

**SUMMERFIELD METROPOLITAN DISTRICT NOS. 1-3**  
**CONSOLIDATED 2024 ANNUAL REPORT**

Pursuant to §32-1-207(3)(c) and the Consolidated Service Plan for Summerfield Metropolitan District Nos. 1-3 (collectively the “**Districts**”), the Districts are required to provide an annual report to the with regard to the following matters:

For the year ending December 31, 2024, the Districts make the following report:

**§32-1-207(3) Statutory Requirements**

**1. Boundary changes made.**

In 2024, there were no boundary changes made.

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

In 2024, there were no Intergovernmental Agreements entered into or terminated.

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

The Districts have not adopted any rules and regulations.

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

To our actual knowledge, based on review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts’ public improvements as of December 31, 2024.

**5. Status of the construction of public improvements by the Districts.**

The District has made significant progress on the 10-year project, with active public improvement installation ongoing. Builder/Developer has started public improvements in multiple locations and they are starting to connect the various improvements together.

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

The District constructed offsite public infrastructure improvements including water, sanitary sewer, storm sewer/drainage improvements, streets, pedestrian flatwork, landscaping, and park improvements.

**7. The final assessed valuation of the Districts as of December 31<sup>st</sup> of the reporting year.**

2024 Assessed Value District No. 1: \$150.00.

2024 Assessed Value District No. 2: \$34,631,340.

2024 Assessed Value District No. 3: \$361,600.

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

Copies of the 2025 Budgets are attached hereto as **Exhibit A**

**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.**

The 2024 Audit Exemption Applications for District Nos. 1 and 3 are attached hereto as **Exhibit B**. The 2024 Audit for District No. 2 is not finished as the submittal of this report. The 2023 Audit for District No. 2 is attached hereto as **Exhibit C**.

**10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the Districts.**

None.

**11. Any inability of the Districts to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

None.

**Service Plan Requirements**

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

The Districts were formed in 2013. Construction and financing of public infrastructure is ongoing.

**2. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District 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 incurred capital expenditures in 2024 as shown on the attached budgets. In the next five (5) years, a majority of the public improvements contemplated in the Service Plan is projected to be undertaken as development demands.

**3. Unless disclosed within a separate schedule to the financial statements, a summary of**

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

Summerfield Metropolitan District No. 2 issued debt in 2024: Taxable Special Revenue Drawdown Annual Appropriation Notes, Series 2024; and Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Drawdown Bonds, Series 2025.

District No. 1 debt mill levy: 0.000  
 District No. 2 debt mill levy: 44.271  
 District No. 3 debt mill levy: 0.000

**4. A summary of residential and commercial development which has occurred within the District for the fiscal year.**

None.

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

Each District’s mill levy taxes imposed in 2024 for collection in 2025 is reflected on their attached budgets. No fees, charges or assessments imposed in 2024.

**6. The name, business address and telephone number of each member of the Board and the chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Boards for the report year.**

<i>Jon R. Lee</i>	<i>President</i>	<i>2500 Arapahoe Ave., #220, Boulder, CO 80302, (303) 442-2299</i>
<i>Jessica Brothers</i>	<i>Treasurer</i>	<i>2500 Arapahoe Ave., #220, Boulder, CO 80302, (303) 442-2299</i>
<i>Amber Morrison</i>	<i>Secretary</i>	<i>2500 Arapahoe Ave., #220, Boulder, CO 80302, (303) 442-2299</i>
<i>Crosby Lee</i>	<i>Assistant Secretary</i>	<i>2500 Arapahoe Ave., #220, Boulder, CO 80302, (303) 442-2299</i>
<i>Vacancy</i>		

The Districts regular meetings are 4<sup>th</sup> Thursday of April and October, and the 3<sup>rd</sup> Thursday May, September, November and December at 9:00 am at Erie Recreation Center; 2500 Arapahoe Avenue, Suite 220, Boulder, Colorado and/or via Zoom Teleconference

Chief Admin. Officer – None.

General Legal Counsel – WBA, PC; 2154 E. Commons Avenue, Suite 2000, Centennial, CO 80122; 303-858-1800

**EXHIBIT A**  
**2025 Budgets**

**SUMMERFIELD METROPOLITAN DISTRICT NO. 1**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2025**

**SUMMERFIELD METROPOLITAN DISTRICT NO. 1  
PROPERTY TAX SUMMARY INFORMATION  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
SUMMERFIELD METROPOLITAN DISTRICT NO. 1**

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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**ASSESSED VALUATION**

Agricultural	\$	70	\$	150	\$	150
		70		150		150
Certified Assessed Value	\$	70	\$	150	\$	150

**MILL LEVY**

General	57.220	59.403	54.906
Total mill levy	57.220	59.403	54.906

**PROPERTY TAXES**

General	\$	4	\$	9	\$	8
Levied property taxes		4		9		8
Budgeted property taxes	\$	4	\$	9	\$	8

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$</b>	<b>4</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>8</b>
	<b>\$</b>	<b>4</b>	<b>\$</b>	<b>9</b>	<b>\$</b>	<b>8</b>

**SUMMERFIELD METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ (943)	\$ 34,439	\$ 31,179
<b>REVENUES</b>			
Property taxes	4	9	8
Interest Income	19	30	50
Other Revenue	1	-	-
Acceptance of reimbursable costs	-	15,981,139	24,000,000
Transfers from Summerfield MD No. 2	115,000	16,231,139	24,202,000
Transfers from Summerfield MD No. 3	-	5,000	10,000
Total revenues	115,024	32,217,317	48,212,058
Total funds available	114,081	32,251,756	48,243,237
<b>EXPENDITURES</b>			
General and administrative			
Accounting	34,255	53,000	40,000
Auditing	3,150	6,700	14,522
Dues and Membership	346	1,848	2,000
Insurance	2,486	6,961	7,600
District management	-	80,000	25,000
Legal	22,470	60,000	45,000
Miscellaneous	22	150	2,500
Election	316	-	2,500
Website	233	600	1,000
Transfers to Summerfield District No. 2	11,384	-	-
Transfers to Summerfield District No. 3	2,672	-	-
Capital projects			
Capital outlay	2,308	4,040	-
Engineering	-	45,000	65,000
Recognition of costs	-	15,981,139	24,000,000
Reimbursement of accepted costs	-	15,981,139	24,000,000
Total expenditures	79,642	32,220,577	48,205,122
Total expenditures and transfers out requiring appropriation	79,642	32,220,577	48,205,122
ENDING FUND BALANCES	\$ 34,439	\$ 31,179	\$ 38,115
EMERGENCY RESERVE	\$ 3,500	\$ 7,700	\$ 6,400
AVAILABLE FOR OPERATIONS	30,939	23,479	31,715
TOTAL RESERVE	\$ 34,439	\$ 31,179	\$ 38,115

No assurance provided. See summary of significant assumptions.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNICANT ASSUMPTIONS**

**Services Provided**

In accordance with its Service Plan, Summerfield Metropolitan District No. 1 was formed to manage the administration, operation, maintenance, construction, acquisition and installation of public improvements within the property known as "Summerfield" located in Erie, Colorado. Public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety control, and parks and recreation improvements.

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a total debt issuance limitation in an aggregate principal amount not to exceed \$100,000,000 for Summerfield Metropolitan District Nos. 1, 2, and 3.

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

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

**Revenues**

**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 2025, SB22-238, SB 23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

**SUMMERFIELD METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (Continued)**

<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.

**Intergovernmental Transfers**

The District expects to receive revenues from Summerfield Metropolitan District Nos. 2 and 3 for the purposes of funding operations, administrative and capital expenditures.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

**Expenditures**

**General and Administrative**

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenses.

