 to 30 years.

**Deferred Inflows 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 assets 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.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**District Fees**

On June 5, 2022, District No. 2 and the District adopted a joint resolution imposing a maintenance fee in the amount of \$99.83 per month per lot to maintain common areas within the boundaries of Erie Highlands Filing No. 16, which is paid to the District to fund the applicable portion of the cost of the District's maintenance activities related thereto.

**Fund 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.

*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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deficits**

The General Fund and Special Revenue Fund reported deficits in the fund financial statements as of December 31, 2023. The deficits will be eliminated with the receipt of Developer advances and District Fees in 2024, respectively.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 91,325
Cash and Investments - Restricted	<u>81,569</u>
Total Cash and Investments	<u><u>\$ 172,894</u></u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 71,068
Investments	<u>101,826</u>
Total Cash and Investments	<u><u>\$ 172,894</u></u>

**Deposits with Financial Institutions**

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, 2023, the District's cash deposits had a bank and a carrying balance of \$71,068.

**Investments**

The District has not adopted a formal investment policy; however, the District follows 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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund	Weighted-Average	
Trust (CSAFE)	Under 60 Days	<u>\$ 101,826</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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE (Continued)**

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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance - December 31, 2022	Increases	Decreases	Balance - December 31, 2023
Capital Assets, Not Being Depreciated:				
Land	\$ 151,182	\$ -	\$ -	\$ 151,182
Total Capital Assets, Not Being Depreciated	151,182	-	-	151,182
Capital Assets, Being Depreciated:				
Pool and Clubhouse	3,362,455	-	-	3,362,455
Parks and Recreation	102,093	-	-	102,093
Landscape Improvements	393,223	-	-	393,223
Total Capital Assets, Being Depreciated	3,857,771	-	-	3,857,771
Less Accumulated Depreciation For:				
Pool and Clubhouse	506,676	113,348	-	620,024
Parks and Recreation	26,118	5,804	-	31,922
Landscape Improvements	104,860	26,215	-	131,075
Total Accumulated Depreciation	637,654	145,367	-	783,021
Total Capital Assets, Being Depreciated, Net	3,220,117	(145,367)	-	3,074,750
Capital Assets, Net	<u>\$ 3,371,299</u>	<u>\$ (145,367)</u>	<u>\$ -</u>	<u>\$ 3,225,932</u>

During 2018, District No. 1 conveyed the ownership of the pool and clubhouse to the District. Certain costs of the pool and clubhouse, along with the costs of other capital assets to be owned and maintained by the District, were funded with a portion of the proceeds of the District No. 2 bonds and constitute District-Owned Improvements, as permitted by the District IGA described in Note 1.

Depreciation expense was charged to the general government function of the District in the amount of \$145,367 for the year ended December 31, 2023.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance - December 31, 2022	Additions	Reductions	Balance - December 31, 2023	Due Within One Year
Developer Advances -					
Operations:					
Principal	\$ 1,326,531	\$ 87,000	\$ -	\$ 1,413,531	\$ -
Interest	247,049	107,171	-	354,220	-
Developer Advances -					
Capital:					
Principal	181,018	-	-	181,018	-
Interest	11,129	5,431	-	16,560	-
Total	<u>\$ 1,765,727</u>	<u>\$ 199,602</u>	<u>\$ -</u>	<u>\$ 1,965,329</u>	<u>\$ -</u>

**Authorized Debt**

On November 5, 2013, District voters approved debt authorization in the amount of \$540,000,000 for the construction of capital improvements. The voters also authorized debt of \$60,000,000 for the cost of operating and maintaining the District's systems, \$60,000,000 for management agreements, and \$60,000,000 for mortgages.

The District had authorized but unissued debt at December 31, 2023, for the following detailed purposes:

	Authorized November 5, 2013 Election	Remaining at December 31, 2023
Streets	\$ 60,000,000	\$ 60,000,000
Water	60,000,000	60,000,000
Sanitary Sewer and Storm Sewer	60,000,000	60,000,000
Parks and Recreation	60,000,000	60,000,000
Traffic and Safety	60,000,000	60,000,000
Mosquito Control	60,000,000	60,000,000
Public Transportation	60,000,000	60,000,000
Television Relay and Translation	60,000,000	60,000,000
Operations and Maintenance	60,000,000	60,000,000
Debt Refunding	60,000,000	60,000,000
Mortgages	60,000,000	60,000,000
Management Services Related to District Facilities	60,000,000	60,000,000
Total	<u>\$ 720,000,000</u>	<u>\$ 720,000,000</u>

Pursuant to the Consolidated Service Plan, each District shall not issue debt in an aggregate amount in excess of \$60,000,000. Additionally, the maximum debt mill levy is 50 mills as adjusted, which shall not be imposed for longer than 40 years after the year of the initial imposition of such debt mill levy.

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 6 NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2023, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	<u>\$ 3,225,932</u>

Restricted net position includes assets 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, 2023 as follows:

Restricted Net Position:	
Emergency Reserves	\$ 21,900
Debt Service	<u>59,717</u>
Total Restricted Net Position	<u>\$ 81,617</u>

The District has a deficit in unrestricted net position.

**NOTE 7 RELATED PARTIES**

All of the members of the Board of Directors during 2023 were employees of, or consultants to, Clayton Properties Group II, Inc., a Colorado corporation doing business as Oakwood Homes, which merged with Clayton Properties Group, Inc. on September 22, 2023, and is the major landowner, developer and homebuilder of the property within the Districts, and potential conflicts of interest in dealing with the District have been disclosed in accordance with State law.

**NOTE 8 DISTRICT AGREEMENTS**

**Advance and Reimbursement Agreement**

The District entered into an Advance and Reimbursement Agreement (the Agreement) with Oakwood Homes LLC on December 11, 2015. The Agreement was assigned to Clayton Properties Group II, LLC (the Developer) pursuant to a Bill of Sale and Assignment and Assumption Agreement between inter alia Oakwood Homes and the Developer dated July 3, 2017. Pursuant to the Agreement, the Developer will provide advances to the District for operations and maintenance.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 DISTRICT AGREEMENTS (CONTINUED)**

**Advance and Reimbursement Agreement (Continued)**

The District will reimburse the Developer for the advances, together with interest at the rate of 8% per annum. The District will make payment for the advances, subject to annual appropriation and budget approval, from funds available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expenses of the District. Payments by the District are applied first to interest on, then to principal of the advances.

This agreement shall be in effect until the end of the next fiscal year after the date of execution and shall automatically renew, each fiscal year until terminated. Principal and interest in the amounts of \$1,413,531 and \$354,220, respectively, remain outstanding as of December 31, 2023.

**Advance and Reimbursement and Facilities Acquisition Agreement**

The District and the Developer entered into an Advance and Reimbursement and Facilities Acquisition Agreement dated as of December 15, 2019 (the AR Agreement).

Pursuant to the AR Agreement, the Developer agreed to advance funds to the District to be used for capital construction of certain Public Improvements (the Advances). In return, the District agreed to reimburse the Developer for the Advances, together with an interest rate of 3% per annum accruing from the date that the Advances were made, subject to annual appropriation and available funds of the District, and acquire any Public Improvements constructed by the Developer.

As of December 31, 2023, principal and interest in the amounts of \$181,018 and \$16,560, respectively, remain outstanding to the Developer for public improvements.

**NOTE 9 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.

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 and public officials' liability 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.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 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.

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.

On November 5, 2013, the District voters passed an election question to increase property taxes \$2,000,000 annually, with a maximum mill levy of 20 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation), to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, retain and spend all revenue annually, other than ad valorem taxes, without regard to limitations under TABOR.

**NOTE 11 SUBSEQUENT EVENTS**

On May 6, 2024, District Nos. 1 and 2 provided the District with a 90-day notice of termination (the Notice) under the District IGA. The Notice terminates the District as the provider of administrative services and as the party responsible for providing operation and maintenance services of District-Owned Improvements, as defined in the District IGA, to District Nos. 1 and 2. The termination as set forth in the Notice is to take effect August 4, 2024. As of the date of these financials, the financial impact to the District and disposition of public improvements owned by the District are unknown.



## **SUPPLEMENTARY INFORMATION**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4  
DEBT SERVICE FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 15,886	\$ 15,641	\$ (245)
Specific Ownership Taxes	953	676	(277)
Total Revenues	16,839	16,317	(522)
<b>EXPENDITURES</b>			
County Treasurer's Fees	238	235	3
Contingency	1,207	-	1,207
Total Expenditures	1,445	235	1,210
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	15,394	16,082	688
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Repayment	(59,000)	-	(59,000)
Total Other Financing Sources (Uses)	(59,000)	-	(59,000)
<b>NET CHANGE IN FUND BALANCE</b>	(43,606)	16,082	59,688
Fund Balance - Beginning of Year	43,606	43,635	29
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 59,717	\$ 59,717

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4  
GENERAL FUND –  
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
General and Administrative:				
Accounting	\$ 60,000	\$ 74,500	\$ 74,441	\$ 59
Auditing	15,300	15,300	15,300	-
County Treasurer's Fees	95	95	94	1
District Management	60,000	65,500	65,199	301
Dues and Licenses	3,000	1,723	1,723	-
Election Expense	12,000	12,697	12,697	-
Insurance and Bonds	36,500	41,685	41,685	-
Legal Services	38,000	148,500	148,321	179
Miscellaneous	1,215	21,000	20,693	307
Contingency	192	-	-	-
Total General and Administrative	226,302	381,000	380,153	847
District Operations and Maintenance:				
Concrete Repairs	1,875	-	-	-
Fencing Repairs	3,375	37,215	37,215	-
Landscape Repairs	1,875	-	-	-
Playground Equipment Maintenance	3,750	-	-	-
Native Area Maintenance	3,750	-	-	-
Repairs and Maintenance	3,750	1,500	1,118	382
Snow Removal	50,000	13,000	12,726	274
Landscaping	94,500	83,000	82,630	370
Monument Maintenance	3,000	-	-	-
Utilities	15,000	30,000	29,818	182
Covenant Control and Inspections	30,000	33,000	32,984	16
Irrigation Repairs	25,200	11,000	10,812	188
Total District Operations and Maintenance	236,075	208,715	207,303	1,412

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**GENERAL FUND –**  
**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)				
Clubhouse Operations:				
Cleaning and Supplies	\$ 7,500	\$ 12,600	\$ 12,546	\$ 54
Clubhouse Events	5,625	3,500	3,276	224
Clubhouse Electric Repairs	1,875	700	611	89
Clubhouse Plumbing Repairs	1,875	600	570	30
Clubhouse General Repairs	3,750	4,500	4,249	251
Clubhouse Management	15,000	14,500	14,336	164
Clubhouse Operations and Maintenance	18,750	20,000	19,589	411
Fencing Repairs - Clubhouse	750	-	-	-
Grounds Maintenance	7,800	-	-	-
Irrigation Repairs - Clubhouse	1,500	450	450	-
Mechanical System Repair	1,125	-	-	-
Plant Material Replacements - Clubhouse	2,625	-	-	-
Security	4,125	2,500	2,175	325
Snow Removal - Clubhouse	7,500	500	327	173
Utilities - Clubhouse	40,000	27,600	27,531	69
Work Order Repairs and Maintenance	7,500	8,000	7,930	70
Total Clubhouse Operations	127,300	95,450	93,590	1,860
Pool Operations:				
Lifeguards	45,479	54,100	54,037	63
Pool Chemicals	9,844	9,000	8,661	339
Pool Maintenance	22,500	30,743	30,720	23
Pool Repairs	7,500	6,992	7,094	(102)
Hot Tub Maintenance	-	22,000	21,727	273
Total Pool Operations	85,323	122,835	122,239	596
Total Expenditures	\$ 675,000	\$ 808,000	\$ 803,285	\$ 4,715

## **OTHER INFORMATION**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percentage Collected to Levied
		General	Debt Service	Levied	Collected	
2019	\$ 1,948,370	22.111	55.277	\$ 150,780	\$ 132,689 *	88.00 %
2020	1,045,880	22.265	55.663	81,504	81,503	100.00
2021	544,080	22.265	55.663	42,399	41,891	98.80
2022	213,900	22.265	55.663	16,669	16,669	100.00
2023	317,730	20.000	50.000	22,241	21,898	98.46
Estimated for the Year Ending December 31, 2024	\$ 29,930	20.788	51.971	\$ 2,178		

\* In 2019, refunds and abatements totaled \$18,091.