**Reimbursement of Accepted Costs**

The District anticipates reimbursing the landowner pursuant to the Public Infrastructure Acquisition and Reimbursement Agreement dated August 16, 2023, and as amended April 16, 2024.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
SUMMARY OF SIGNICANT ASSUMPTIONS**

**Debt and Leases**

The District has no debt or leases.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

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

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2025**

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2025 BUDGET**  
**WITH 2023 ACTUAL AND 2024 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/29/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
<b>ASSESSED VALUATION</b>			
Commercial	\$ 45,510	\$ 220	\$ 120
Industrial	116,340	172,170	172,170
Agricultural	39,420	38,850	28,860
State assessed	799,760	47,460	36,510
Vacant land	-	-	592,000
Oil and Gas	105,517,730	82,971,290	33,801,680
	106,518,760	83,229,990	34,631,340
Certified Assessed Value	\$ 106,518,760	\$ 83,229,990	\$ 34,631,340
 <b>MILL LEVY</b>			
General	57.220	59.403	5.832
Debt Service	0.000	0.000	44.271
Total mill levy	57.220	59.403	50.103
 <b>PROPERTY TAXES</b>			
General	\$ 6,095,003	\$ 4,944,111	\$ 201,970
Debt Service	-	-	1,533,164
Levied property taxes	6,095,003	4,944,111	1,735,134
Adjustments to actual/rounding	-	5,500	-
Refunds and abatements	(11,879)	-	-
Budgeted property taxes	\$ 6,083,124	\$ 4,949,611	\$ 1,735,134
 <b>BUDGETED PROPERTY TAXES</b>			
General	\$ 6,083,124	\$ 4,949,611	\$ 201,970
Debt Service	-	-	1,533,164
	\$ 6,083,124	\$ 4,949,611	\$ 1,735,134

No assurance provided. See summary of significant assumptions.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/29/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 237,525	\$ 6,563,468	\$ 410,600
<b>REVENUES</b>			
Property taxes	6,083,124	4,949,611	1,735,134
Specific ownership taxes	259,201	178,000	69,406
Interest Income	252,118	225,000	15,000
Note issuance proceeds	-	5,096,388	1,003,612
Bond issuance proceeds	-	-	22,943,968
Intergovernmental revenues	11,384	-	-
Total revenues	6,605,827	10,448,999	25,767,120
Total funds available	6,843,352	17,012,467	26,177,720
<b>EXPENDITURES</b>			
General and administrative			
Accounting	1,409	-	-
Auditing	9,975	-	-
County Treasurer's Fee	91,247	74,228	26,027
Dues and Membership	347	-	-
Insurance	1,906	-	-
Intergovernmental expenditures	175,000	16,231,139	24,202,000
Debt service			
Loan fees	-	89,814	5,000
Bond issue costs	-	206,686	45,000
Paying agent fees	-	-	4,000
Bond interest	-	-	1,088,155
Note interest	-	-	479,339
Total expenditures	279,884	16,601,867	25,849,521
Total expenditures and transfers out requiring appropriation	279,884	16,601,867	25,849,521
ENDING FUND BALANCES	\$ 6,563,468	\$ 410,600	\$ 328,199
EMERGENCY RESERVE	\$ 198,200	\$ 160,600	\$ 54,600
WORKING CAPITAL RESERVE	-	250,000	250,000
AVAILABLE FOR OPERATIONS	6,365,268	-	23,599
TOTAL RESERVE	\$ 6,563,468	\$ 410,600	\$ 328,199

No assurance provided. See summary of significant assumptions.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

In accordance with its Service Plan, Summerfield Metropolitan District No. 1 was formed to manage the administration, operation, maintenance, construction, acquisition and installation of public improvements within the property known as "Summerfield" located in Erie, Colorado. Public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety control, and parks and recreation improvements.

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a total debt issuance limitation in an aggregate principal amount not to exceed \$100,000,000 for Summerfield Metropolitan District Nos. 1, 2, and 3.

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

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

**Revenues**

**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 2025, SB 22-238, SB 23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (Continued)**

<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 4%.

**Bond proceeds**

The District anticipates drawing on its Series 2024 Drawdown Bonds in 2025.

**Note proceeds**

The District anticipates drawing on its Series 2024 Annual Appropriation Notes in 2025.

**Expenditures**

**General and Administrative**

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenses.

**Intergovernmental Transfers**

The District expects to transfer funds to Summerfield Metropolitan District No. 1 for the purposes of funding operations, administrative and capital infrastructure expenditures.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

In April 2024, the District issued its Series 2024 Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Drawdown Bonds (the Bonds) and its Series 2024 Taxable Special revenue Drawdown Annual Appropriation Notes (the Notes). The Bonds and the Notes were issued for the purpose of funding public infrastructure improvements.

The Bonds have a maximum aggregate principal amount of \$90,000,000 and bear interest at a taxable fixed rate of 7.50% per annum until the Tax-Exempt conversion rate at which time the Bonds will bear interest at a rate of 7.0% per annum. The Bonds convert from taxable to tax-exempt once the Bonds equal or exceed \$2,000,000. The Bonds are secured by pledged revenues consisting of property tax revenues, specific ownership taxes, off-site sanitary sewer reimbursement revenues received by the District beginning January 1, 2028, oil and gas tax revenues and associated specific ownership tax revenues received by the District beginning January 1, 2028, facility fee revenues received by the District beginning January 1, 2028, and any other legally available monies that the Board determines. The Bonds are cash-flow bonds meaning there are no scheduled principal payments and repayment is subject to available pledged revenues.

The Notes have a maximum aggregate principal amount of \$25,000,000 and bear interest at a rate of 7.50%. The Notes are secured by pledged revenues consisting of oil and gas tax revenues received by the District through December 31, 2027, facility fee revenues received by the District through December 31, 2027, off-site sanitary sewer reimbursement revenues received by the District through December 31, 2027, and any other legally available monies that the Board determines. The Notes are cash-flow notes meaning there are no scheduled principal payments and repayment is subject to available pledged revenues.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

**Working Capital Reserve**

The District has provided for a working capital reserve equal to \$250,000.

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

**SUMMERFIELD METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2025**

**SUMMERFIELD METROPOLITAN DISTRICT NO.3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2025 BUDGET**  
**WITH 2023 ACTUAL AND 2024 ESTIMATED**  
**For the Years Ended and Ending December 31,**

ACTUAL	ESTIMATED	BUDGET
2023	2024	2025

**ASSESSED VALUATION**

Commercial	\$ 130.0	\$ 80.0	\$ 40.0
Agricultural	1,850	1,620	-
State assessed	128,700	8,770	8,540
Vacant land	-	-	218,770
Oil and Gas	28,410	96,570	134,250
	159,090	107,040	361,600
Certified Assessed Value	\$ 159,090	\$ 107,040	\$ 361,600

**MILL LEVY**

General	57.220	59.403	51.971
Total mill levy	57.220	59.403	51.971

**PROPERTY TAXES**

General	\$ 9,103	\$ 6,358	\$ 18,793
Levied property taxes	9,103	6,358	18,793
Adjustments to actual/rounding	-	155	-
Refunds and abatements	(1,852)	-	-
Budgeted property taxes	\$ 7,251	\$ 6,513	\$ 18,793

**BUDGETED PROPERTY TAXES**

General	\$ 7,251	\$ 6,513	\$ 18,793
	\$ 7,251	\$ 6,513	\$ 18,793

**SUMMERFIELD METROPOLITAN DISTRICT NO.3  
GENERAL FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 2,367	\$ 7,993	\$ 10,281
REVENUES			
Property taxes	7,251	6,513	18,793
Specific ownership taxes	387	250	860
Interest Income	240	622	600
Intergovernmental Revenues	2,672	-	-
Total revenues	<u>10,550</u>	<u>7,385</u>	<u>20,253</u>
Total funds available	<u>12,917</u>	<u>15,378</u>	<u>30,534</u>
EXPENDITURES			
General and administrative			
Accounting	782	-	-
Auditing	1,890	-	-
County Treasurer's Fee	109	98	322
Dues and Membership	237	-	-
Insurance	1,906	-	-
Intergovernmental Expenditures	-	5,000	10,000
Total expenditures	<u>4,924</u>	<u>5,098</u>	<u>10,322</u>
Total expenditures and transfers out requiring appropriation	<u>4,924</u>	<u>5,098</u>	<u>10,322</u>
ENDING FUND BALANCES	<u>\$ 7,993</u>	<u>\$ 10,281</u>	<u>\$ 20,212</u>
EMERGENCY RESERVE	\$ 400	\$ 300	\$ 700
AVAILABLE FOR OPERATIONS	7,593	9,981	19,512
TOTAL RESERVE	<u>\$ 7,993</u>	<u>\$ 10,281</u>	<u>\$ 20,212</u>

No assurance provided. See summary of significant assumptions.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 3  
2025 BUDGET  
SUMMARY OF SIGNICANT ASSUMPTIONS**

**Services Provided**

In accordance with its Service Plan, Summerfield Metropolitan District No. 3 was formed to manage the administration, operation, maintenance, construction, acquisition and installation of public improvements within the property known as "Summerfield" located in Erie, Colorado. Public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety control, and parks and recreation improvements.