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 the County Treasurer does not permit identification of specific year of assessment.

**EXHIBIT B**  
**2024 Budgets and 2024 Budget Resolutions**

STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1  
2024 BUDGET RESOLUTION

The Board of Directors of the Erie Highlands Metropolitan District No. 1, Town of Erie, Weld County, Colorado held a special meeting on Monday, January 8, 2024, at the hour of 3:00 P.M., via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126.

The following members of the Board of Directors were present:

President:	Joshua Kiel Malm
Treasurer:	Jason Edward Manley
Secretary:	Sam Mayer
Assistant Secretary:	Kristine Fillius
Assistant Secretary:	Tonya Baca

Also present were: Matt Ruhland, Cockrel Ela Glesne Greher & Ruhland, P.C.; Jeffrey Erb, Erb Law, LLC; Joan M. Fritsche, Fritsche Law LLC; Jerry Jacobs and Brittany Barnett, Timberline District Consulting, LLC; Emma Francis, MSI, LLC; Shelby Clymer and Alyssa Ferreira, CliftonLarsonAllen LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Brett Price, Oakwood Homes; the following members of the Boards of Directors of Erie Highlands Metropolitan District No. 2, No. 3, No. 4 and/or No. 5: Mitchell Gonzales, Keith Kauffman, Andrew J. Matyus, Greg Saia, Chris Carlton, Todd Bloom, and Bertrand Bauer; and approximately 1 member of the public.

Ms. Ivey reported that proper notice was made to allow the Board of Directors of the Erie Highlands Metropolitan District No. 1 to conduct a public hearing on the 2024 budget on December 12, 2023 and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted on a public website of the District, <https://ehmd.specialdistrict.org/>, no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.



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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1, TOWN OF ERIE, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the “Board”) of the Erie Highlands Metropolitan District No. 1 (the “District”) has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Wednesday, November 22, 2023, in the *Colorado Hometown Weekly*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher’s Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Tuesday, December 12, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

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

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1, TOWN OF ERIE, WELD COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the Weld County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Sam Mayer, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$417,267 and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$16,371,130. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 25.488 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 6. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$409,279 and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$16,371,130. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 25.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Sections 2 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Weld County as required by law, for collection in 2024.


Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Weld County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

**[The remainder of this page is intentionally left blank.]**

The foregoing Resolution was seconded by Director Manley.

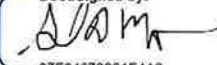
RESOLUTION APPROVED AND ADOPTED THIS 8TH DAY OF JANUARY 2024.

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1

DocuSigned by:  
  
019B16E8D4CF426...

By: Josh Kiel Malm  
Its: President

ATTEST:

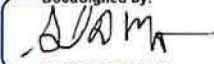
DocuSigned by:  
  
07F846793B1F4A3...

By: Sam Mayer  
Its: Secretary

STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1

I, Sam Mayer, hereby certify that I am a director and the duly elected and qualified Secretary of the Erie Highlands Metropolitan District No. 1, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 1 held on Monday, January 8, 2024, via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126, as recorded in the official record of the proceedings of the District, and the special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 1 held on Tuesday, December 12, 2023, via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhppO15NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390, insofar as said proceedings relate to the public hearing for the budget for fiscal year 2024; and that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 8th day of January 2024.

DocuSigned by:  
  
07F84679361F4A3...

Sam Mayer, Secretary

[SEAL]



**EXHIBIT A**

Affidavit  
Notice as to Proposed 2024 Budget

**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1 for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Erie Highlands Metropolitan District No. 1 to be held at 3:00 P.M., on Tuesday, December 12, 2023. The meeting will be held via video conference at <https://us05web.zoom.us/j/83456004224?pwd=H9T3E7YrYjB5SHMhpg01SNCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390. Any interested elector within the Erie Highlands Metropolitan District No. 1 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1

By: /s/ ICENOGLIE | SEAVER | POGUE  
A Professional Corporation

Published: Colorado Hometown Weekly November 22, 2023-2017189

**Prairie Mountain Media, LLC**

**PUBLISHER'S AFFIDAVIT**

**County of Boulder  
State of Colorado**

The undersigned, Agent, being first duly sworn under oath, states and affirms as follows:


1. He/she is the legal Advertising Reviewer of Prairie Mountain Media LLC, publisher of the *Colorado Hometown*.
2. The *Colorado Hometown* is a newspaper of general circulation that has been published continuously and without interruption for at least fifty-two weeks in Boulder County and meets the legal requisites for a legal newspaper under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy, published in the *Colorado Hometown* in Boulder County on the following date(s):

Nov 22, 2023

  
Signature

Subscribed and sworn to me before me this

22nd day of November 2023

  
Notary Public

(SEAL)

**SHAYLA NAJERA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174031965  
MY COMMISSION EXPIRES July 31, 2025**

Account: 1051343  
Ad Number: 2017189  
Fee: \$26.97



**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1** for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Erie Highlands Metropolitan District No. 1 to be held at 3:00 P.M., on Tuesday, December 12, 2023. The meeting will be held via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhpbO15NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390. Any interested elector within the Erie Highlands Metropolitan District No. 1 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

Publish In: *Colorado Hometown Weekly*  
Publish On: Wednesday, November 22, 2023



**EXHIBIT B**

Budget Document  
Budget Message

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2024**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 294,717	\$ 371,918	\$ 390,925
REVENUES			
Property taxes	824,955	764,570	826,546
Specific ownership taxes	48,863	31,920	33,062
Interest income	10,564	24,200	18,200
Other revenue	-	-	3,842
Total revenues	884,382	820,690	881,650
Total funds available	1,179,099	1,192,608	1,272,575
EXPENDITURES			
General Fund	347,133	344,370	438,000
Debt Service Fund	460,048	457,313	470,000
Total expenditures	807,181	801,683	908,000
Total expenditures and transfers out requiring appropriation	807,181	801,683	908,000
ENDING FUND BALANCES	\$ 371,918	\$ 390,925	\$ 364,575
SERIES 2020 RESERVE FUND	278,100	278,100	278,100
TOTAL RESERVE	\$ 278,100	\$ 278,100	\$ 278,100

No assurance provided. See summary of significant assumptions.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
----------------	-------------------	----------------

**ASSESSED VALUATION**

Residential - single family	\$ 14,446,680	\$ 14,116,180	\$ 15,956,830
Commercial	7,920	23,880	28,310
State assessed	242,380	287,120	205,240
Vacant land	1,330	1,330	1,280
Oil and gas	18,950	80,970	179,470
Certified Assessed Value	<u>\$ 14,717,260</u>	<u>\$ 14,509,480</u>	<u>\$ 16,371,130</u>

**MILL LEVY**

General	22.265	22.827	25.488
Debt Service	33.832	30.000	25.000
Total mill levy	<u>56.097</u>	<u>52.827</u>	<u>50.488</u>

**PROPERTY TAXES**

General	\$ 327,680	\$ 331,208	\$ 417,267
Debt Service	497,914	435,284	409,279
Levied property taxes	<u>825,594</u>	<u>766,492</u>	<u>826,546</u>
Adjustments to actual/rounding	3,345	-	-
Refunds and abatements	(3,984)	(1,922)	-
Budgeted property taxes	<u>\$ 824,955</u>	<u>\$ 764,570</u>	<u>\$ 826,546</u>

**BUDGETED PROPERTY TAXES**

General	\$ 327,426	\$ 330,377	\$ 417,267
Debt Service	497,529	434,193	409,279
	<u>\$ 824,955</u>	<u>\$ 764,570</u>	<u>\$ 826,546</u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	327,426	330,377	417,267
Specific ownership taxes	19,393	13,793	16,691
Interest income	314	200	200
Other revenue	-	-	3,842
Total revenues	347,133	344,370	438,000
Total funds available	347,133	344,370	438,000
EXPENDITURES			
General and administrative			
County Treasurer's fees	4,934	4,956	6,259
Contingency	-	-	3,842
Transfer to District No. 4	342,199	339,414	427,899
Total expenditures	347,133	344,370	438,000
Total expenditures and transfers out requiring appropriation	347,133	344,370	438,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 294,717	\$ 371,918	\$ 390,925
REVENUES			
Property taxes	497,529	434,193	409,279
Specific ownership taxes	29,470	18,127	16,371
Interest income	10,250	24,000	18,000
Total revenues	537,249	476,320	443,650
Total funds available	831,966	848,238	834,575
EXPENDITURES			
General and administrative			
County Treasurer's fees	7,498	6,513	6,139
Paying agent fees	4,000	4,000	4,000
Contingency	-	-	4,961
Debt Service			
Bond interest	223,550	216,800	209,900
Bond principal	225,000	230,000	245,000
Total expenditures	460,048	457,313	470,000
Total expenditures and transfers out requiring appropriation	460,048	457,313	470,000
ENDING FUND BALANCES	\$ 371,918	\$ 390,925	\$ 364,575
SERIES 2020 RESERVE FUND	\$ 278,100	\$ 278,100	\$ 278,100

No assurance provided. See summary of significant assumptions.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Weld County, Colorado on November 24, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan approved by the Town of Erie on September 24, 2013. The District's service area is located entirely within the Town of Erie, Weld County, Colorado.

The District was organized in conjunction with Erie Highlands Metropolitan District No. 2, Erie Highlands Metropolitan District No. 3, Erie Highlands Metropolitan District No. 4, and Erie Highlands Metropolitan District No. 5 (collectively, "the Districts"). The Districts were established to provide financing for the operations and maintenance and planning, design, acquisition, construction, and installation of public improvements, including mosquito elimination and control, fire protection, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, solid waste disposal, and covenant enforcement. District No. 4 pays all operating expenses for District Nos. 1, 2, 3, 4 and 5. District Nos. 1, 2, 3 and 5 levy ad valorem taxes on taxable properties within each District and transfer such proceeds to District No. 4.

On November 5, 2013, the District's voters authorized total indebtedness of \$60,000,000 for each of the following listed facilities; mosquito elimination and control, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, and operations and maintenance. Voters also authorized indebtedness of \$60,000,000 for encumbrances on District real and personal property, \$60,000,000 for management agreements, and \$60,000,000 for refunding of debt. Pursuant to the Consolidated Service Plan, each District shall not issue debt in an aggregate amount in excess of \$60,000,000. Additionally, the maximum debt mill levy is 50 mills as adjusted, which shall not be imposed for longer than 40 years after the year of the initial imposition of such debt mill levy. The election also approved an annual increase in property taxes of \$2,000,000 as derived from a maximum mill levy of 20 mills as adjusted, to pay the District's operation and maintenance costs.

In the event the residential assessment ratio changes, on or after January 1<sup>st</sup>, 2014, the District may increase or decrease the mill levies, (as authorized under the District's Service Plan) so that to the extent possible, the actual tax revenues generated by the mill levies, as adjusted, are neither diminished nor enhanced as a result of such changes. For tax collection year 2024, the maximum mill levies for operations and debt service are 25.488 mills and 63.721 mills, respectively.

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

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**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 4% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Transfer to Other Districts**

Pursuant to an Intergovernmental Agreement Concerning District Operations, the District is obligated to impose a mill levy which will be sufficient to promptly and fully pay the amounts to be paid under this agreement, as well as all other general obligation indebtedness of the District, as the same become due. The District is required to remit property taxes derived from such mill levy, together with specific ownership taxes applicable to property within the District less County Treasurer Fees, to the Operating District. The District anticipates transferring funds to Erie Highlands Metropolitan District No. 4, as shown in the General Fund budget, for operations under this agreement. Administrative, operating and capital outlay expenditures are paid by District No. 4 on behalf of the District.

**Debt Service**

Principal and interest payments in 2024 are provided based on the debt amortization schedule from the Senior Bonds (discussed under Debt and Leases).

**Debt and Leases**

The District issued General Obligation Limited Tax Refunding Bonds, Series 2020 on November 17, 2020, in the par amount of \$8,930,000 (the Bonds).

Proceeds from the sale of the Bonds were used to (a) refund the outstanding Series 2015 Bonds, (b) purchase a municipal bond insurance policy for the Bonds, (c) purchase a Reserve Policy and fund a portion of the Reserve Fund, and (d) pay the costs of issuing the Bonds and refunding the Series 2015 Bonds.

The Bonds bear interest at rates ranging from 2.0% to 3.0%, payable semi-annually to the extent of Pledged Revenue available on June 1 and December 1, beginning on June 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Bonds mature on December 1, 2045. All of the Bonds and interest thereon will be deemed to be paid, satisfied, and discharged on December 2, 2055 (the Termination Date), regardless of the amount of principal and interest paid on the Bonds prior to the Termination Date.

To the extent interest on the Bonds is not paid when due, such unpaid interest will compound semiannually on each June 1 and December 1, at the interest rate borne by the Bonds.

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2030, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, generally consisting of:

- (a) the Required Mill Levy;
- (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and
- (c) any other legally available moneys that the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

The Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal and interest on the Bonds as they become due and, if necessary, to replenish the Reserve Fund to the amount of the Required Reserve, but not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2014). The Required Mill Levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

The Bonds are further secured by the Reserve Fund in the Required Reserve Amount of \$278,100. The Reserve Fund is to be maintained in the amount of the Required Reserve for so long as the Bonds are outstanding.

**Reserves**

**Emergency Reserves**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2024 Budget.

**Debt Service Reserve**

The Required Reserve Amount on the Bonds is \$278,100.

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>\$8,930,000</b>			
<b>General Obligation Limited Tax Refunding Bonds</b>			
<b>Dated November 17, 2020</b>			
<b>Series 2020</b>			
<b>Interest Rate of 2.00-3.00%</b>			
<b>Payable June 1 and December 1</b>			
<b>Principal Due December 1</b>			
<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 245,000	\$ 209,900	\$ 454,900
2025	250,000	202,550	452,550
2026	265,000	197,550	462,550
2027	275,000	192,250	467,250
2028	285,000	184,000	469,000
2029	295,000	175,450	470,450
2030	320,000	166,600	486,600
2031	325,000	157,000	482,000
2032	345,000	150,500	495,500
2033	345,000	143,600	488,600
2034	370,000	136,700	506,700
2035	375,000	129,300	504,300
2036	390,000	121,800	511,800
2037	400,000	113,025	513,025
2038	415,000	104,025	519,025
2039	430,000	94,688	524,688
2040	445,000	85,013	530,013
2041	455,000	75,000	530,000
2042	485,000	61,350	546,350
2043	500,000	46,800	546,800
2044	520,000	31,800	551,800
2045	540,000	16,200	556,200
	<u>\$ 8,275,000</u>	<u>\$ 2,795,101</u>	<u>\$ 11,070,101</u>

**EXHIBIT C**

Certification of Tax Levy



**CERTIFICATION OF TAX LEVIES, continued**

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

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:****BONDS<sup>j</sup>:**

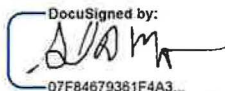
- |    |                   |   |
|----|-------------------|---|
| 1. | Purpose of Issue: | Public infrastructure improvements                          |
|    | Series:           | General Obligation Limited Tax Refunding Bonds, Series 2020 |
|    | Date of Issue:    | November 17, 2020   |
|    | Coupon Rate:      | 2.00 - 3.00%  |
|    | Maturity Date:    | December 1, 2045  |
|    | Levy:             | 25.000  |
|    | Revenue:          | \$ 409,279  |
|    |                   |   |
| 2. | Purpose of Issue: | _____   |
|    | Series:           | _____   |
|    | Date of Issue:    | _____   |
|    | Coupon Rate:      | _____   |
|    | Maturity Date:    | _____   |
|    | Levy:             | _____   |
|    | Revenue:          | _____   |

**CONTRACTS<sup>k</sup>:**

- |    |                      |       |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |
|    |                      |       |
| 4. | Purpose of Contract: | _____ |
|    | Title:               | _____ |
|    | Date:                | _____ |
|    | Principal Amount:    | _____ |
|    | Maturity Date:       | _____ |
|    | Levy:                | _____ |
|    | Revenue:             | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Erie Highlands Metropolitan District No. 1 of Weld County, Colorado on this 8th day of January 2024.

DocuSigned by:  
  
07F84679381F4A3...

Sam Mayer, Secretary

SEAL





STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2  
2024 BUDGET RESOLUTION

The Board of Directors of the Erie Highlands Metropolitan District No. 2, Town of Erie, Weld County, Colorado held a special meeting on Monday, January 8, 2024, at the hour of 3:00 P.M., via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126.

The following members of the Board of Directors were present:

President:	Mitchell Gonzales
Treasurer:	Andrew J. Matyus
Secretary:	Keith Kauffman

Also present were: Matt Ruhland, Cockrel Ela Glesne Greher & Ruhland, P.C.; Jeffrey Erb, Erb Law, LLC; Joan M. Fritsche, Fritsche Law LLC; Jerry Jacobs and Brittany Barnett, Timberline District Consulting, LLC; Emma Francis, MSI, LLC; Shelby Clymer and Alyssa Ferreira, CliftonLarsonAllen LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Brett Price, Oakwood Homes; the following members of the Boards of Directors of Erie Highlands Metropolitan District No. 1, No. 3, No. 4 and/or No. 5: Josh Malm, Sam Mayer, Jason Manley, Kristine Fillius, Tonya Baca, Greg Saia, Chris Carlton, Todd Bloom, and Bertrand Bauer; and approximately 1 member of the public.

Ms. Ivey reported that proper notice was made to allow the Board of Directors of the Erie Highlands Metropolitan District No. 2 to conduct a public hearing on the 2024 budget on December 12, 2023 and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted on a public website of the District, <https://ehmd.specialdistrict.org/>, no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.



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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2, TOWN OF ERIE, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the "Board") of the Erie Highlands Metropolitan District No. 2 (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Wednesday, November 22, 2023, in the *Colorado Hometown Weekly*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District's increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher's Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Tuesday, December 12, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

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

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2, TOWN OF ERIE, WELD COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the Weld County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Keith Kauffman, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$301,771 and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$11,736,610. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 25.712 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 6. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$754,453 and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$11,736,610. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 64.282 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Section 2 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Weld County as required by law, for collection in 2024.

Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Weld County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

[The remainder of this page is intentionally left blank.]

The foregoing Resolution was seconded by Director Matyus.

RESOLUTION APPROVED AND ADOPTED THIS 8TH DAY OF JANUARY 2024.

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2

DocuSigned by:

*Mitchell Gonzales*

4D7DCF49FD3B44A...

By: Mitchell Gonzales  
Its: President

ATTEST:

DocuSigned by:

*Keith Kauffman*

1CCF3AA622884B5...

By: Keith Kauffman  
Its: Secretary

STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2

I, Keith Kauffman, hereby certify that I am a director and the duly elected and qualified Secretary of the Erie Highlands Metropolitan District No. 2, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 2 held on Monday, January 8, 2024, via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126, as recorded in the official record of the proceedings of the District, and the special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 2 held on Tuesday, December 12, 2023, via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhppOI5NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390, insofar as said proceedings relate to the public hearing for the budget for fiscal year 2024; and that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 8th day of January 2024.

DocuSigned by:  
*Keith Kauffman*

1CCF3AA622664B5  
Keith Kauffman, Secretary

[SEAL]



**EXHIBIT A**

Affidavit  
Notice as to Proposed 2024 Budget

**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2 for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Erie Highlands Metropolitan District No. 2 to be held at 3:00 P.M., on Tuesday, December 12, 2023. The meeting will be held via video conference at <https://us06web.zoom.us/j/83456004224?pwd=th9TJE7YrYjBbSHMhpb01SNCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390. Any interested elector within the Erie Highlands Metropolitan District No. 2 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2

By: /s/ ICENOGLIE | SEAVER | POGUE  
A Professional Corporation

Published: Colorado Hometown Weekly November 22, 2023-2017192

**Prairie Mountain Media, LLC**

**PUBLISHER'S AFFIDAVIT**

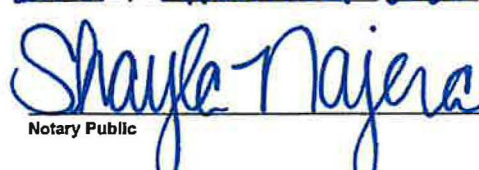
County of Boulder  
State of Colorado

The undersigned, Agent, being first duly sworn  
under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of  
Prairie Mountain Media LLC, publisher of the  
*Colorado Hometown*.
2. The *Colorado Hometown* is a newspaper  
of general circulation that has been published  
continuously and without interruption for at least  
fifty-two weeks in Boulder County and  
meets the legal requisites for a legal newspaper  
under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy,  
published in the *Colorado Hometown*  
in Boulder County on the following date(s):

Nov 22, 2023

  
Signature

Subscribed and sworn to me before me this  
22nd day of November 2023.  
  
Notary Public

(SEAL)

**SHAYLA NAJERA**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
NOTARY ID 20174031965  
MY COMMISSION EXPIRES July 31, 2025

Account: 1051343  
Ad Number: 2017192  
Fee: \$28.13



**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2** for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Erie Highlands Metropolitan District No. 2 to be held at 3:00 P.M., on Tuesday, December 12, 2023. The meeting will be held via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhppO15NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390. Any interested elector within the Erie Highlands Metropolitan District No. 2 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

**BY ORDER OF THE BOARD OF DIRECTORS:  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

Publish In: *Colorado Hometown Weekly*  
Publish On: Wednesday, November 22, 2023



**EXHIBIT B**

Budget Document  
Budget Message

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**SUMMARY**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,241,895	\$ 1,179,742	\$ 1,094,656
REVENUES			
Property taxes	527,278	670,177	1,056,224
Specific ownership taxes	31,206	27,938	42,249
System development fees	145,500	12,000	34,500
Interest income	22,681	60,040	56,040
Other revenue	-	-	3,118
Total revenues	726,665	770,155	1,192,131
Total funds available	1,968,560	1,949,897	2,286,787
EXPENDITURES			
General Fund	159,605	199,497	317,000
Debt Service Fund	629,213	655,744	772,000
Total expenditures	788,818	855,241	1,089,000
Total expenditures and transfers out requiring appropriation	788,818	855,241	1,089,000
ENDING FUND BALANCES	\$ 1,179,742	\$ 1,094,656	\$ 1,197,787
DEBT SERVICE RESERVE FUND	948,238	948,238	948,238
SURPLUS FUND	231,504	146,418	249,549
TOTAL RESERVE	\$ 1,179,742	\$ 1,094,656	\$ 1,197,787

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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**ASSESSED VALUATION**

Residential - single family	\$ 5,532,070	\$ 7,012,420	\$ 10,782,390
Commercial	30,630	500	450
State assessed	76,410	142,410	157,540
Vacant land	1,108,860	1,391,800	778,160
Oil and gas	17,900	17,470	18,070
Certified Assessed Value	<u>\$ 6,765,870</u>	<u>\$ 8,564,600</u>	<u>\$ 11,736,610</u>

**MILL LEVY**

General	22.265	22.379	25.712
Debt Service	55.663	55.949	64.282
Total mill levy	<u>77.928</u>	<u>78.328</u>	<u>89.994</u>

**PROPERTY TAXES**

General	\$ 150,642	\$ 191,667	\$ 301,771
Debt Service	376,609	479,181	754,453
Levied property taxes	<u>527,251</u>	<u>670,848</u>	<u>1,056,224</u>
Adjustments to actual/rounding	27	-	-
Refunds and abatements	-	(671)	-
Budgeted property taxes	<u>\$ 527,278</u>	<u>\$ 670,177</u>	<u>\$ 1,056,224</u>

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 150,650</b>	<b>\$ 191,475</b>	<b>\$ 301,771</b>
<b>Debt Service</b>	<b>376,628</b>	<b>478,702</b>	<b>754,453</b>
	<u><b>\$ 527,278</b></u>	<u><b>\$ 670,177</b></u>	<u><b>\$ 1,056,224</b></u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	150,650	191,475	301,771
Specific ownership taxes	8,916	7,982	12,071
Interest income	39	40	40
Other revenue	-	-	3,118
Total revenues	159,605	199,497	317,000
Total funds available	159,605	199,497	317,000
EXPENDITURES			
General and administrative			
County Treasurer's fees	2,260	2,872	4,527
Contingency	-	-	3,118
Transfer to District No. 4	157,345	196,625	309,355
Total expenditures	159,605	199,497	317,000
Total expenditures and transfers out requiring appropriation	159,605	199,497	317,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,241,895	\$ 1,179,742	\$ 1,094,656
REVENUES			
Property taxes	376,628	478,702	754,453
Specific ownership taxes	22,290	19,956	30,178
System development fees	145,500	12,000	34,500
Interest income	22,642	60,000	56,000
Total revenues	567,060	570,658	875,131
Total funds available	1,808,955	1,750,400	1,969,787
EXPENDITURES			
General and administrative			
County Treasurer's fees	5,650	7,181	11,317
Paying agent fees	8,000	8,000	8,000
Contingency	-	-	3,433
Debt Service			
Bond interest	615,563	615,563	614,250
Bond principal	-	25,000	135,000
Total expenditures	629,213	655,744	772,000
Total expenditures and transfers out requiring appropriation	629,213	655,744	772,000
ENDING FUND BALANCES	\$ 1,179,742	\$ 1,094,656	\$ 1,197,787
DEBT SERVICE RESERVE FUND	\$ 948,238	\$ 948,238	\$ 948,238
SURPLUS FUND	231,504	146,418	249,549
TOTAL RESERVE	\$ 1,179,742	\$ 1,094,656	\$ 1,197,787

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Weld County, Colorado on November 24, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan approved by the Town of Erie on September 24, 2013. The District's service area is located entirely within the Town of Erie, Weld County, Colorado.