The Service Plan, as amended in 2017, permits the District to impose a maximum mill levy on the taxable property within its boundaries as a primary source of revenue for the construction and maintenance of public improvements, repayment of debt and operational costs. The Service Plan also provides a total debt issuance limitation in an aggregate principal amount not to exceed \$100,000,000 for Summerfield Metropolitan District Nos. 1, 2, and 3.

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

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

**Revenues**

**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 2025, SB 22-238, SB 23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

**SUMMERFIELD METROPOLITAN DISTRICT NO. 3  
2025 BUDGET  
SUMMARY OF SIGNICANT ASSUMPTIONS**

**Revenues – (continued)**

**Property Taxes (Continued)**

<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 4%.

**Expenditures**

**General and Administrative**

General and administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenses.

**Intergovernmental Transfers**

The District expects to transfer funds to Summerfield Metropolitan District No. 1 for the purposes of funding operations and administrative expenditures.

**Debt and Leases**

The District has no debt or leases.

**SUMMERFIELD METROPOLITAN DISTRICT NO. 3  
2025 BUDGET  
SUMMARY OF SIGNICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

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

**EXHIBIT B**  
**2024 Audit Exemption Applications for District Nos. 1 & 3**

**APPLICATION FOR EXEMPTION FROM AUDIT**

**LONG FORM**

NAME OF GOVERNMENT ADDRESS	Summerfield Metropolitan District No. 1
	8390 East Crescent Parkway
	Suite 300
CONTACT PERSON PHONE EMAIL	Greenwood Village, CO 80111-2814
	Shelby Clymer
	303-779-5710
	shelby.clymer@claconnect.com

For the Year Ended  
12/31/2023  
or fiscal year ended:

**CERTIFICATION OF PREPARER**

I certify that I am an independent accountant with knowledge of governmental accounting and that the information in the Application is complete and accurate to the best of my knowledge. I am aware that the Audit Law requires that a person independent of the entity complete the application if revenues or expenditure are at least \$100,000 but not more than \$750,000, and that independent means someone who is separate from the entity.

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
RELATIONSHIP TO ENTITY	CPA Firm providing accounting services to the District

<b>PREPARER</b> (SIGNATURE REQUIRED)	<b>DATE PREPARED</b>
<b>SEE ACCOUNTANT'S COMPILATION REPORT</b>	<b>3/25/2024</b>

Has the entity filed for, or has the district filed, a Title 32, Article 1 Special District Notice of Inactive Status during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.]

YES	NO	If Yes, date filed:
<input type="checkbox"/>	<input checked="" type="checkbox"/>	

**PART 1 - FINANCIAL STATEMENTS - BALANCE SHEET**

\* Indicate Name of Fund

NOTE: Attach additional sheets as necessary.

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Fund*		Fund*	Fund*	
<b>Assets</b>				<b>Assets</b>			
1-1	Cash & Cash Equivalents	\$ 6,601	\$ -	Cash & Cash Equivalents	\$ -	\$ -	
1-2	Investments	\$ 380	\$ -	Investments	\$ -	\$ -	
1-3	Receivables	\$ -	\$ -	Receivables	\$ -	\$ -	
1-4	Due from Other Entities or Funds	\$ 50,000	\$ -	Due from Other Entities or Funds	\$ -	\$ -	
1-5	Property Tax Receivable	\$ 9	\$ -	Other Current Assets [specify...]	\$ -	\$ -	
	All Other Assets [specify...]				\$ -	\$ -	
1-6	Lease Receivable (as Lessor)	\$ -	\$ -		\$ -	\$ -	
1-7	Prepaid Insurance	\$ 6,297	\$ -	<b>Total Current Assets</b>	\$ -	\$ -	
1-8		\$ -	\$ -	Capital & Right to Use Assets, net (from Part 6-4)	\$ -	\$ -	
1-9		\$ -	\$ -	Other Long Term Assets [specify...]	\$ -	\$ -	
1-10		\$ -	\$ -		\$ -	\$ -	
1-11	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ 63,287	\$ -	<b>(add lines 1-1 through 1-10) TOTAL ASSETS</b>	\$ -	\$ -	
<b>Deferred Outflows of Resources:</b>				<b>Deferred Outflows of Resources</b>			
1-12	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-13	[specify...]	\$ -	\$ -	[specify...]	\$ -	\$ -	
1-14	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -	<b>(add lines 1-12 through 1-13) TOTAL DEFERRED OUTFLOWS</b>	\$ -	\$ -	
1-15	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ 63,287	\$ -	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	\$ -	\$ -	
<b>Liabilities</b>				<b>Liabilities</b>			
1-16	Accounts Payable	\$ 28,839	\$ -	Accounts Payable	\$ -	\$ -	
1-17	Accrued Payroll and Related Liabilities	\$ -	\$ -	Accrued Payroll and Related Liabilities	\$ -	\$ -	
1-18	Unearned Revenue	\$ -	\$ -	Accrued Interest Payable	\$ -	\$ -	
1-19	Due to Other Entities or Funds	\$ -	\$ -	Due to Other Entities or Funds	\$ -	\$ -	
1-20	All Other Current Liabilities	\$ -	\$ -	All Other Current Liabilities	\$ -	\$ -	
1-21	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	\$ 28,839	\$ -	<b>(add lines 1-16 through 1-20) TOTAL CURRENT LIABILITIES</b>	\$ -	\$ -	
1-22	All Other Liabilities [specify...]	\$ -	\$ -	Proprietary Debt Outstanding (from Part 4-4)	\$ -	\$ -	
1-23		\$ -	\$ -	Other Liabilities [specify...]:	\$ -	\$ -	
1-24		\$ -	\$ -		\$ -	\$ -	
1-25		\$ -	\$ -		\$ -	\$ -	
1-26		\$ -	\$ -		\$ -	\$ -	
1-27	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	\$ 28,839	\$ -	<b>(add lines 1-21 through 1-26) TOTAL LIABILITIES</b>	\$ -	\$ -	
<b>Deferred Inflows of Resources:</b>				<b>Deferred Inflows of Resources</b>			
1-28	Deferred Property Taxes	\$ 9	\$ -	Pension/OPEB Related	\$ -	\$ -	
1-29	Lease related (as lessor)	\$ -	\$ -	Other [specify...]	\$ -	\$ -	
1-30	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	\$ 9	\$ -	<b>(add lines 1-28 through 1-29) TOTAL DEFERRED INFLOWS</b>	\$ -	\$ -	
<b>Fund Balance</b>				<b>Net Position</b>			
1-31	Nonspendable Prepaid	\$ 6,298	\$ -	Net Investment in Capital and Right-to Use Assets	\$ -	\$ -	
1-32	Nonspendable Inventory	\$ -	\$ -		\$ -	\$ -	
1-33	Restricted [Tabor]	\$ 3,500	\$ -	Emergency Reserves	\$ -	\$ -	
1-34	Committed [specify...]	\$ -	\$ -	Other Designations/Reserves	\$ -	\$ -	
1-35	Assigned [specify...]	\$ -	\$ -	Restricted	\$ -	\$ -	
1-36	Unassigned:	\$ 24,641	\$ -	Undesignated/Unreserved/Unrestricted	\$ -	\$ -	
1-37	<b>Add lines 1-31 through 1-36</b> This total should be the same as line 3-33 <b>TOTAL FUND BALANCE</b>	\$ 34,439	\$ -	<b>Add lines 1-31 through 1-36</b> This total should be the same as line 3-33 <b>TOTAL NET POSITION</b>	\$ -	\$ -	
1-38	<b>Add lines 1-27, 1-30 and 1-37</b> This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	\$ 63,287	\$ -	<b>Add lines 1-27, 1-30 and 1-37</b> This total should be the same as line 1-15 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	\$ -	\$ -	