The District was organized in conjunction with Erie Highlands Metropolitan District No. 1, Erie Highlands Metropolitan District No. 3, Erie Highlands Metropolitan District No. 4, and Erie Highlands Metropolitan District No. 5 (collectively, "the Districts"). The Districts were established to provide financing for the operations and maintenance and planning, design, acquisition, construction, and installation of public improvements, including mosquito elimination and control, fire protection, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, solid waste disposal, and covenant enforcement. District No. 4 pays all operating expenses for District Nos. 1, 2, 3, 4 and 5. District Nos. 1, 2, 3 and 5 levy ad valorem taxes on taxable properties within each District and transfer such proceeds to District No. 4.

On November 5, 2013, the District's voters authorized total indebtedness of \$60,000,000 for each of the following listed facilities; mosquito elimination and control, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, and operations and maintenance. Voters also authorized indebtedness of \$60,000,000 for encumbrances on District real and personal property, \$60,000,000 for management agreements, and \$60,000,000 for refunding of debt. Pursuant to the Consolidated Service Plan, each District shall not issue debt in an aggregate amount in excess of \$60,000,000. Additionally, the maximum debt mill levy is 50 mills as adjusted, which shall not be imposed for longer than 40 years after the year of the initial imposition of such debt mill levy. The election also approved an annual increase in property taxes of \$2,000,000 as derived from a maximum mill levy of 20 mills as adjusted, to pay the District's operation and maintenance costs.

In the event the residential assessment ratio changes, on or after January 1<sup>st</sup>, 2014, the District may increase or decrease the mill levies, (as authorized under the District's Service Plan) so that to the extent possible, the actual tax revenues generated by the mill levies, as adjusted, are neither diminished nor enhanced as a result of such changes. For tax collection year 2024, the maximum mill levy for operations is 25.712 mills.

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

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**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 4% of the property taxes collected.

**Facilities Fees**

The District imposes a Facilities Fee of \$1,500 on each single-family residential unit. The fees are payable by homebuilders at the time of issuance of building permits. Revenue from the fees is pledged to the payment of the Series 2018 Bonds.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5%.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense but are to be incurred and paid by District No. 4.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Transfer to Other Districts**

Pursuant to an Intergovernmental Agreement Concerning District Operations, the District is obligated to impose a mill levy which will be sufficient to promptly and fully pay the amounts to be paid under this agreement, as well as all other general obligation indebtedness of the District, as the same become due. The District is required to remit property taxes derived from such mill levy, together with specific ownership taxes applicable to property within the District less County Treasurer Fees, to the Operating District. The District anticipates transferring funds to Erie Highlands Metropolitan District No. 4, as shown in the General Fund budget, for operations under this agreement. Administrative, operating and capital outlay expenditures are paid by District No. 4 on behalf of the District.

**Debt Service**

Interest payments are estimated for the Series 2018 Bonds (discussed under Debt and Leases).

**Debt and Leases**

**Bond Details**

The District issued Bonds on September 28, 2018 in the amounts of \$11,725,000 for the 2018A Senior Bonds, \$1,819,000 for the 2018B Subordinate Bonds and \$3,600,000 for the 2018C Junior Lien Bonds.

Proceeds of the 2018A Senior Bonds will be used to: (i) finance public improvements; (ii) pay capitalized interest on the 2018A Senior Bonds; (iii) fund the Senior Reserve Fund; and (iv) pay other costs in connection with the issuance of the 2018A Senior Bonds. Proceeds of the 2018B Subordinate Bonds and the 2018C Junior Lien Bonds were used to finance additional public improvements.

The 2018A Senior Bonds bear interest at 5.25%, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2023. The Bonds mature on December 1, 2048. To the extent the 2018A Senior Bonds are not paid when due, the unpaid principal will continue to bear interest and the unpaid interest will compound semi-

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

annually on each June 1 and December 1 until the total repayment obligation of the District for the 2018A Senior Bonds equals the amount permitted by law. Any amounts due and owing on the 2018A Senior Bonds remaining outstanding on December 1, 2058, shall be deemed discharged and shall no longer be due and outstanding.

The 2018B Subordinate Bonds bear interest at 7.625% and mature on December 15, 2048. The 2018B Subordinate Bonds constitute subordinate “cash flow” bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Subordinate Pledged Revenue is available for payment. Principal and interest payments are due on the 2018B Subordinate Bonds on each December 15 only to the extent Subordinate Pledged Revenue is available therefor.

In the event that the Subordinate Pledged Revenue is insufficient to pay the 2018B Subordinate Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the 2018B Subordinate Bonds equals the amount permitted by law. Any amounts due and owing on the 2018B Subordinate Bonds remaining outstanding on December 15, 2058, shall be deemed discharged and shall no longer be due and outstanding.

The 2018C Junior Lien Bonds bear interest at 8% through December 14, 2023 and 6% thereafter. The 2018C Junior Lien Bonds mature on December 15, 2052. The 2018C Junior Lien Bonds constitute junior lien “cash flow” bonds, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Junior Lien Pledged Revenue is available for payment. Principal and interest payments are due on the 2018C Junior Lien Bonds on each December 15 only to the extent Junior Lien Pledged Revenue is available therefor. In no event will any amounts be paid on the 2018C Junior Lien Bonds until such time as there has been paid in full or decreased the 2018B Subordinate Bonds, and, to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations issued by the District.

In the event that the Junior Lien Pledged Revenue is insufficient to pay the 2018C Junior Lien Bonds, the unpaid principal will continue to bear interest and the unpaid interest will compound annually until the total repayment obligation of the District for the 2018C Junior Lien Bonds equals the amount permitted by law. In the event any amounts due and owing on the 2018C Junior Lien Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

Optional Redemption

The 2018A Senior Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, 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, 2023, to November 30, 2024	3.00%
December 1, 2024, to November 30, 2025	2.00
December 1, 2025, to November 30, 2026	1.00
December 1, 2026, and thereafter	0.00

The 2018B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2023, 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 15, 2023, to December 14, 2024	3.00%
December 15, 2024, to December 14, 2025	2.00
December 15, 2025, to December 14, 2026	1.00
December 15, 2026, and thereafter	0.00

The 2018C Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 2023, 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 15, 2023, to December 14, 2024	3.00%
December 15, 2024, to December 14, 2025	2.00
December 15, 2025, to December 14, 2026	1.00
December 15, 2026, and thereafter	0.00

Pledged Revenue

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: (i) all Senior Property Tax Revenues; (ii) all Senior Specific Ownership Tax Revenues; (iii) all Capital Fees; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The 2018A Senior Bonds are additionally secured by the Senior Reserve Fund, which will initially be funded with proceeds of the 2018A Senior Bonds in the amount of the Reserve Requirement, capitalized interest which will be funded with proceeds of the 2018A Senior Bonds and by

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

amounts in the Senior Surplus Fund, if any. The Senior Surplus Fund will not be funded as of the date of issuance of the 2018A Senior Bonds.

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue defined generally in the 2018B Subordinate Indenture as the following, net of any costs of collection: (i) all Subordinate Property Tax Revenues; (ii) all Subordinate Specific Ownership Tax Revenues; (iii) all Subordinate Capital Fee Revenue; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The 2018C Junior Lien Bonds are payable solely from and to the extent of the Junior Lien Pledged Revenue, which is defined generally in the 2018C Junior Lien Indenture as the following, net costs of collection: (i) all Junior Lien Property Tax Revenues; (ii) all Junior Lien Specific Ownership Tax Revenues; (iii) all Junior Lien Capital Fee Revenue; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

Property Tax Revenues

“Senior Property Tax Revenues” are generally defined as all moneys derived from imposition by the District of the Senior Required Mill Levy, but excluding Senior Specific Ownership Tax Revenues. Senior Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

“Subordinate Property Tax Revenues” are defined as all moneys derived from imposition by the District of the Subordinate Required Mill Levy, but excluding Subordinate Specific Ownership Tax Revenues. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

“Junior Lien Property Tax Revenues” are defined as all moneys derived from imposition by the District of the Junior Lien Required Mill Levy, but excluding Junior Lien Specific Ownership Tax Revenues. Junior Lien Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

Required Mill Levy

Pursuant to the 2018A Senior Indenture, the District has imposed a Senior Required Mill Levy on all taxable property of the District each year to pay the principal of and interest on the 2018A Senior Bonds, replenish the Reserve Fund to the Reserve Requirement and, for so long as it is in existence, fund the Surplus Fund to the Maximum Surplus Amount in an amount equal to: (i) 50 mills (subject to adjustment described below) or (ii) such lesser amount that will generate Property Tax Revenues which, when combined with moneys then on deposit in the Senior Bond Fund, the Surplus Fund, and the Reserve Fund will pay the Bonds in full. In no event is the District to be required to impose the Senior Required Mill Levy after December 2057 (for collection in calendar year 2058).

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

In the event that the method of calculating assessed valuation is changed after January 1, 2014, the minimum and maximum mill levy of 50 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

The 2018B Subordinate Indenture requires the District to impose the Subordinate Required Mill Levy, which is generally defined as an ad valorem mill levy equal to 50 mills less the Senior Obligation Mill Levy (the sum of the Senior Required Mill Levy and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations), subject to adjustment.

The Junior Lien Required Mill Levy is generally defined in the 2018C Junior Lien Indenture as an ad valorem mill levy equal to 50 mills less the sum of the Senior Required Mill Levy required to be imposed by the District in accordance with the 2018A Senior Indenture, the Subordinate Required Mill Levy required to be imposed by the District in accordance with the 2018B Subordinate Indenture and any other ad valorem property tax levy required to be imposed by the District for the payment of other Senior/Subordinate Obligations, subject to adjustment. The maximum mill levy for the repayment of debt shall not apply to the District's ability to increase its mill levy as necessary for the provision of operation and maintenance services to their taxpayers. The Consolidated Service Plan allows for the imposition of a maximum of 20 mills, as adjusted, for operations and maintenance.

Specific Ownership Tax Revenues

"Senior Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of the Senior Required Mill Levy.

"Subordinate Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of the Subordinate Required Mill Levy.

"Junior Lien Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the District as a result of its imposition of the Junior Lien Required Mill Levy.

Capital Fee Revenues

Capital Fees pledged to the payment of the 2018A Senior Bonds include Facilities Fees. The Facilities Fee is imposed in the amount of \$1,500 per single family detached unit, 1,000 per single family attached unit, and \$1.00 per square foot of any commercial property within the District. The Facilities Fee is due and payable to the District upon issuance of a building permit for construction of structures on property within the District.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (continued)**

“Subordinate Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations.

“Junior Lien Capital Fee Revenue” means any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior/Subordinate Obligations.

**Senior Reserve Fund**

Moneys in the Senior Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the 2018A Senior Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose.

If a withdrawal from the Senior Reserve Fund is made that reduces the balance in such fund below the Reserve Requirement of \$948,238, the District shall include in the computation of its next mill levy certification the amount necessary to replenish the Senior Reserve Fund to the Reserve Requirement.

Amounts on deposit in the Senior Reserve Fund on the maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds on such date. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in December 2047 for collection in calendar year 2048.

**Senior Surplus Fund**

Senior Pledged Revenue that is not needed to pay debt service on the 2018A Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,172,500.

It is intended that amounts in the Senior Surplus Fund are to be transferred to the Senior Bond Fund prior to any transfer from the Senior Reserve Fund or the Senior Project Fund, for so long as such account remains in existence. Amounts on deposit in the Senior Surplus Fund (if any) on the maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds maturing on such date.

The District has no operating or capital leases.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserves**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an emergency reserve is not reflected in the District's 2024 Budget.

**Debt Service Reserves**

The Reserve Requirement on the 2018A Senior Bonds is \$948,238. The remaining funds are held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$1,172,500.

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**LONG TERM DEBT**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$11,725,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.25% Dated September 28, 2018 Interest Payable June 1 and December 1 Principal Payable December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
	<hr/>	<hr/>	<hr/>
2024	\$ 135,000	\$ 614,250	\$ 749,250
2025	155,000	607,163	762,163
2026	175,000	599,025	774,025
2027	185,000	589,838	774,838
2028	210,000	580,125	790,125
2029	220,000	569,100	789,100
2030	250,000	557,550	807,550
2031	260,000	544,425	804,425
2032	290,000	530,775	820,775
2033	310,000	515,550	825,550
2034	340,000	499,275	839,275
2035	360,000	481,425	841,425
2036	395,000	462,525	857,525
2037	415,000	441,788	856,788
2038	455,000	420,000	875,000
2039	480,000	396,113	876,113
2040	520,000	370,913	890,913
2041	545,000	343,613	888,613
2042	595,000	315,000	910,000
2043	625,000	283,763	908,763
2044	675,000	250,950	925,950
2045	710,000	215,513	925,513
2046	770,000	178,238	948,238
2047	810,000	137,813	947,813
2048	1,815,000	95,288	1,910,288
	<hr/>	<hr/>	<hr/>
	<b>\$ 11,700,000</b>	<b>\$ 10,600,018</b>	<b>\$ 22,300,018</b>



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF LONG TERM OBLIGATIONS**

	Balance - December 31, 2022	Additions	Reductions	Compounding of Unpaid Interest	Balance - December 31, 2023*
Limited Tax General Obligation Bonds - Series 2018A	\$ 11,725,000	\$ -	\$ 25,000	\$ -	\$ 11,700,000
Subordinate Limited Tax General Obligation Bonds - Series 2018B:					
Principal	1,819,000	-	-	-	1,819,000
Interest	669,745	139,340	-	50,427	859,512
Junior Lien Limited Tax General Obligation Bonds - Series 2018C:					
Principal	3,600,000	-	-	-	3,600,000
Interest	1,399,147	289,417	-	110,515	1,799,079
Total	<u>\$ 19,212,892</u>	<u>\$ 428,757</u>	<u>\$ 25,000</u>	<u>\$ 160,942</u>	<u>\$ 19,777,591</u>

	Balance - December 31, 2023	Additions	Reductions	Compounding of Unpaid Interest	Balance - December 31, 2024*
Limited Tax General Obligation Bonds - Series 2018A	\$ 11,700,000	\$ -	\$ 135,000	\$ -	\$ 11,565,000
Subordinate Limited Tax General Obligation Bonds - Series 2018B:					
Principal	1,819,000	-	-	-	1,819,000
Interest	859,512	139,389	-	64,848	1,063,749
Junior Lien Limited Tax General Obligation Bonds - Series 2018C:					
Principal	3,600,000	-	-	-	3,600,000
Interest	1,799,079	289,531	-	142,786	2,231,396
Total	<u>\$ 19,777,591</u>	<u>\$ 428,920</u>	<u>\$ 135,000</u>	<u>\$ 207,634</u>	<u>\$ 20,279,145</u>

\*Estimated Amounts

**EXHIBIT C**

Certification of Tax Levy



**CERTIFICATION OF TAX LEVIES, continued**

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

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:****BONDS<sup>J</sup>:**

- |    |   |
|----|---|
| 1. | Purpose of Issue: <u>Public Infrastructure Improvements</u><br>Series: <u>Limited Tax General Obligation Bonds, Series 2018A</u><br>Date of Issue: <u>September 28, 2018</u><br>Coupon Rate: <u>5.25%</u><br>Maturity Date: <u>December 1, 2048</u><br>Levy: <u>64.282</u><br>Revenue: <u>\$754,453</u>               |
| 2. | Purpose of Issue: <u>Public Infrastructure Improvements</u><br>Series: <u>Subordinate Limited Tax General Obligation Bonds, Series 2018B</u><br>Date of Issue: <u>September 28, 2018</u><br>Coupon Rate: <u>7.625%</u><br>Maturity Date: <u>December 15, 2048</u><br>Levy: <u>0.000</u><br>Revenue: <u>\$0</u>        |
| 3. | Purpose of Issue: <u>Public Infrastructure Improvements</u><br>Series: <u>Junior Lien Limited Tax General Obligation Bonds, Series 2018C</u><br>Date of Issue: <u>September 28, 2018</u><br>Coupon Rate: <u>6.00% - 8.00%</u><br>Maturity Date: <u>December 15, 2052</u><br>Levy: <u>0.000</u><br>Revenue: <u>\$0</u> |

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

- |    |   |
|----|---|
| 4. | Purpose of Contract: _____<br>Title: _____<br>Date: _____<br>Principal Amount: _____<br>Maturity Date: _____<br>Levy: _____<br>Revenue: _____ |
|----|---|

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Erie Highlands Metropolitan District No. 2 of Weld County, Colorado on this 8th day of January 2024.

DocuSigned by:  
*Keith Kauffman*  
1CCE3AA622884B5

Keith Kauffman, Secretary

S E A L



STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3  
2024 BUDGET RESOLUTION

The Board of Directors of the Erie Highlands Metropolitan District No. 3, Town of Erie, Weld County, Colorado held a continued special meeting on Tuesday, January 9, 2024, at the hour of 4:00 P.M., via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126.

The following members of the Board of Directors were present:

President:	Greg Saia
Treasurer/Secretary:	Chris Carlton
Assistant Secretary:	Bertrand J. Bauer
Assistant Secretary:	Brandon Wyszynski
Assistant Secretary:	Todd L. Bloom

Also present were: Matt Ruhland, Cockrel Ela Glesne Greher & Ruhland, P.C.; Jeffrey Erb, Erb Law, LLC; Joan M. Fritsche, Fritsche Law LLC; Jerry Jacobs and Brittany Barnett, Timberline District Consulting, LLC; Emma Francis, MSI, LLC; Shelby Clymer and Alyssa Ferreira, CliftonLarsonAllen LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Brett Price, Oakwood Homes; the following members of the Boards of Directors of Erie Highlands Metropolitan District No. 1 or No. 2: Josh Malm, Sam Mayer, Jason Manley, Kristine Fillius, Tonya Baca, Mitchell Gonzales, Keith Kauffman and Andrew J. Matyus; and approximately 2 members of the public.

Ms. Ivey reported that proper notice was made to allow the Board of Directors of the Erie Highlands Metropolitan District No. 3 to conduct a public hearing on the 2024 budget on December 12, 2023 and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a continued special meeting of the Board of Directors of the District and that a notice of special meeting was posted on a public website of the District, <https://ehmd.specialdistrict.org/>, no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3, TOWN OF ERIE, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the "Board") of the Erie Highlands Metropolitan District No. 3 (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, the proposed budget is less than fifty thousand dollars (\$50,000.00), due and proper notice was made by posting in three public places within the District's boundaries a notice indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District's increased property tax revenues resulting from a request to the Division pursuant to Section 29-1-302(1), C.R.S.; and the Affidavit of Posting evidencing the same is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Tuesday, December 12, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

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

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3, TOWN OF ERIE, WELD COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the Weld County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Chris Carlton, Secretary and Treasurer of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$8,381 and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$403,180. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 20.788 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 6. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget



for the Debt Service Fund for debt retirement expense is \$-0- and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$403,180. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Section 2 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Weld County as required by law, for collection in 2024.

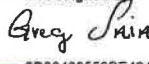
Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Weld County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

**[The remainder of this page is intentionally left blank.]**

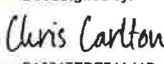
The foregoing Resolution was seconded by Director Bauer.

RESOLUTION APPROVED AND ADOPTED THIS 9TH DAY OF JANUARY 2024.

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3

DocuSigned by:  
  
6D30489556BE424...  
By: Greg Saia  
Its: President

ATTEST:

DocuSigned by:  
  
B18217EDE74A41D...  
By: Chris Carlton  
Its: Secretary/Treasurer

STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3

I, Chris Carlton, hereby certify that I am a director and the duly elected and qualified Secretary and Treasurer of the Erie Highlands Metropolitan District No. 3, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a continued special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 3 held on Tuesday, January 9, 2024, via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126, as recorded in the official record of the proceedings of the District, and the special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 3 held on Tuesday, December 12, 2023, via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhppO15NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390, insofar as said proceedings relate to the public hearing for the budget for fiscal year 2024; and that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 9th day of January 2024.

DocuSigned by:  
*Chris Carlton*  
B18217EDE74A41D

Chris Carlton, Secretary/Treasurer

[SEAL]



**EXHIBIT A**

Affidavit  
Notice as to Proposed 2024 Budget

TOWN OF ERIE, COUNTY OF WELD, STATE OF COLORADO

AFFIDAVIT OF POSTING

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3

I, Jerry Jacobs, being duly sworn, upon my oath do hereby certify that Notice as to Proposed 2024 Budget was posted in three places within the boundaries of the Erie Highlands Metropolitan District No. 3, at 1:30 P.M. on December 8, 2023 at least 24 hours prior to the Special Meeting of the Board of Directors to be held at 3:00 P.M. on Tuesday, December 12, 2023.

Dated this 8<sup>th</sup> day of December 2023.

By: 

STATE OF COLORADO    )  
                                      ) ss.  
COUNTY OF Adams    )


The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of December 2023, by Jerry Jacobs as an individual.

WITNESS my hand and official seal.

My commission expires: June 9<sup>th</sup>, 2024

S E A L



  
Notary Public

**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3** for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Erie Highlands Metropolitan District No. 3 to be held at 3:00 P.M., on Tuesday, December 12, 2023. The meeting will be held via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhpbO15NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390. Any interested elector within the Erie Highlands Metropolitan District No. 3 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

**EXHIBIT B**

Budget Document  
Budget Message

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2024**



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
----------------	-------------------	----------------

**ASSESSED VALUATION**

State assessed	\$ 22,730	\$ 43,170	\$ 26,260
Vacant land	397,750	1,096,900	198,330
Oil and gas	84,280	179,470	178,590
Certified Assessed Value	<u>\$ 504,760</u>	<u>\$ 1,319,540</u>	<u>\$ 403,180</u>

**MILL LEVY**

General	22.265	20.000	20.788
Total mill levy	<u>22.265</u>	<u>20.000</u>	<u>20.788</u>

**PROPERTY TAXES**

General	\$ 11,238	\$ 26,391	\$ 8,381
Levied property taxes	11,238	26,391	8,381
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	<u>\$ 11,239</u>	<u>\$ 26,391</u>	<u>\$ 8,381</u>

**BUDGETED PROPERTY TAXES**

General	\$ 11,239	\$ 26,391	\$ 8,381
	<u>\$ 11,239</u>	<u>\$ 26,391</u>	<u>\$ 8,381</u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	11,239	26,391	8,381
Specific ownership taxes	665	1,282	335
Other revenue	-	-	903
Total revenues	11,904	27,673	9,619
Total funds available	11,904	27,673	9,619
EXPENDITURES			
General and administrative			
County Treasurer's fees	169	396	126
Contingency	-	-	903
Transfer to District No. 4	11,735	27,277	8,590
Total expenditures	11,904	27,673	9,619
Total expenditures and transfers out requiring appropriation	11,904	27,673	9,619
ENDING FUND BALANCES	\$ -	\$ -	\$ -

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Weld County, Colorado on November 24, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan approved by the Town of Erie on September 24, 2013. The District's service area is located entirely within the Town of Erie, Weld County, Colorado.