**PART 2 - FINANCIAL STATEMENTS - OPERATING STATEMENT - REVENUES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Fund*		Fund*	Fund*	
<b>Tax Revenue</b>				<b>Tax Revenue</b>			
2-1	Property [include mills levied in Question 10-6]	\$ 4	\$ -	Property [include mills levied in Question 10-6]	\$ -	\$ -	
2-2	Specific Ownership	\$ -	\$ -	Specific Ownership	\$ -	\$ -	
2-3	Sales and Use Tax	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	
2-4	Other Tax Revenue [specify...]:	\$ -	\$ -	Other Tax Revenue [specify...]:	\$ -	\$ -	
2-5		\$ -	\$ -		\$ -	\$ -	
2-6		\$ -	\$ -		\$ -	\$ -	
2-7		\$ -	\$ -		\$ -	\$ -	
2-8	<b>Add lines 2-1 through 2-7</b>	\$ 4	\$ -	<b>Add lines 2-1 through 2-7</b>	\$ -	\$ -	
	<b>TOTAL TAX REVENUE</b>			<b>TOTAL TAX REVENUE</b>			
2-9	Licenses and Permits	\$ -	\$ -	Licenses and Permits	\$ -	\$ -	
2-10	Highway Users Tax Funds (HUTF)	\$ -	\$ -	Highway Users Tax Funds (HUTF)	\$ -	\$ -	
2-11	Conservation Trust Funds (Lottery)	\$ -	\$ -	Conservation Trust Funds (Lottery)	\$ -	\$ -	
2-12	Community Development Block Grant	\$ -	\$ -	Community Development Block Grant	\$ -	\$ -	
2-13	Fire & Police Pension	\$ -	\$ -	Fire & Police Pension	\$ -	\$ -	
2-14	Grants	\$ -	\$ -	Grants	\$ -	\$ -	
2-15	Donations	\$ -	\$ -	Donations	\$ -	\$ -	
2-16	Charges for Sales and Services	\$ -	\$ -	Charges for Sales and Services	\$ -	\$ -	
2-17	Rental Income	\$ -	\$ -	Rental Income	\$ -	\$ -	
2-18	Fines and Forfeits	\$ -	\$ -	Fines and Forfeits	\$ -	\$ -	
2-19	Interest/Investment Income	\$ 19	\$ -	Interest/Investment Income	\$ -	\$ -	
2-20	Tap Fees	\$ -	\$ -	Tap Fees	\$ -	\$ -	
2-21	Proceeds from Sale of Capital Assets	\$ -	\$ -	Proceeds from Sale of Capital Assets			
2-22	All Other [specify...]: MISC	\$ 1	\$ -	All Other [specify...]:	\$ -	\$ -	
2-23	Transfer From Summerfield Metro District No. 2	\$ 115,000	\$ -		\$ -	\$ -	
2-24	<b>Add lines 2-8 through 2-23</b>	\$ 115,024	\$ -	<b>Add lines 2-8 through 2-23</b>	\$ -	\$ -	
	<b>TOTAL REVENUES</b>			<b>TOTAL REVENUES</b>			
<b>Other Financing Sources</b>				<b>Other Financing Sources</b>			
2-25	Debt Proceeds	\$ -	\$ -	Debt Proceeds	\$ -	\$ -	
2-26	Lease Proceeds	\$ -	\$ -	Lease Proceeds	\$ -	\$ -	
2-27	Developer Advances	\$ -	\$ -	Developer Advances	\$ -	\$ -	
2-28	Other [Specify]:	\$ -	\$ -	Other [specify...]:	\$ -	\$ -	
2-29	<b>Add lines 2-25 through 2-28</b>	\$ -	\$ -	<b>Add lines 2-25 through 2-28</b>	\$ -	\$ -	
	<b>TOTAL OTHER FINANCING SOURCES</b>			<b>TOTAL OTHER FINANCING SOURCES</b>			
2-30	<b>Add lines 2-24 and 2-29</b>	\$ 115,024	\$ -	<b>Add lines 2-24 and 2-29</b>	\$ -	\$ -	
	<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>			<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>			
		\$ 115,024	\$ -		\$ -	\$ -	\$ 115,024

**IF GRAND TOTAL REVENUES AND OTHER FINANCING SOURCES for all funds (Line 2-29) are GREATER than \$750,000 -STOP- You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.**

**PART 3 - FINANCIAL STATEMENTS - OPERATING STATEMENT - EXPENDITURES/EXPENSES**

Line #	Description	Governmental Funds		Description	Proprietary/Fiduciary Funds		Please use this space to provide explanation of any items on this page
		General Fund	Fund*		Fund*	Fund*	
	<b>Expenditures</b>			<b>Expenses</b>			
3-1	General Government	\$ 65,586	\$ -	General Operating & Administrative	\$ -	\$ -	
3-2	Judicial	\$ -	\$ -	Salaries	\$ -	\$ -	
3-3	Law Enforcement	\$ -	\$ -	Payroll Taxes	\$ -	\$ -	
3-4	Fire	\$ -	\$ -	Contract Services	\$ -	\$ -	
3-5	Highways & Streets	\$ -	\$ -	Employee Benefits	\$ -	\$ -	
3-6	Solid Waste	\$ -	\$ -	Insurance	\$ -	\$ -	
3-7	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	Accounting and Legal Fees	\$ -	\$ -	
3-8	Health	\$ -	\$ -	Repair and Maintenance	\$ -	\$ -	
3-9	Culture and Recreation	\$ -	\$ -	Supplies	\$ -	\$ -	
3-10	Transfers to other districts	\$ -	\$ -	Utilities	\$ -	\$ -	
3-11	Other [specify...]:	\$ -	\$ -	Contributions to Fire & Police Pension Assoc.	\$ -	\$ -	
3-12	Transfer to Summerfield District No.2	\$ 11,384	\$ -	Other [specify...]	\$ -	\$ -	
3-13	Transfer to Summerfield District No.3	\$ 2,672	\$ -		\$ -	\$ -	
3-14	Capital Outlay		\$ -	Capital Outlay	\$ -	\$ -	
	Debt Service			Debt Service			
3-15	Principal (should match amount in 4-4)	\$ -	\$ -	Principal (should match amount in 4-4)	\$ -	\$ -	
3-16	Interest	\$ -	\$ -	Interest	\$ -	\$ -	
3-17	Bond Issuance Costs	\$ -	\$ -	Bond Issuance Costs	\$ -	\$ -	
3-18	Developer Principal Repayments	\$ -	\$ -	Developer Principal Repayments	\$ -	\$ -	
3-19	Developer Interest Repayments	\$ -	\$ -	Developer Interest Repayments	\$ -	\$ -	
3-20	All Other [specify...]:	\$ -	\$ -	All Other [specify...]:	\$ -	\$ -	
3-21		\$ -	\$ -		\$ -	\$ -	
3-22	<b>Add lines 3-1 through 3-21</b>	\$ 79,642	\$ -	<b>Add lines 3-1 through 3-21</b>	\$ -	\$ -	
	<b>TOTAL EXPENDITURES</b>			<b>TOTAL EXPENSES</b>			<b>GRAND TOTAL</b>
3-23	Interfund Transfers (In)	\$ -	\$ -	Net Interfund Transfers (In) Out	\$ -	\$ -	\$ 79,642
3-24	Interfund Transfers Out	\$ -	\$ -	Other [specify...][enter negative for expense]	\$ -	\$ -	
3-25	Other Expenditures (Revenues):	\$ -	\$ -	Depreciation/Amortization	\$ -	\$ -	
3-26		\$ -	\$ -	Other Financing Sources (Uses) (from line 2-28)	\$ -	\$ -	
3-27		\$ -	\$ -	Capital Outlay (from line 3-14)	\$ -	\$ -	
3-28		\$ -	\$ -	Debt Principal (from line 3-15, 3-18)	\$ -	\$ -	
3-29	<b>(Add lines 3-23 through 3-28)</b>			<b>(Line 3-27, plus line 3-28, less line 3-26, less line 3-25, plus line 3-24) TOTAL GAAP RECONCILING ITEMS</b>	\$ -	\$ -	
	<b>TOTAL TRANSFERS AND OTHER EXPENDITURES</b>	\$ -	\$ -		\$ -	\$ -	
3-30	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures Line 2-29, less line 3-22, less line 3-29	\$ 35,382	\$ -	Net Increase (Decrease) in Net Position Line 2-29, less line 3-22, plus line 3-29, less line 3-23	\$ -	\$ -	
3-31	Fund Balance, January 1 from December 31 prior year report	\$ (943)	\$ -	Net Position, January 1 from December 31 prior year report	\$ -	\$ -	
3-32	Prior Period Adjustment (MUST explain)	\$ -	\$ -	Prior Period Adjustment (MUST explain)	\$ -	\$ -	
3-33	Fund Balance, December 31			Net Position, December 31			
	Sum of Lines 3-30, 3-31, and 3-32			Sum of Lines 3-30, 3-31, and 3-32			
	This total should be the same as line 1-37.	\$ 34,439	\$ -	This total should be the same as line 1-37.	\$ -	\$ -	