The District was organized in conjunction with Erie Highlands Metropolitan District No. 1, Erie Highlands Metropolitan District No. 2, Erie Highlands Metropolitan District No. 4, and Erie Highlands Metropolitan District No. 5 (collectively, "the Districts"). The Districts were established to provide financing for the operations and maintenance and planning, design, acquisition, construction, and installation of public improvements, including mosquito elimination and control, fire protection, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, solid waste disposal, and covenant enforcement. District No. 4 pays all operating expenses for District Nos. 1, 2, 3, 4 and 5. District Nos. 1, 2, 3 and 5 levy ad valorem taxes on taxable properties within each District and transfer such proceeds to District No. 4.

On November 5, 2013, the District's voters authorized total indebtedness of \$60,000,000 for each of the following listed facilities; mosquito elimination and control, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, and operations and maintenance. Voters also authorized indebtedness of \$60,000,000 for encumbrances on District real and personal property, \$60,000,000 for management agreements, and \$60,000,000 for refunding of debt. Pursuant to the Consolidated Service Plan, each District shall not issue debt in an aggregate amount in excess of \$60,000,000. Additionally, the maximum debt mill levy is 50 mills as adjusted, which shall not be imposed for longer than 40 years after the year of the initial imposition of such debt mill levy. The election also approved an annual increase in property taxes of \$2,000,000 as derived from a maximum mill levy of 20 mills as adjusted, to pay the District's operation and maintenance costs.

In the event the residential assessment ratio changes, on or after January 1<sup>st</sup>, 2014, the District may increase or decrease the mill levies, (as authorized under the District's Service Plan) so that to the extent possible, the actual tax revenues generated by the mill levies, as adjusted, are neither diminished nor enhanced as a result of such changes. For tax collection year 2024, the maximum mill levy for operations is 20.788 mills.

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

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

**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 4% of the property taxes collected.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 3  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense but are to be incurred and paid by District No. 4.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Transfer to Other Districts**

Pursuant to an Intergovernmental Agreement Concerning District Operations, the District is obligated to impose a mill levy which will be sufficient to promptly and fully pay the amounts to be paid under this agreement, as well as all other general obligation indebtedness of the District, as the same become due. The District is required to remit property taxes derived from such mill levy, together with specific ownership taxes applicable to property within the District less County Treasurer Fees, to the Operating District. The District anticipates transferring funds to Erie Highlands Metropolitan District No. 4, as shown in the General Fund budget, for operations under this agreement. Administrative, operating and capital outlay expenditures are paid by District No. 4 on behalf of the District.

**Debt and Leases**

The District has no operating or capital leases.

**Emergency Reserves**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2024 Budget.

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

**EXHIBIT C**

Certification of Tax Levy

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

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

**On behalf of the** Erie Highlands Metropolitan District No. 3,

the Board of Directors (taxing entity)<sup>A</sup>

of the Erie Highlands Metropolitan District No. 3 (governing body)<sup>B</sup>

(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS \$ 403,180 assessed valuation of:

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 403,180

(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 01/09/2024 for budget/fiscal year 2024

(no later than Dec. 15)

(mm/dd/yyyy)

(yyyy)

**PURPOSE** (see end notes for definitions and examples)

**LEVY<sup>2</sup>**

**REVENUE<sup>2</sup>**

1. General Operating Expenses <sup>H</sup>	<u>20.788</u> mills	\$ <u>8,381</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< _____ > mills	\$ < _____ >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>20.788</u> mills	\$ <u>8,381</u>
3. General Obligation Bonds and Interest <sup>J</sup>	_____ mills	\$ _____
4. Contractual Obligations <sup>K</sup>	_____ mills	\$ _____
5. Capital Expenditures <sup>L</sup>	_____ mills	\$ _____
6. Refunds/Abatements <sup>M</sup>	_____ mills	\$ _____
7. Other <sup>N</sup> (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____

**TOTAL:** [ Sum of General Operating Subtotal and Lines 3 to 7 ]

20.788 mills \$ 8,381

Contact person: Shelby Clymer Phone: ( 303)779-5710  
Signed: Shelby Clymer Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? ☐ Yes ☐ No

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

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Erie Highlands Metropolitan District No. 3 of Weld County, Colorado on this 9th day of January 2024.

DocuSigned by:  
*Chris Carlton*  
B18217EDE74A41D...

Chris Carlton, Secretary/Treasurer

SEAL





STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4  
2024 BUDGET RESOLUTION

The Board of Directors of the Erie Highlands Metropolitan District No. 4, Town of Erie, Weld County, Colorado held a continued special meeting on Tuesday, January 9, 2024, at the hour of 4:00 P.M., via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126.

The following members of the Board of Directors were present:

President:	Greg Saia
Treasurer/Secretary:	Chris Carlton
Assistant Secretary:	Bertrand J. Bauer
Assistant Secretary:	Brandon Wyszynski

Also present were: Matt Ruhland, Cockrel Ela Glesne Greher & Ruhland, P.C.; Jeffrey Erb, Erb Law, LLC; Joan M. Fritsche, Fritsche Law LLC; Jerry Jacobs and Brittany Barnett, Timberline District Consulting, LLC; Emma Francis, MSI, LLC; Shelby Clymer and Alyssa Ferreira, CliftonLarsonAllen LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Brett Price, Oakwood Homes; the following members of the Boards of Directors of Erie Highlands Metropolitan District No. 1, No. 2 or Nos. 3 and 5: Josh Malm, Sam Mayer, Jason Manley, Kristine Fillius, Tonya Baca, Mitchell Gonzales, Keith Kauffman, Andrew J. Matyus, and Todd Bloom; and approximately 2 members of the public.

Ms. Ivey reported that proper notice was made to allow the Board of Directors of the Erie Highlands Metropolitan District No. 4 to conduct a public hearing on the 2024 budget on December 12, 2023 and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a continued special meeting of the Board of Directors of the District and that a notice of special meeting was posted on a public website of the District, <https://ehmd.specialdistrict.org/>, no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4, TOWN OF ERIE, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the "Board") of the Erie Highlands Metropolitan District No. 4 (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Wednesday, November 22, 2023, in the *Colorado Hometown Weekly*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District's increased property tax revenues resulting from a request to the Division of Local Government pursuant to Section 29-1-302(1), C.R.S.; and an original publisher's Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Tuesday, December 12, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

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

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4, TOWN OF ERIE, WELD COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the Weld County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Chris Carlton, Secretary and Treasurer of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$622 and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$29,930. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 20.788 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 6. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$1,556 and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$29,930. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 51.971 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Section 2 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Weld County as required by law, for collection in 2024.

Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Weld County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

**[The remainder of this page is intentionally left blank.]**

The foregoing Resolution was seconded by Director Carlton.

RESOLUTION APPROVED AND ADOPTED THIS 9TH DAY OF JANUARY 2024.

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4

DocuSigned by:  
*Greg Saia*  
6D304895568E424...

By: Greg Saia  
Its: President

ATTEST:

DocuSigned by:  
*Chris Carlton*  
B18217EDE74A41D...

By: Chris Carlton  
Its: Secretary/Treasurer



STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4

I, Chris Carlton, hereby certify that I am a director and the duly elected and qualified Secretary and Treasurer of the Erie Highlands Metropolitan District No. 4, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a continued special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 4 held on Tuesday, January 9, 2024, via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126, as recorded in the official record of the proceedings of the District, and the special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 4 held on Tuesday, December 12, 2023, via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhppO15NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390, insofar as said proceedings relate to the public hearing for the budget for fiscal year 2024; and that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 9th day of January 2024.

DocuSigned by:  
*Chris Carlton*  
B18217EDE74A41D...

Chris Carlton, Secretary/Treasurer

[SEAL]



**EXHIBIT A**

Affidavit  
Notice as to Proposed 2024 Budget

**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**

NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4 for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Erie Highlands Metropolitan District No. 4 to be held at 3:00 P.M., on Tuesday, December 12, 2023. The meeting will be held via video conference at <https://us06web.zoom.us/j/83456004224?pwd=H9T3E7YrYjB5SHMhppoISNCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390. Any interested elector within the Erie Highlands Metropolitan District No. 4 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4

By: /s/ ICENOGLIE | SEAVER | POGUE  
A Professional Corporation

Published: Colorado Hometown Weekly November 22, 2023-2017198

**Prairie Mountain Media, LLC**

**PUBLISHER'S AFFIDAVIT**

County of Boulder  
State of Colorado

The undersigned, Agent, being first duly sworn  
under oath, states and affirms as follows:

1. He/she is the legal Advertising Reviewer of  
Prairie Mountain Media LLC, publisher of the  
*Colorado Hometown*.
2. The *Colorado Hometown* is a newspaper  
of general circulation that has been published  
continuously and without interruption for at least  
fifty-two weeks in Boulder County and  
meets the legal requisites for a legal newspaper  
under Colo. Rev. Stat. 24-70-103.
3. The notice that is attached hereto is a true copy,  
published in the *Colorado Hometown*  
in Boulder County on the following date(s):

Nov 22, 2023

  
Signature

Subscribed and sworn to me before me this  
22nd day of November 2023.

  
Notary Public

(SEAL)

**SHAYLA NAJERA  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20174031965  
MY COMMISSION EXPIRES July 31, 2025**

Account: 1051343  
Ad Number: 2017198  
Fee: \$28.13



**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4** for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Erie Highlands Metropolitan District No. 4 to be held at 3:00 P.M., on Tuesday, December 12, 2023. The meeting will be held via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhppO15NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390. Any interested elector within the Erie Highlands Metropolitan District No. 4 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

BY ORDER OF THE BOARD OF DIRECTORS:  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

Publish In: *Colorado Hometown Weekly*  
Publish On: Wednesday, November 22, 2023

**EXHIBIT B**

Budget Document  
Budget Message

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2024**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**SUMMARY**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 56,143	\$ 38,760	\$ 62,571
REVENUES			
Property taxes	16,669	22,241	2,178
Specific ownership taxes	987	937	87
District fees	9,720	53,000	91,045
Interest income	2,704	9,000	2,000
Other revenue	7,122	44,500	200
Developer advance	200,000	75,000	-
Developer contribution	-	22,223	-
Insurance proceeds	-	34,398	-
Clubhouse rental	6,700	7,000	5,000
Design review fees	7,500	7,500	5,000
Transfer from District No. 1	342,199	339,414	427,899
Transfer from District No. 2	157,345	196,625	309,355
Transfer from District No. 3	11,735	27,277	8,590
Transfer from District No. 5	4,973	6,568	638
Total revenues	767,654	845,683	851,992
Total funds available	823,797	884,443	914,563
EXPENDITURES			
General Fund	770,450	739,834	736,600
Carriage House Fund	14,407	81,800	90,550
Debt Service Fund	180	238	61,563
Total expenditures	785,037	821,872	888,713
Total expenditures and transfers out requiring appropriation	785,037	821,872	888,713
ENDING FUND BALANCES	\$ 38,760	\$ 62,571	\$ 25,850
EMERGENCY RESERVE	\$ 16,400	\$ 19,900	\$ 22,800
CARRIAGE HOUSE FUND RESERVE	300	2,700	2,800
TOTAL RESERVE	\$ 16,700	\$ 22,600	\$ 25,600

No assurance provided. See summary of significant assumptions.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
----------------	-------------------	----------------

**ASSESSED VALUATION**

State assessed	\$ 22,730	\$ 31,250	\$ 8,820
Vacant land	112,100	112,100	20
Oil and gas	79,070	174,380	21,090
Certified Assessed Value	<u>\$ 213,900</u>	<u>\$ 317,730</u>	<u>\$ 29,930</u>

**MILL LEVY**

General	22.265	20.000	20.788
Debt Service	55.663	50.000	51.971
Total mill levy	<u>77.928</u>	<u>70.000</u>	<u>72.759</u>

**PROPERTY TAXES**

General	\$ 4,762	\$ 6,355	\$ 622
Debt Service	11,907	15,886	1,556
Budgeted property taxes	<u>\$ 16,669</u>	<u>\$ 22,241</u>	<u>\$ 2,178</u>