**IF GRAND TOTAL EXPENDITURES for all funds (Line 3-22) are GREATER than \$750,000 - STOP. You may not use this form. An audit may be required. See Section 29-1-604, C.R.S., or contact the OSA Local Government Division at (303) 869-3000 for assistance.**

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

Please answer the following questions by marking the appropriate boxes.

YES                      NO

Please use this space to provide any explanations or comments:

4-1	Does the entity have outstanding debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4-2	Is the debt repayment schedule attached? If no, <b>MUST</b> explain: Current debt consists of Developer advances, and the District will pay it as funds become available.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-3	Is the entity current in its debt service payments? If no, <b>MUST</b> explain: Current debt consists of Developer advances, and the District will pay it as funds become available.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)			
	Outstanding at beginning of 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	\$ 75,000	\$ -	\$ 75,000
	Other (specify):	\$ -	\$ -	\$ -
	<b>TOTAL</b>	<b>\$ 75,000</b>	<b>\$ -</b>	<b>\$ 75,000</b>

**\*\*Subscription Based Information Technology Arrangements**

\*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.		YES	NO	
4-5	Does the entity have any authorized, but unissued, debt [Section 29-1-605(2) C.R.S.]? How much?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
If yes:	Date the debt was authorized:			
	\$ 350,000,000 11/5/2013			
4-6	Does the entity intend to issue debt within the next calendar year? How much?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	\$ -			
4-7	Does the entity have debt that has been refinanced that it is still responsible for? What is the amount outstanding?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	\$ -			
4-8	Does the entity have any lease agreements? What is being leased?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
If yes:	What is the original date of the lease?			
	Number of years of lease?			
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input type="checkbox"/>	
	What are the annual lease payments?			\$ -

## PART 5 - CASH AND INVESTMENTS

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

AMOUNT                      TOTAL

Please use this space to provide any explanations or comments:

5-1	YEAR-END Total of ALL Checking and Savings accounts	\$ 6,601		
5-2	Certificates of deposit	\$ -		
	<b>TOTAL CASH DEPOSITS</b>		<b>\$ 6,601</b>	
	Investments (if investment is a mutual fund, please list underlying investments):			
5-3	CSAFE	\$ 380		
		\$ -		
		\$ -		
		\$ -		
	<b>TOTAL INVESTMENTS</b>		<b>\$ 380</b>	
	<b>TOTAL CASH AND INVESTMENTS</b>		<b>\$ 6,981</b>	

Please answer the following question by marking in the appropriate box

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 checked="" type="checkbox"/>	<input 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.)? If no, <b>MUST</b> explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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

Please answer the following question by marking in the appropriate box YES NO Please use this space to provide any explanations or comments:

- 6-1 Does the entity have capitalized assets?  YES  NO
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.? If no,  YES  NO

**MUST** explain:

6-3 Complete the following Capital & Right-To-Use Assets table for GOVERNMENTAL FUNDS:

	Balance - beginning of the year*	Additions*	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ 88,296	\$ 2,308	\$ -	\$ 90,604
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 88,296</b>	<b>\$ 2,308</b>	<b>\$ -</b>	<b>\$ 90,604</b>

6-4 Complete the following Capital & Right-To-Use Assets table for PROPRIETARY FUNDS:

	Balance - beginning of the year*	Additions*	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Intangible Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Amortization Right to Use Assets (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Must agree to prior year-end balance  
 \* Generally capital asset additions should be reported at capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

### PART 7 - PENSION INFORMATION

\* YES NO Please use this space to provide any explanations or comments:

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  YES  NO
- 7-2 Does the entity have a volunteer firefighters' pension plan?  YES  NO
- If yes: Who administers the plan?  YES  NO

Indicate the contributions from:

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

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

**PART 8 - BUDGET INFORMATION**

Please answer the following question by marking in the appropriate box		YES	NO	N/A	Please use this space to provide any explanations or comments:
8-1	Did the entity file a current year budget with the Department of Local Affairs, in accordance with Section 29-1-113 C.R.S.? If no, <b>MUST</b> explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8-2	Did the entity pass an appropriations resolution in accordance with Section 29-1-108 C.R.S.? If no, <b>MUST</b> explain:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 151,010
	\$ -
	\$ -
	\$ -

**PART 9 - TAX PAYER'S BILL OF RIGHTS (TABOR)**

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

**PART 10 - GENERAL INFORMATION**

Please answer the following question by marking in the appropriate box		YES	NO	Please use this space to provide any explanations or comments:					
10-1	Is this application for a newly formed governmental entity? If yes: Date of formation: <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
10-2	Has the entity changed its name in the past or current year? If Yes: NEW name <input type="text"/> PRIOR name <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
10-3	Is the entity a metropolitan district?	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
10-4	Please indicate what services the entity provides: <input type="text" value="See Below"/>	<input type="checkbox"/>	<input type="checkbox"/>						
10-5	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"/>						
10-6	Does the entity have a certified mill levy? If yes: Please provide the number of <u>mills</u> levied for the year reported (do not enter \$ amounts):	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
	<table border="1"> <tbody> <tr> <td>Bond Redemption mills</td> <td>0.000</td> </tr> <tr> <td>General/Other mills</td> <td>57.220</td> </tr> <tr> <td><b>Total mills</b></td> <td><b>57.220</b></td> </tr> </tbody> </table>	Bond Redemption mills	0.000	General/Other mills		57.220	<b>Total mills</b>	<b>57.220</b>	
Bond Redemption mills	0.000								
General/Other mills	57.220								
<b>Total mills</b>	<b>57.220</b>								
10-7	<b>NEW 2023!</b> 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"/>	<input type="checkbox"/>					

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

10-4: Water, Streets, Parks and recreation, sanitary and storm sewer, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security  
 10-5: Summerfield Metropolitan District Nos. 2 and 3. The Districts will collectively finance the public improvements of Summerfield development. District covenants with the Town of Erie.

## OSA USE ONLY

Entity Wide:		General Fund		Governmental Funds		Notes		
Unrestricted Cash & Investments	\$	6,981	Unrestricted Fund Balan	\$	24,641	Total Tax Revenue	\$	4
Current Liabilities	\$	28,839	Total Fund Balance	\$	34,439	Revenue Paying Debt Service	\$	-
Deferred Inflow	\$		9 PY Fund Balance	\$	(943)	Total Revenue	\$	115,024
			Total Revenue	\$	115,024	Total Debt Service Principal	\$	-
			Total Expenditures	\$	79,642	Total Debt Service Interest	\$	-
						Total Assets	\$	63,287
						Total Liabilities	\$	28,839
<b>Governmental</b>			Interfund In	\$	-	<b>Enterprise Funds</b>		
Total Cash & Investments	\$	6,981	Interfund Out	\$	-	Net Position	\$	-
Transfers In	\$		- Proprietary			- PY Net Position	\$	-
Transfers Out	\$		- Current Assets	\$		- <b>Government-Wide</b>		
Property Tax	\$		4 Deferred Outflow	\$		- Total Outstanding Debt	\$	75,000
Debt Service Principal	\$		- Current Liabilities	\$		- Authorized but Unissued	\$	350,000,000
Total Expenditures	\$	79,642	Deferred Inflow	\$		- Year Authorized		11/5/2013
Total Developer Advances	\$		- Cash & Investments	\$				
Total Developer Repayments	\$		- Principal Expense	\$				

**PART 12 - GOVERNING BODY APPROVAL**

Please answer the following question by marking in the appropriate box

YES

NO

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



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

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.

Below is the certification and approval of the governing body. By signing, each individual member is certifying they are a duly elected or appointed officer of the local government. Governing members may be verified. Also by signing, the individual member certifies that this Application for Exemption from Audit has been prepared consistent with Section 29-1-604, C.R.S., which states that a governmental agency with revenue and expenditures of \$750,000 or less must have an application prepared by an independent accountant with knowledge of governmental accounting; completed to the best of their knowledge and is accurate and true. Use additional pages if needed.

MUST Print the names of ALL members of the governing body below.		A MAJORITY of the members of the governing body must sign below.	
1	Full Name  <b>Jon R. Lee</b>	I, Jon R. Lee, attest that 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>Jon R. Lee</u> Date: <u>3/27/2024</u> My term Expires: <u>May 2027</u>	
2	Full Name  <b>Jessica Brothers</b>	I, Jessica Brothers, attest that 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>Jessica Brothers</u> Date: <u>3/27/2024</u> My term Expires: <u>May 2025</u>	
3	Full Name  <b>Creig Veldhuizen</b>	I, Creig Veldhuizen, attest that 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>Creig Veldhuizen</u> Date: <u>3/27/2024</u> My term Expires: <u>May 2025</u>	
4	Full Name	I, _____, attest that 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: _____	
5	Full Name	I, _____, attest that 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: _____	
6	Full Name	I, _____, attest that 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: _____	
7	Full Name	I, _____, attest that 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**

## Accountant's Compilation Report

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

Management is responsible for the accompanying Application for Exemption from Audit of Summerfield Metropolitan District No. 1 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 Summerfield Metropolitan District No. 1.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Greenwood Village, Colorado  
March 25, 2024

**Certificate Of Completion**

Envelope Id: 9A0F5D39F8954BC69AA1532EAE33B810	Status: Completed
Subject: Complete with DocuSign: 00 D1 SFMD1 2023 Audit Exemption.pdf	
Client Name: Summerfield Metropolitan District No. 1	
Client Number: A361381	
Source Envelope:	
Document Pages: 10	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Porter Tirrill
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 S 6th St Ste 300
	Minneapolis, MN 55402-1418
	Porter.Tirrill@claconnect.com
	IP Address: 65.59.88.254

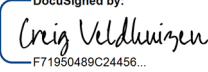
**Record Tracking**

Status: Original	Holder: Porter Tirrill	Location: DocuSign
3/27/2024 10:04:44 AM	Porter.Tirrill@claconnect.com	

**Signer Events**

Creig Veldhuizen  
 cv@creightonlc.com  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 F71950489C24456...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 24.8.96.96

**Timestamp**

Sent: 3/27/2024 10:08:23 AM  
 Viewed: 3/27/2024 5:13:13 PM  
 Signed: 3/27/2024 5:13:32 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/27/2024 5:13:13 PM  
 ID: 098c5157-7b0b-4a35-8eb6-c2f41cf91d0c

Jessica Brothers  
 jessica@cdgcolorado.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 5E2846592AEA4E9...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 71.56.198.115

Sent: 3/27/2024 10:08:23 AM  
 Viewed: 3/27/2024 12:23:34 PM  
 Signed: 3/27/2024 12:27:27 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/27/2024 12:23:34 PM  
 ID: 0ca38c62-1edd-4573-954a-082578c62648

Jon R. Lee  
 jonlee@cdgcolorado.com  
 Authorized representative  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 0D56E84E07B04E7...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 65.155.157.50

Sent: 3/27/2024 10:08:23 AM  
 Viewed: 3/27/2024 5:31:32 PM  
 Signed: 3/27/2024 5:32:09 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/27/2024 5:31:32 PM  
 ID: 3570fd95-6f41-40e0-8e24-f92a53985b15

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp

<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
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Envelope Sent	Hashed/Encrypted	3/27/2024 10:08:23 AM
Certified Delivered	Security Checked	3/27/2024 5:31:32 PM
Signing Complete	Security Checked	3/27/2024 5:32:09 PM
Completed	Security Checked	3/27/2024 5:32:09 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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<b>Electronic Record and Signature Disclosure</b>
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## **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  
ADDRESS**

Summerfield Metropolitan District No. 3
8390 East Crescent Parkway
Suite 300
Greenwood Village, CO 80111-2814
Shelby Clymer
303-779-5710
shelby clymer@claconnect.com

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

**CONTACT PERSON  
PHONE  
EMAIL**

## PART 1 - CERTIFICATION OF PREPARER

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

**NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE**

Shelby Clymer
Accountant For the District
CliftonLarsonAllen LLP
8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111-2814
303-779-5710

<b>PREPARER</b> <small>(SIGNATURE REQUIRED)</small>	<b>DATE PREPARED</b>
SEE ACCOUNTANT'S COMPILATION REPORT	3/25/2024

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

## PART 2 - REVENUE

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 7,251	
2-2	Specific ownership	\$ 387	
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	\$ 240	
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	Transfers from Summerfield MD No. 1	\$ 2,672	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) <b>TOTAL REVENUE</b>	\$ 10,550	

## 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	\$ 237	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 1,906	
3-7	Accounting and legal fees	\$ 2,672	
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	Intergovernmental Expenditures	\$ -	
3-25	County Treasurer's Fees	\$ 109	
3-26	(add lines 3-1 through 3-24) <b>TOTAL EXPENDITURES/EXPENSES</b>	\$ 4,924	

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

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

Please answer the following questions by marking the appropriate boxes.

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

\*\*Subscription Based Information Technology Arrangements \*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">\$ 350,000,000.00</div>		
	Date the debt was authorized: <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">11/5/2013</div>		
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? <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">\$ -</div>		
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? <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">\$ -</div>		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased? <div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>		
	What is the original date of the lease? <div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>		
	Number of years of lease? <div style="border: 1px solid black; height: 15px; width: 150px; margin-left: 10px;"></div>		
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input type="checkbox"/>
	What are the annual lease payments? <div style="border: 1px solid black; padding: 2px; width: 150px; float: right; margin-left: 10px;">\$ -</div>		

**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>			<b>\$ -</b>
	Investments (if investment is a mutual fund, please list underlying investments):		
	CSAFE	\$ 7,966	
5-3		\$ -	
		\$ -	
		\$ -	
<b>Total Investments</b>			<b>\$ 7,966</b>
<b>Total Cash and Investments</b>			<b>\$ 7,966</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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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?  Yes       No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, **MUST** explain:  Yes       No

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

\*must tie to prior year ending balance

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

## PART 7 - PENSION INFORMATION

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

Yes                      No

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

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

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

## PART 8 - BUDGET INFORMATION

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

Yes                      No                      N/A

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

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 13,087

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

Please answer the following question by marking in the appropriate box

- |            |   | Yes                                 | No                       |
|------------|---|-------------------------------------|--------------------------|
| <b>9-1</b> | <b>Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?</b><br><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                                  |
|-------------|---|--------------------------|-------------------------------------|
| <b>10-1</b> | <b>Is this application for a newly formed governmental entity?</b>          | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes:     | Date of formation: <input style="width: 450px; height: 15px;" type="text"/> |                          |                                     |
| <b>10-2</b> | <b>Has the entity changed its name in the past or current year?</b>         | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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

- |             |   |                                     |                          |
|-------------|---|-------------------------------------|--------------------------|
| <b>10-3</b> | <b>Is the entity a metropolitan district?</b><br>Please indicate what services the entity provides: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|---|-------------------------------------|--------------------------|

- |             |   |                                     |                          |
|-------------|---|-------------------------------------|--------------------------|
| <b>10-4</b> | <b>Does the entity have an agreement with another government to provide services?</b> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|---|-------------------------------------|--------------------------|

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

- |             |   |                          |                                     |
|-------------|---|--------------------------|-------------------------------------|
| <b>10-5</b> | <b>Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during</b> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|-------------|---|--------------------------|-------------------------------------|

If yes: Date Filed:

- |             |  |                                     |                          |
|-------------|--|-------------------------------------|--------------------------|
| <b>10-6</b> | <b>Does the entity have a certified Mill Levy?</b> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|--|-------------------------------------|--------------------------|

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

Bond Redemption mills			-
General/Other mills			57.220
Total mills			57.220
	Yes	No	N/A

- |             |   |                                     |                          |                          |
|-------------|---|-------------------------------------|--------------------------|--------------------------|
| <b>10-7</b> | <b>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.</b> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|-------------|---|-------------------------------------|--------------------------|--------------------------|

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

10-3: Water, streets, parks and recreation, sanitary and storm water, transportation, mosquito control, safety protection, fire protection, television relay and translation, and security.