**BUDGETED PROPERTY TAXES**

General	\$ 4,762	\$ 6,355	\$ 622
Debt Service	11,907	15,886	1,556
	<u>\$ 16,669</u>	<u>\$ 22,241</u>	<u>\$ 2,178</u>

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 24,940	\$ (188)	\$ 113
REVENUES			
Property taxes	4,762	6,355	622
Specific ownership taxes	282	275	25
Interest income	2,704	9,000	2,000
Developer advance	200,000	75,000	-
Developer contribution	-	22,223	-
Insurance proceeds	-	34,398	-
Clubhouse rental	6,700	7,000	5,000
Other revenue	7,122	8,500	200
Design review fees	7,500	7,500	5,000
Transfer from District No. 1	342,199	339,414	427,899
Transfer from District No. 2	157,345	196,625	309,355
Transfer from District No. 3	11,735	27,277	8,590
Transfer from District No. 5	4,973	6,568	638
Total revenues	745,322	740,135	759,329
Total funds available	770,262	739,947	759,442
EXPENDITURES			
General and administrative			
Accounting	71,629	65,000	67,000
Auditing	14,700	15,300	16,000
County Treasurer's fees	71	95	9
Dues and membership	2,290	1,723	2,500
Insurance	33,695	39,000	40,000
District management	78,000	68,000	63,000
Legal	54,691	105,000	40,000
Miscellaneous	8,409	22,000	9,000
Election	11,553	12,697	-
Contingency	-	-	38
Operations and maintenance			
Landscaping	110,805	86,000	112,500
Covenant control and inspections	34,895	35,000	35,250
Irrigation repairs	6,632	12,000	22,500
Snow removal	28,050	30,000	50,000
Plant material replacements	9,875	-	-
Repairs and maintenance	844	500	3,750
Holiday lights	9,967	-	-
Playground equipment maintenance	-	-	3,750
Native area maintenance	1,248	-	3,750
Monument maintenance	866	-	1,500
Concrete repairs	-	-	1,875
Landscape repairs	188	-	1,875
Fence repairs	63	-	1,500
Utilities	49,781	31,000	30,000
Clubhouse operations			
Clubhouse management	12,094	15,000	15,000
Clubhouse operations and maintenance	24,981	20,000	18,750
Security	4,981	-	4,125
Work order repairs and maintenance	3,738	9,000	9,000
Clubhouse rentals/events	11,148	5,000	5,625
Cleaning and supplies	7,153	12,000	7,500
Clubhouse general repairs	12,624	5,000	3,750
Clubhouse electric repairs	1,300	500	1,875
Clubhouse plumbing repairs	255	1,000	1,875
Mechanical systems repair	-	-	1,125
Fencing repairs - Clubhouse	-	-	750
Grounds maintenance	2,468	-	7,800
Plant material replacements - Clubhouse	3,862	-	2,625
Irrigation repairs - Clubhouse	-	450	1,500
Snow removal - Clubhouse	5,147	7,000	7,500
Utilities - Clubhouse	42,501	35,000	40,000
Pool operations			
Lifeguards	49,054	43,236	47,753
Pool maintenance	34,268	30,743	26,250
Pool chemicals	14,219	10,598	13,000
Pool repairs	12,425	6,992	7,500
Hot tub maintenance	-	15,000	7,500
Total expenditures	770,450	739,834	736,600
Total expenditures and transfers out requiring appropriation	770,450	739,834	736,600
ENDING FUND BALANCES	\$ (188)	\$ 113	\$ 22,842
EMERGENCY RESERVE	\$ 16,400	\$ 19,900	\$ 22,800
TOTAL RESERVE	\$ 16,400	\$ 19,900	\$ 22,800

No assurance provided. See summary of significant assumptions.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**CARRIAGE HOUSE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ (4,687)	\$ 2,513
REVENUES			
District fees	9,720	53,000	103,138
Other revenue	-	36,000	-
Total revenues	9,720	89,000	103,138
Total funds available	9,720	84,313	105,651
EXPENDITURES			
General and administrative			
Billing	5,677	16,000	18,000
Miscellaneous	149	-	-
Contingency	-	300	-
Operations and maintenance			
Landscape maintenance	1,031	29,000	32,500
Operations maintenance	5,656	20,000	20,000
Snow removal	1,894	15,000	25,000
Covenant control	-	1,000	2,500
Repairs and maintenance	-	500	-
Winter watering	-	-	1,000
Irrigation repairs	-	-	3,500
Total expenditures	14,407	81,800	102,500
Total expenditures and transfers out requiring appropriation	14,407	81,800	102,500
ENDING FUND BALANCES	\$ (4,687)	\$ 2,513	\$ 3,151
CARRIAGE HOUSE FUND RESERVE	\$ 300	\$ 2,700	\$ 3,100

No assurance provided. See summary of significant assumptions.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**DEBT SERVICE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 31,203	\$ 43,635	\$ 59,945
REVENUES			
Property taxes	11,907	15,886	1,556
Specific ownership taxes	705	662	62
Total revenues	12,612	16,548	1,618
Total funds available	43,815	60,183	61,563
EXPENDITURES			
General and administrative			
County Treasurer's fees	180	238	23
Contingency	-	-	540
Debt Service			
Developer note repayment	-	-	61,000
Total expenditures	180	238	61,563
Total expenditures and transfers out requiring appropriation	180	238	61,563
ENDING FUND BALANCES	\$ 43,635	\$ 59,945	\$ -

No assurance provided. See summary of significant assumptions.



**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Weld County, Colorado on November 24, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan approved by the Town of Erie on September 24, 2013. The District's service area is located entirely within the Town of Erie, Weld County, Colorado.

The District was organized in conjunction with Erie Highlands Metropolitan District No. 1, Erie Highlands Metropolitan District No. 2, Erie Highlands Metropolitan District No. 3, and Erie Highlands Metropolitan District No. 5 (collectively, "the Districts"). The Districts were established to provide financing for the operations and maintenance and planning, design, acquisition, construction, and installation of public improvements, including mosquito elimination and control, fire protection, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, solid waste disposal, and covenant enforcement. The District pays all operating expenses for District Nos. 1, 2, 3, 4 and 5. District Nos. 1, 2, 3 and 5 levy ad valorem taxes on taxable properties within each District and transfer such proceeds to the District.

On November 5, 2013, the District's voters authorized total indebtedness of \$60,000,000 for each of the following listed facilities; mosquito elimination and control, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, and operations and maintenance. Voters also authorized indebtedness of \$60,000,000 for encumbrances on District real and personal property, \$60,000,000 for management agreements, and \$60,000,000 for refunding of debt. Pursuant to the Consolidated Service Plan, each District shall not issue debt in an aggregate amount in excess of \$60,000,000. Additionally, the maximum debt mill levy is 50 mills as adjusted, which shall not be imposed for longer than 40 years after the year of the initial imposition of such debt mill levy. The election also approved an annual increase in property taxes of \$2,000,000 as derived from a maximum mill levy of 20 mills as adjusted, to pay the District's operation and maintenance costs.

In the event the residential assessment ratio changes, on or after January 1<sup>st</sup>, 2014, the District may increase or decrease the mill levies, (as authorized under the District's Service Plan) so that to the extent possible, the actual tax revenues generated by the mill levies, as adjusted, are neither diminished nor enhanced as a result of such changes. For tax collection year 2024, the maximum mill levies for operations and debt service are 20.788 mills and 51.971 mills, respectively.

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

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**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 4% of the property taxes collected.

**Developer Advances**

Developer advances are expected to fund a portion of general fund expenditures. Developer advances are to be recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (Continued)**

**Transfer from Other Districts**

Pursuant to an Intergovernmental Agreement Concerning District Operations, District Nos. 1, 2, 3, and 5 are obligated to impose a mill levy which will be sufficient to promptly and fully pay the amounts to be paid under this agreement, as well as all other general obligation indebtedness of the District, as the same become due. District Nos. 1, 2, 3, and 5 are required to remit property taxes derived from such mill levy, together with specific ownership taxes applicable to property within the Districts less County Treasurer Fees, to the District. The District anticipates receiving funds for operations under this agreement, as shown in the General Fund budget. Administrative, operating and capital outlay expenditures are paid by the District on behalf of all the Districts.

**Design Review Fees**

The District receives Landscape Design Review Fees for each property sold.

**Carriage House District Fees**

The District anticipates collecting fees from owners of carriage houses to maintain common areas within the carriage house community.

**Expenditures**

**General and Administrative Expenditures**

Administrative expenditures include the estimated services necessary to maintain the administrative viability such as legal, management, accounting, insurance and meeting expense of District Nos. 1, 2, 3, 4, and 5.

**Operations and Maintenance**

Facilities that are constructed by the District are either turned over to a third party for maintenance (i.e. streets to the Town of Erie) or maintained by the District. The budget reflects the District's operational expenditures in order to maintain assets not conveyed to other entities.

In addition, the cost of operating the Clubhouse and pool are also included under this category.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 4  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District has no operating or capital leases.

The District has outstanding developer advances. The anticipated developer advances are as follows:

	Balance - December 31, 2022	Additions	Reductions	Balance - December 31, 2023*	Additions	Reductions	Balance - December 31, 2024
Developer Advances:							
Operations:							
Principal	\$ 1,326,531	\$ 75,000	\$ -	\$ 1,401,531	\$ -	\$ -	\$ 1,401,531
Interest	247,049	109,122	-	356,171	112,122	61,000	407,294
Capital:							
Principal	181,018	-	-	181,018	-	-	181,018
Interest	11,129	14,481	-	25,610	14,481	-	40,092
Total	<u>\$ 1,765,727</u>	<u>\$ 198,604</u>	<u>\$ -</u>	<u>\$ 1,964,331</u>	<u>\$ 126,604</u>	<u>\$ 61,000</u>	<u>\$ 2,029,935</u>

\*Estimates

**Reserve Funds**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending.

**Carriage House Fund Reserve**

The District has provided a reserve for operating contingencies. This reserve is included as part of the District's Carriage House Fund Balance.

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

**EXHIBIT C**

Certification of Tax Levy

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

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

On behalf of the Erie Highlands Metropolitan District No. 4,

(taxing entity)<sup>A</sup>

the Board of Directors

(governing body)<sup>B</sup>

of the Erie Highlands Metropolitan District No. 4

(local government)<sup>C</sup>

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 29,930 assessed valuation of:

(GROSS<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 29,930

(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/09/2024 for budget/fiscal year 2024  
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

**PURPOSE** (see end notes for definitions and examples)

**LEVY<sup>2</sup>**

**REVENUE<sup>2</sup>**

1. General Operating Expenses <sup>H</sup>	<u>20.788</u> mills	\$ <u>622</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	< <u>        </u> > mills	\$ < <u>        </u> >
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>20.788</u> mills	\$ <u>622</u>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>        </u> mills	\$ <u>        </u>
4. Contractual Obligations <sup>K</sup>	<u>51.971</u> mills	\$ <u>1,556</u>
5. Capital Expenditures <sup>L</sup>	<u>        </u> mills	\$ <u>        </u>
6. Refunds/Abatements <sup>M</sup>	<u>        </u> mills	\$ <u>        </u>
7. Other <sup>N</sup> (specify): <u>                                </u>	<u>        </u> mills	\$ <u>        </u>
<u>  </u>	<u>        </u> mills	\$ <u>        </u>

**TOTAL:** [ Sum of General Operating Subtotal and Lines 3 to 7 ]

72.759 mills

\$ 2,178

Contact person: Shelby Clymer

Phone: ( 303) 779-5710

Signed: Shelby Clymer

Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates?

☐ Yes ☐ No

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

<sup>1</sup> If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

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

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:****BONDS<sup>J</sup>:**

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

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

3. Purpose of Contract: Infrastructure improvements  
 Title: Advance and Reimbursement and Facilities Acquisition Agreement  
 Date: July 3, 2017  
 Principal Amount: Approximately \$256,018  
 Maturity Date: N/A  
 Levy: 51.971  
 Revenue: \$ 1,556
  
4. Purpose of Contract: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Principal Amount: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Erie Highlands Metropolitan District No. 4 of Weld County, Colorado on this 9th day of January 2024.