10-4: Summerfield Metropolitan district Nos. 1 and 2. The Districts will collectively finance the public improvements of the Summerfield development. District covenants with the Town of Erie.

## PART 11 - GOVERNING BODY APPROVAL

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

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

#### Policy - Requirements

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

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

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

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

**Print the names of ALL members of current governing body below.**

**A MAJORITY of the members of the governing body must sign below.**

<p>Board Member 1</p>	<p>Print Board Member's Name  Jessica Brothers</p>	<p>I Jessica Brothers , 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: <u>3/27/2024</u> My term Expires: May 2025</p>
<p>Board Member 2</p>	<p>Print Board Member's Name  Jon Lee</p>	<p>I Jon Lee , 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: <u>3/27/2024</u> My term Expires: May 2027</p>
<p>Board Member 3</p>	<p>Print Board Member's Name  Creig Veldhuizen</p>	<p>I Creig Veldhuizen , 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: <u>3/27/2024</u> My term Expires: May 2025</p>
<p>Board Member 4</p>	<p>Print Board Member's Name</p>	<p>I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 5</p>	<p>Print Board Member's Name</p>	<p>I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 6</p>	<p>Print Board Member's Name</p>	<p>I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 7</p>	<p>Print Board Member's Name</p>	<p>I _____ , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>



**CliftonLarsonAllen LLP**  
8390 East Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
**phone** 303-779-5710 **fax** 303-779-0348  
**claconnect.com**

## Accountant's Compilation Report

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

Management is responsible for the accompanying Application for Exemption from Audit of Summerfield 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 Summerfield Metropolitan District No. 3.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Greenwood Village, Colorado  
March 25, 2024

**Certificate Of Completion**

Envelope Id: 2841E7CE449D4D4AAE4EC3F7594E4B2C	Status: Completed
Subject: Complete with DocuSign: 00 D1 SFMD3 2023 Audit Exemption.pdf	
Client Name: Summerfield Metropolitan District No. 3	
Client Number: A361379	
Source Envelope:	
Document Pages: 8	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Porter Tirrill
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 S 6th St Ste 300
	Minneapolis, MN 55402-1418
	Porter.Tirrill@claconnect.com
	IP Address: 65.59.88.254

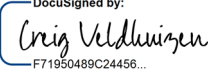
**Record Tracking**

Status: Original	Holder: Porter Tirrill	Location: DocuSign
3/27/2024 10:10:45 AM	Porter.Tirrill@claconnect.com	

**Signer Events**

Creig Veldhuizen  
 cv@creightonlc.com  
 Security Level: Email, Account Authentication (None)

**Signature**


DocuSigned by:  
  
 F71950489C24456...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 24.8.96.96

**Timestamp**

Sent: 3/27/2024 10:17:26 AM  
 Viewed: 3/27/2024 10:40:35 AM  
 Signed: 3/27/2024 5:14:02 PM

**Electronic Record and Signature Disclosure:**  
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 ID: 87a45e31-be66-43e3-bbc1-aa86c158446e

Jessica Brothers  
 jessica@cdgcolorado.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 5E2846592AEA4E9...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 71.56.198.115

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 Signed: 3/27/2024 12:30:08 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/27/2024 12:28:19 PM  
 ID: ad15cf1f-fc9f-41a2-ab28-155b6684f86e

Jon Lee  
 jonlee@cdgcolorado.com  
 Authorized representative  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 0D56E84E07B04E7...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 65.155.157.50

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 Signed: 3/27/2024 5:33:18 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

<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
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Certified Delivered	Security Checked	3/27/2024 5:32:35 PM
Signing Complete	Security Checked	3/27/2024 5:33:18 PM
Completed	Security Checked	3/27/2024 5:33:18 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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<b>Electronic Record and Signature Disclosure</b>
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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.

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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.

**EXHIBIT C**  
**2023 Audit for District No. 2**

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2**  
**Weld County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
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Board of Directors  
Summerfield Metropolitan District No. 2  
Weld County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Summerfield Metropolitan District No. 2 (the "District"), as of and for the year ended 12/31/2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Summerfield Metropolitan District No. 2 as of 12/31/2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

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

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

## Other Matters

### Required Supplemental Information

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

### Other Information

Management is responsible for the other information included in our 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, accordingly, we do not express an opinion or provide any assurance on them.

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

*Wipfli LLP*

Wipfli LLP  
Denver, Colorado

March 2, 2025

## **BASIC FINANCIAL STATEMENTS**

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

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 6,366,921
Cash and Investments - Restricted	197,300
Receivable from County Treasurer	18,583
Property Tax Receivable	4,944,111
Capital Assets:	
Capital Assets, Not Being Depreciated	1,201,993
Total Assets	12,728,908
<b>LIABILITIES</b>	
Due to Summerfield MD No. 1	50,000
Total Liabilities	50,000
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	4,944,111
Total Deferred Inflows of Resources	4,944,111
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	197,300
Unrestricted	7,537,497
Total Net Position	\$ 7,734,797

See accompanying Notes to Basic Financial Statements.

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

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Primary Government: Governmental Activities: General Government	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Total Governmental Activities	\$ 219,885	\$ 11,384	\$ -	\$ (208,501)
	<u>\$ 219,885</u>	<u>\$ 11,384</u>	<u>\$ -</u>	<u>(208,501)</u>

**GENERAL REVENUES**

Property Taxes	6,083,124
Specific Ownership Taxes	259,201
Interest Income	221,455
Total General Revenues	<u>6,563,780</u>

**CHANGES IN NET POSITION**

Net Position - Beginning of Year	1,379,518
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**NET POSITION - END OF YEAR**

	<u>\$ 7,734,797</u>
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See accompanying Notes to Basic Financial Statements.

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

	General	Total Governmental Funds
<b>ASSETS</b>		
Cash and Investments	\$ 6,366,921	\$ 6,366,921
Cash and Investments - Restricted	197,300	197,300
Receivable from County Treasurer	18,583	18,583
Property Tax Receivable	4,944,111	4,944,111
Total Assets	\$ 11,526,915	\$ 11,526,915
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Due to Summerfield MD No. 1	\$ 50,000	\$ 50,000
Total Liabilities	50,000	50,000
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Tax Revenue	4,944,111	4,944,111
Total Deferred Inflows of Resources	4,944,111	4,944,111
<b>FUND BALANCES</b>		
Restricted for:		
Emergency Reserves	197,300	197,300
Unassigned	6,335,504	6,335,504
Total Fund Balances	6,532,804	6,532,804
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,526,915	
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.		
Capital Assets, Not Being Depreciated		1,201,993
Net Position of Governmental Activities		\$ 7,734,797

See accompanying Notes to Basic Financial Statements.

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

	General	Total Governmental Funds
<b>REVENUES</b>		
Property Taxes	\$ 6,083,124	\$ 6,083,124
Specific Ownership Taxes	259,201	259,201
Interest Income	221,455	221,455
Intergovernmental - Summerfield MD No. 1	11,384	11,384
Total Revenues	6,575,164	6,575,164
<b>EXPENDITURES</b>		
Current:		
Accounting	1,410	1,410
Auditing	9,975	9,975
County Treasurer's Fee	91,247	91,247
Dues And Membership	347	347
Insurance	1,906	1,906
Intergovernmental - Summerfield MD No. 1	115,000	115,000
Capital Projects:		
Capital Outlay	60,000	60,000
Total Expenditures	279,885	279,885
<b>NET CHANGE IN FUND BALANCES</b>	6,295,279	6,295,279
Fund Balances - Beginning of Year	237,525	237,525
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 6,532,804</b>	<b>\$ 6,532,804</b>

See accompanying Notes to Basic Financial Statements.

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

Net Change in Fund Balances - Total Governmental Funds \$ 6,295,279

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.

Capital Outlay 60,000

Changes in Net Position of Governmental Activities \$ 6,355,279

**SUMMERFIELD METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budget Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 6,095,003	\$ 6,083,124	\$ (11,879)
Specific Ownership Taxes	304,750	259,201	(45,549)
Interest Income	-	221,455	221,455
Other Revenue	180,137	-	(180,137)
Intergovernmental - Summerfield MD No. 1	11,500	11,384	(116)
Total Revenues	<u>6,591,390</u>	<u>6,575,164</u>	<u>(16,226)</u>
<b>EXPENDITURES</b>			
Accounting	4,000	1,410	2,590
Auditing	2,500	9,975	(7,475)
County Treasurer's Fee	91,425	91,247	178
Dues And Membership	-	347	(347)
Insurance	2,500	1,906	594
Miscellaneous	2,500	-	2,500
Intergovernmental - Summerfield MD No. 1	250,000	115,000	135,000
Capital Outlay	-	60,000	(60,000)
Total Expenditures	<u>352,925</u>	<u>279,885</u>	<u>73,040</u>
<b>NET CHANGE IN FUND BALANCE</b>	6,238,465	6,295,279	56,814
Fund Balance - Beginning of Year	<u>42,697</u>	<u>237,525</u>	<u>194,828</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 6,281,162</u></u>	<u><u>\$ 6,532,804</u></u>	<u><u>\$ 251,642</u></u>

See accompanying Notes to Basic Financial Statements.

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

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Summerfield Metropolitan District No. 2 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court, 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 with Summerfield Metropolitan Districts No. 1 (District No. 1), Summerfield Metropolitan District No. 2 (the District), and Summerfield Metropolitan District No. 3 (District No. 3) approved by the Town of Erie on January 4, 2013, and amended on May 22, 2017. This first Amendment to the Consolidated Service Plan ("First Amendment") for Summerfield Metropolitan District Nos. 1, 2 and 3 is submitted by the Districts in accordance with the requirements of Section 32-1-207(2) of Title 32, Colorado Revised Statutes and Title 9, Chapter 4 of the Erie Municipal Code.

The operation and maintenance of all other services and facilities is anticipated to be provided by the Town of Erie and not by the District.

The District has no employees, and all services are contracted.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity, including District No. 1, District No. 3, and the Town of Erie.

**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.

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

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

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct 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.

**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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. 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.

**Budgets**

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and other financing uses 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 total 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.

**SUMMERFIELD 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 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported 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 net investment in capital assets, net of related debt component of the District's net position.

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 capital assets, as applicable.

**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, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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

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

**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.

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

**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	\$ 6,366,921
Cash and Investments - Restricted	<u>197,300</u>
Total Cash and Investments	<u><u>\$ 6,564,221</u></u>

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

Investments	<u>\$ 6,564,221</u>
Total Cash and Investments	<u><u>\$ 6,564,221</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 does not have 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.

**SUMMERFIELD 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 Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 6,564,221
		<u>\$ 6,564,221</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 Section 24-75-601.1, C.R.S.

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 Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

**SUMMERFIELD 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 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.

**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
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 1,141,993	\$ 60,000	\$ -	\$ 1,201,993
Total Capital Assets, Not Being Depreciated	1,141,993	60,000	-	1,201,993
Governmental Activities Capital Assets, Net	\$ 1,141,993	\$ 60,000	\$ -	\$ 1,201,993

**NOTE 5 NET POSITION**

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

The restricted component of net position includes assets that are restricted for use either externally by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 197,300
Total Restricted Net Position	\$ 197,300

The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

**NOTE 6 RELATED PARTIES**

Three of the five members of the Board of Directors are employees and are associated with Bellock Construction Company, accountants for the District, and Community Development Group of Erie, Inc. (CDG of Erie, Inc.), the developer within the District. During 2023, District No. 1 and District No. 3 had the same Board of Directors.

**Accounting Services Agreement**

An accounting services contract was entered into with Bellock Construction Company on April 24, 2014. Under this amended agreement, accounting services are provided to the District at the annual hourly rates of Bellock Construction Company employees, until accounting services were moved to CliftonLarsonAllen, LLP (CLA). At the April 27, 2023 meeting the Districts approved the engagement of CLA for accounting and CLA Served as accountant at least eight months in 2023. During 2023, the District incurred accounting services fees for Bellock Construction Company in the amount of \$ 1,409.

**NOTE 7 AGREEMENTS**

**District Coordinating Services Agreement**

In order to implement the Service Plan, the District entered into an Intergovernmental Agreement for District Coordinating Services with District No. 1 and District No. 3. The agreement shall remain in full force and effect until such time as each of the terms and conditions has been performed in their entirety or until the agreement is terminated by mutual written agreement of the Districts.

District No. 1 is to construct the facilities benefitting the three Districts and transfer them to the Town of Erie or the homeowners association (HOA) as required. The District and District No. 3 will, to the extent that they benefit, pay the service costs of operation and maintenance of such facilities (authorized service costs).

The District is required to fund, on an annual basis, the amount of actual service costs that it would be capable of funding through property tax revenue plus other fee revenue as determined in the annual budget. If the Districts disagree as to the amount to be paid, then the District must pay District No. 1 the amount set forth in the annual budget.

**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.

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

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

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, referred to 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.

On November 5, 2002, the District voters passed an election question allowing the District to increase property taxes by \$630,000 annually, then increased the amount to \$5,000,000 during the November 2, 2004, election, without limitation of rate, to pay the District's operations, maintenance and other expenses.

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.

**NOTE 10 SUBSEQUENT EVENTS**

In April 2024, the District issued its Series 2024 Taxable (Convertible to Tax-Exempt) Limited Tax General Obligation Drawdown Bonds (the Bonds) and its Series 2024 Taxable Special revenue Drawdown Annual Appropriation Notes (the Notes). The Bonds and the Notes were issued for the purpose of funding public infrastructure improvements.

The Bonds have a maximum aggregate principal amount of \$90,000,000 and bear interest at a taxable fixed rate of 7.50% per annum until the Tax-Exempt conversion rate at which time the Bonds will bear interest at a rate of 7.0% per annum. The Bonds convert from taxable to tax-exempt once the Bonds equal or exceed \$2,000,000. The Bonds are secured by pledged revenues consisting of property tax revenues, specific ownership taxes, off-site sanitary sewer

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

**NOTE 10 SUBSEQUENT EVENTS (CONTINUED)**

reimbursement revenues received by the District beginning January 1, 2028, oil and gas tax revenues and associated specific ownership tax revenues received by the District beginning January 1, 2028, facility fee revenues received by the District beginning January 1, 2028, and any other legally available monies that the Board determines. The Bonds are cash-flow bonds meaning there are no scheduled principal payments and repayment is subject to available pledged revenues.

The Notes have a maximum aggregate principal amount of \$25,000,000 and bear interest at a rate of 7.50%. The Notes are secured by pledged revenues consisting of oil and gas tax revenues received by the District through December 31, 2027, facility fee revenues received by the District through December 31, 2027, off-site sanitary sewer reimbursement revenues received by the District through December 31, 2027, and any other legally available monies that the Board determines. The Notes are cash-flow notes meaning there are no scheduled principal payments and repayment is subject to available pledged revenues.

**OTHER INFORMATION – UNAUDITED**

**SUMMERFIELD 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	Total	Levied	Collected	
2019	\$ 571,670	55.275	55.275	\$ 31,599	\$ 26,657	84.36 %
2020	1,359,100	55.663	55.663	75,652	74,564	98.56
2021	1,017,890	55.663	55.663	56,659	57,193	100.94
2022	24,345,330	55.663	55.663	1,355,134	1,354,280	99.94
2023	106,518,760	57.220	57.220	6,095,003	6,083,124	99.81
Estimated for Year Ending December 31, 2024	\$ 83,229,990	59.403	59.403	\$ 4,944,111		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years.  
Information received from the Treasurer does not permit identification of specific year of levy.

Source: Weld County Assessor and Treasurer.