DocuSigned by:  
*Chris Carlton*  
B18217EDE74A41D...  
Chris Carlton, Secretary/Treasurer





STATE OF COLORADO  
COUNTY OF WELD, TOWN OF ERIE  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5  
2024 BUDGET RESOLUTION

The Board of Directors of the Erie Highlands Metropolitan District No. 5, Town of Erie, Weld County, Colorado held a continued special meeting on Tuesday, January 9, 2024, at the hour of 4:00 P.M., via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126.

The following members of the Board of Directors were present:

President:	Greg Saia
Treasurer/Secretary:	Chris Carlton
Assistant Secretary:	Bertrand J. Bauer
Assistant Secretary:	Brandon Wyszynski
Assistant Secretary:	Todd L. Bloom

Also present were: Matt Ruhland, Cockrel Ela Glesne Greher & Ruhland, P.C.; Jeffrey Erb, Erb Law, LLC; Joan M. Fritsche, Fritsche Law LLC; Jerry Jacobs and Brittany Barnett, Timberline District Consulting, LLC; Emma Francis, MSI, LLC; Shelby Clymer and Alyssa Ferreira, CliftonLarsonAllen LLP; Jennifer L. Ivey, Icenogle Seaver Pogue, P.C.; Brett Price, Oakwood Homes; the following members of the Boards of Directors of Erie Highlands Metropolitan District No. 1 or No. 2: Josh Malm, Sam Mayer, Jason Manley, Kristine Fillius, Tonya Baca, Mitchell Gonzales, Keith Kauffman and Andrew J. Matyus; and approximately 2 members of the public.

Ms. Ivey reported that proper notice was made to allow the Board of Directors of the Erie Highlands Metropolitan District No. 5 to conduct a public hearing on the 2024 budget on December 12, 2023 and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a continued special meeting of the Board of Directors of the District and that a notice of special meeting was posted on a public website of the District, <https://ehmd.specialdistrict.org/>, no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5, TOWN OF ERIE, WELD COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2024 AND ENDING ON THE LAST DAY OF DECEMBER 2024.

WHEREAS, the Board of Directors (the "Board") of the Erie Highlands Metropolitan District No. 5 (the "District") has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2023; and

WHEREAS, the proposed budget is less than fifty thousand dollars (\$50,000.00), due and proper notice was made by posting in three public places within the District's boundaries a notice indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District's increased property tax revenues resulting from a request to the Division pursuant to Section 29-1-302(1), C.R.S.; and the Affidavit of Posting evidencing the same is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Tuesday, December 12, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Section 29-1-301, C.R.S., and Article X, Section 20 of the Colorado Constitution; and

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

WHEREAS, pursuant to Section 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to Section 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5, TOWN OF ERIE, WELD COUNTY, COLORADO:

Section 1. Summary of 2024 Revenues and 2024 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2024, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2024. In the event the final assessed valuation provided by the Weld County Assessor's Office differs from the assessed valuation used in the proposed budget, the District's accountant is hereby directed to modify and/or adjust the budget and mill levy certification as needed to reflect the final assessed valuation without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Chris Carlton, Secretary and Treasurer of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2024 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$622 and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$29,930. That for the purposes of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 20.788 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 6. 2024 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget

for the Debt Service Fund for debt retirement expense is \$-0- and that the 2023 valuation for assessment, as certified by the Weld County Assessor, is \$29,930. That for the purposes of meeting all debt retirement expenses of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2024.

Section 7. 2024 Mill Levy Adjustment. The Board may adjust the mill levy, as specifically set forth in the District's Service Plan (the "Adjusted Mill Levy"). The Board hereby determines in good faith to establish the Adjusted Mill Levy as set forth in the mill levy certification attached hereto as Exhibit C pursuant to the authority granted by its Service Plan to ensure that the District's revenues shall be neither diminished nor enhanced as a result of the changes effecting the mill levy. Subject to adjustment and finalization by the District's accountant in accordance with Section 2 hereof, the Board further authorizes that the Adjusted Mill Levy be reflected in the District's Certification of Tax Levies to be submitted to the Board of County Commissioners of Weld County as required by law, for collection in 2024.

Section 8. Certification to County Commissioners. That the Board Secretary and/or District's accountant are hereby authorized and directed to immediately certify to the Board of County Commissioners of Weld County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

**[The remainder of this page is intentionally left blank.]**


The foregoing Resolution was seconded by Director Bloom.

RESOLUTION APPROVED AND ADOPTED THIS 9TH DAY OF JANUARY 2024.

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5

DocuSigned by:  
  
6D30489556BE424...  
By: Greg Saia  
Its: President

ATTEST:

DocuSigned by:  
  
B18217EDE74A41D...  
By: Chris Carlton  
Its: Secretary/Treasurer



STATE OF COLORADO  
TOWN OF ERIE, COUNTY OF WELD  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5

I, Chris Carlton, hereby certify that I am a director and the duly elected and qualified Secretary and Treasurer of the Erie Highlands Metropolitan District No. 5, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a continued special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 5 held on Tuesday, January 9, 2024, via video conference at <https://us06web.zoom.us/j/89998531657?pwd=ZaxYarkvMawy8aVj7dJyDCB9DjwBCW.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 899 9853 1657, Passcode: 843126, as recorded in the official record of the proceedings of the District, and the special meeting of the Board of Directors of the Erie Highlands Metropolitan District No. 5 held on Tuesday, December 12, 2023, via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhppO15NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390, insofar as said proceedings relate to the public hearing for the budget for fiscal year 2024; and that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 8th day of January 2024.

DocuSigned by:  
  
B18217EDE74A41D...  
Chris Carlton, Secretary/Treasurer

[SEAL]



**EXHIBIT A**

Affidavit  
Notice as to Proposed 2024 Budget

TOWN OF ERIE, COUNTY OF WELD, STATE OF COLORADO

AFFIDAVIT OF POSTING

ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5

I, Jerry Jacobs, being duly sworn, upon my oath do hereby certify that Notice as to Proposed 2024 Budget was posted in three places within the boundaries of the Erie Highlands Metropolitan District No. 5, at 1:30 P.M. on December 8, 2023 at least 24 hours prior to the Special Meeting of the Board of Directors to be held at 3:00 P.M. on Tuesday, December 12, 2023.

Dated this 8<sup>th</sup> day of December 2023.

By: 

STATE OF COLORADO    )  
  ) ss.  
COUNTY OF Adams    )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of December 2023, by Jerry Jacobs as an individual.

WITNESS my hand and official seal.

My commission expires: June 9<sup>th</sup> 2024

S E A L



  
Notary Public



**NOTICE AS TO PROPOSED 2024 BUDGET AND HEARING  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the **ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5** for the ensuing year of 2024. A copy of such proposed budget has been filed in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where same is open for public inspection. Such proposed budget will be considered at a hearing at the special meeting of the Erie Highlands Metropolitan District No. 5 to be held at 3:00 P.M., on Tuesday, December 12, 2023. The meeting will be held via video conference at <https://us06web.zoom.us/j/83456004224?pwd=tH9T3E7YrYjbSHMhppOI5NCY2YznPG.1> and via telephone conference at Dial-In: 1-719-359-4580, Meeting ID: 834 5600 4224, Passcode: 509390. Any interested elector within the Erie Highlands Metropolitan District No. 5 may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2024 budget.

**BY ORDER OF THE BOARD OF DIRECTORS:  
ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5**

By: /s/ ICENOGLE | SEAVER | POGUE  
A Professional Corporation

**EXHIBIT B**

Budget Document  
Budget Message

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5**  
**ANNUAL BUDGET**  
**FOR YEAR ENDING DECEMBER 31, 2024**

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION</b>			
State assessed	\$ 22,730	\$ 31,250	\$ 8,820
Vacant land	112,100	112,100	20
Oil and gas	79,070	174,380	21,090
Certified Assessed Value	<u>\$ 213,900</u>	<u>\$ 317,730</u>	<u>\$ 29,930</u>
<b>MILL LEVY</b>			
General	22.265	20.000	20.788
Total mill levy	<u>22.265</u>	<u>20.000</u>	<u>20.788</u>
<b>PROPERTY TAXES</b>			
General	\$ 4,762	\$ 6,355	\$ 622
Levied property taxes	4,762	6,355	622
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	<u>\$ 4,763</u>	<u>\$ 6,355</u>	<u>\$ 622</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 4,763	\$ 6,355	\$ 622
	<u>\$ 4,763</u>	<u>\$ 6,355</u>	<u>\$ 622</u>

No assurance provided. See summary of significant assumptions.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/12/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	4,763	6,355	622
Specific ownership taxes	281	308	25
Other revenue	-	-	353
Total revenues	5,044	6,663	1,000
Total funds available	5,044	6,663	1,000
EXPENDITURES			
General and administrative			
County Treasurer's fees	71	95	9
Contingency	-	-	353
Transfer to District No. 4	4,973	6,568	638
Total expenditures	5,044	6,663	1,000
Total expenditures and transfers out requiring appropriation	5,044	6,663	1,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5**  
**2024 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Weld County, Colorado on November 24, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Consolidated Service Plan approved by the Town of Erie on September 24, 2013. The District's service area is located entirely within the Town of Erie, Weld County, Colorado.

The District was organized in conjunction with Erie Highlands Metropolitan District No. 1, Erie Highlands Metropolitan District No. 2, Erie Highlands Metropolitan District No. 3, and Erie Highlands Metropolitan District No. 4 (collectively, "the Districts"). The Districts were established to provide financing for the operations and maintenance and planning, design, acquisition, construction, and installation of public improvements, including mosquito elimination and control, fire protection, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, solid waste disposal, and covenant enforcement. District No. 4 pays all operating expenses for District Nos. 1, 2, 3, 4 and 5. District Nos. 1, 2, 3 and 5 levy ad valorem taxes on taxable properties within each District and transfer such proceeds to District No. 4.

On November 5, 2013, the District's voters authorized total indebtedness of \$60,000,000 for each of the following listed facilities; mosquito elimination and control, parks and recreation, traffic and safety control, sanitation services, street improvements, television relay and translator, transportation, water, and operations and maintenance. Voters also authorized indebtedness of \$60,000,000 for encumbrances on District real and personal property, \$60,000,000 for management agreements, and \$60,000,000 for refunding of debt. Pursuant to the Consolidated Service Plan, each District shall not issue debt in an aggregate amount in excess of \$60,000,000. Additionally, the maximum debt mill levy is 50 mills as adjusted, which shall not be imposed for longer than 40 years after the year of the initial imposition of such debt mill levy. The election also approved an annual increase in property taxes of \$2,000,000 as derived from a maximum mill levy of 20 mills as adjusted, to pay the District's operation and maintenance costs.

In the event the residential assessment ratio changes, on or after January 1<sup>st</sup>, 2014, the District may increase or decrease the mill levies, (as authorized under the District's Service Plan) so that to the extent possible, the actual tax revenues generated by the mill levies, as adjusted, are neither diminished nor enhanced as a result of such changes. For tax collection year 2024, the maximum mill levy for operations is 20.788 mills.

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

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

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

**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 4% of the property taxes collected.

**Expenditures**

**Administrative and Operating Expenditures**

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense but are to be incurred and paid by District No. 4.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**ERIE HIGHLANDS METROPOLITAN DISTRICT NO. 5  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (continued)**

**Transfer to Other Districts**

Pursuant to an Intergovernmental Agreement Concerning District Operations, the District is obligated to impose a mill levy which will be sufficient to promptly and fully pay the amounts to be paid under this agreement, as well as all other general obligation indebtedness of the District, as the same become due. The District is required to remit property taxes derived from such mill levy, together with specific ownership taxes applicable to property within the District less County Treasurer Fees, to the Operating District. The District anticipates transferring funds to Erie Highlands Metropolitan District No. 4, as shown in the General Fund budget, for operations under this agreement. Administrative, operating and capital outlay expenditures are paid by District No. 4 on behalf of the District.

**Debt and Leases**

The District has no operating or capital leases.

**Emergency Reserves**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 4, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2024 Budget.

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



**EXHIBIT C**

Certification of Tax Levy



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Erie Highlands Metropolitan District No. 5 of Weld County, Colorado on this 9th day of January 2024.

SEAL



DocuSigned by:

*Chris Carlton*

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Chris Carlton, Secretary/Treasurer