

POUDRE HEIGHTS VALLEY METROPOLITAN  
DISTRICT

Financial Statements

Year Ended December 31, 2024

with

Independent Auditors' Report

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## Independent Auditors' Report

Board of Directors  
Poudre Heights Valley Metropolitan District  
Weld County, Colorado

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Poudre Heights Valley Metropolitan District (the "District") as of and for the year ended December 31, 2024, 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 the District as of December 31, 2024, 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, 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.

## **Required Supplementary Information**

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

### **Supplementary Information**

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

*Tatton and Company, LLC*

Cedaredge, CO  
September 21, 2025

**POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	Statement of Net Position
<b>ASSETS</b>						
Cash and investments	\$ 15,190	\$ -	\$ -	\$ 15,190	\$ -	\$ 15,190
Cash and investments - restricted	1,719	1,737,257	1,286,420	3,025,396	-	3,025,396
Receivable - County Treasurer	14	-	-	14	-	14
Property taxes receivable	2,551	17,350	-	19,901	-	19,901
Prepaid expenses	3,249	-	-	3,249	-	3,249
Capital assets not being depreciated	-	-	-	-	5,344,085	5,344,085
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,344,085</u>	<u>5,344,085</u>
<b>Total Assets</b>	<u>\$ 22,723</u>	<u>\$ 1,754,607</u>	<u>\$ 1,286,420</u>	<u>\$ 3,063,750</u>	<u>5,344,085</u>	<u>8,407,835</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 3,537	\$ -	\$ 3,588	\$ 7,125	\$ -	\$ 7,125
Accrued interest on bonds/long-term debt	-	-	-	-	35,796	35,796
Long-term liabilities:						
Due in more than one year	-	-	-	-	9,072,724	9,072,724
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,072,724</u>	<u>9,072,724</u>
<b>Total Liabilities</b>	<u>3,537</u>	<u>-</u>	<u>3,588</u>	<u>7,125</u>	<u>9,108,520</u>	<u>9,115,645</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Deferred property taxes	2,551	17,350	-	19,901	-	19,901
	<u>2,551</u>	<u>17,350</u>	<u>-</u>	<u>19,901</u>	<u>-</u>	<u>19,901</u>
<b>Total Deferred Inflows of Resources</b>	<u>2,551</u>	<u>17,350</u>	<u>-</u>	<u>19,901</u>	<u>-</u>	<u>19,901</u>
<b>FUND BALANCES/NET POSITION</b>						
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Prepays	3,249	-	-	3,249	(3,249)	-
<b>Restricted:</b>						
Emergencies	1,719	-	-	1,719	(1,719)	-
Debt Service	-	1,737,257	-	1,737,257	(1,737,257)	-
Capital	-	-	1,282,832	1,282,832	(1,282,832)	-
Unassigned	11,667	-	-	11,667	(11,667)	-
	<u>11,667</u>	<u>-</u>	<u>-</u>	<u>11,667</u>	<u>(11,667)</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>16,635</u>	<u>1,737,257</u>	<u>1,282,832</u>	<u>3,036,724</u>	<u>(3,036,724)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of of Resources and Fund Balances</b>	<u>\$ 22,723</u>	<u>\$ 1,754,607</u>	<u>\$ 1,286,420</u>	<u>\$ 3,063,750</u>		
<b>Net Position:</b>						
<b>Restricted for:</b>						
Emergencies					1,719	1,719
Debt service					1,701,461	1,701,461
Unrestricted					<u>(2,430,891)</u>	<u>(2,430,891)</u>
<b>Total Net Position</b>					<u>\$ (727,711)</u>	<u>\$ (727,711)</u>

The notes to the financial statements are an integral part of these statements.

**POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>						
General expenses:						
Accounting	\$ 6,352	\$ -	\$ -	\$ 6,352	\$ -	\$ 6,352
Dues	306	-	-	306	-	306
Formation costs	28,727	-	-	28,727	-	28,727
Insurance	450	-	-	450	-	450
Legal	19,235	-	-	19,235	-	19,235
Miscellaneous expenses	1,197	748	745	2,690	-	2,690
Office expenses	1,368	-	-	1,368	-	1,368
Treasurer's fees	62	-	-	62	-	62
Capital expenses:						
Capital outlay	-	-	5,322,648	5,322,648	(5,322,648)	-
Engineering	-	-	21,437	21,437	(21,437)	-
Debt service:						
Bond issuance costs	-	-	420,558	420,558	-	420,558
Bond interest expense	-	71,592	-	71,592	55,598	127,190
Repay developer advances - Principal	-	-	5,184,333	5,184,333	(5,184,333)	-
Repay developer advances - Interest	-	-	138,315	138,315	9,691	148,006
	<u>57,697</u>	<u>72,340</u>	<u>11,088,036</u>	<u>11,218,073</u>	<u>(10,463,129)</u>	<u>754,944</u>
<b>GENERAL REVENUES</b>						
Property taxes	4,149	-	-	4,149	-	4,149
Specific ownership taxes	146	-	-	146	-	146
Interest income	6	21,505	19,875	41,386	-	41,386
	<u>4,301</u>	<u>21,505</u>	<u>19,875</u>	<u>45,681</u>	<u>-</u>	<u>45,681</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(53,396)</b>	<b>(50,835)</b>	<b>(11,068,161)</b>	<b>(11,172,392)</b>	<b>10,463,129</b>	<b>(709,263)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Developer advances/Note proceeds	89,620	-	5,322,648	5,412,268	(5,412,268)	-
Bond proceeds	-	-	8,795,000	8,795,000	(8,795,000)	-
Transfer (to) other funds	(21,437)	-	(1,788,092)	(1,809,529)	-	(1,809,529)
Transfer from other funds	-	1,788,092	21,437	1,809,529	-	1,809,529
	<u>68,183</u>	<u>1,788,092</u>	<u>12,350,993</u>	<u>14,207,268</u>	<u>(14,207,268)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	<b>14,787</b>	<b>1,737,257</b>	<b>1,282,832</b>	<b>3,034,876</b>	<b>(3,034,876)</b>	
<b>CHANGE IN NET POSITION</b>					<b>(709,263)</b>	<b>(709,263)</b>
<b>FUND BALANCES/NET POSITION:</b>						
BEGINNING OF YEAR	1,848	-	-	1,848	(20,296)	(18,448)
END OF YEAR	<u>\$ 16,635</u>	<u>\$ 1,737,257</u>	<u>\$ 1,282,832</u>	<u>\$ 3,036,724</u>	<u>\$ (3,764,435)</u>	<u>\$ (727,711)</u>

The notes to the financial statements are an integral part of these statements.

**POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL-  
GENERAL FUND

For the Year Ended December 31, 2024

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 4,045	\$ 4,146	\$ 4,149	\$ 3
Specific ownership taxes	243	243	146	(97)
Interest income	<u>-</u>	<u>5</u>	<u>6</u>	<u>1</u>
 Total Revenues	 <u>4,288</u>	 <u>4,394</u>	 <u>4,301</u>	 <u>(93)</u>
<b>EXPENDITURES</b>				
Accounting	4,000	4,000	6,352	(2,352)
Dues	315	315	306	9
Formation costs	-	28,727	28,727	-
Insurance	2,310	2,310	450	1,860
Legal	20,000	20,000	19,235	765
Miscellaneous expenses	-	-	1,197	(1,197)
Office expenses	100	100	1,368	(1,268)
Treasurer's fees	-	-	62	(62)
Contingency	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
 Total Expenditures	 <u>56,725</u>	 <u>85,452</u>	 <u>57,697</u>	 <u>27,755</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (52,437)	 (81,058)	 (53,396)	 27,662
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer advances/Note proceeds	53,000	133,727	89,620	(44,107)
Transfer (to) other funds	<u>-</u>	<u>(50,000)</u>	<u>(21,437)</u>	<u>28,563</u>
 Total Other Financing Sources (Uses)	 <u>53,000</u>	 <u>83,727</u>	 <u>68,183</u>	 <u>(15,544)</u>
 NET CHANGE IN FUND BALANCE	 563	 2,669	 14,787	 12,118
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>7,096</u>	<u>1,848</u>	<u>1,848</u>	<u>-</u>
END OF YEAR	<u>\$ 7,659</u>	<u>\$ 4,517</u>	<u>\$ 16,635</u>	<u>\$ 12,118</u>

The notes to the financial statements are an integral part of these statements.

# POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

### Note 1: Summary of Significant Accounting Policies

The accounting policies of the Poudre Heights Valley Metropolitan District (the "District"), located in Weld County, Colorado, (the "County"), conform to the accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

#### Definition of Reporting Entity

The District was organized on July 20, 2022, as a quasi-municipal corporation and a political subdivision established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows GASB Statement No. 61, The Financial Reporting Entity: Omnibus, which amended GASB Statement No. 14, The Financial Reporting Entity and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

#### Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the

# POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund - The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

# POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

### Budgetary Accounting

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 District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

On July 9, 2024, the District amended its total appropriations in the Capital Projects Fund from \$0 to \$4,815,504 due to acceptance of assets from the Developer. On September 9, 2024, the District amended its total appropriations in the General Fund from \$56,725 to \$135,452 primarily due to the increase in certain expenses over the amount budgeted, in the Debt Service Fund from \$0 to \$93,747 primarily due to the issuance of the Series 2024A and Series 2024B Bonds (as defined below) and further amended the Capital Projects Fund from \$4,815,504 to \$9,481,554 due to the repayment of developer advances. The District intends to further amend the Capital Projects Fund from \$9,481,554 to \$12,876,128 due to fixed assets that were conveyed to the District from the Developer. The District has not amended the Capital Projects Fund Budget as of the date of the audit opinion and may be in violation of State Budget laws.

### Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2024, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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

### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2024

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of December 31, 2024, the District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) 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. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

#### Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2024.

#### 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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

# POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

### Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$3,249 represents prepaid expenditures.

### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$1,719 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$1,737,257 is restricted for the payment of the debt service costs (see Note 4).

### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets - consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position - consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and investments

As of December 31, 2024, cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 15,190
Cash and investments – restricted	<u>3,025,396</u>
	<u>\$ 3,040,586</u>

Cash and investments as of December 31, 2024 consist of the following:

Deposits with financial institutions	\$ 20,496
Investments - COLOTRUST	<u>3,020,090</u>
	<u>\$ 3,040,586</u>

## POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2024

#### Deposits

##### Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

The District follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

#### Investments

##### Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment, is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value (NAV) per share.

##### Credit Risk

The District's investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

##### Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

##### Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

Colotrust

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. At December 31, 2024, the District had \$3,020,090 invested in COLOTRUST.

Note 3: Capital Assets

	Balance 12/31/23	<u>Additions</u>	<u>Deletions</u>	Balance 12/31/24
<u>Governmental Type Activities:</u>				
<u>Capital assets not being depreciated:</u>				
Construction in Progress	\$ -	\$ 5,344,085	\$ -	\$ 5,344,085
Total capital assets not being depreciated	-	5,344,085	-	5,344,085
Government type assets	\$ -	\$ 5,344,085	\$ -	\$ 5,344,085

Upon completion and acceptance, a portion of the assets will be conveyed by the District to other local governments. The District will be responsible for the maintenance of some open space tracts and other improvements.

POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

Note 4: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2024:

	<u>Balance</u> <u>12/31/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/24</u>	<u>Current</u> <u>Portion</u>
<u>General Obligation Bonds</u>					
Series 2024A Bonds	\$ -	\$ 7,810,000	\$ -	\$ 7,810,000	\$ -
Series 2024B Bonds	-	985,000	-	985,000	-
Series 2024B Bonds - Accrued Interest	-	19,802	-	19,802	-
Total	<u>-</u>	<u>8,814,802</u>	<u>-</u>	<u>8,814,802</u>	<u>-</u>
<u>Other</u>					
Developer Advances - Operations	19,348	89,620	-	108,968	-
Developer Advances - Operations - Accrued Interest	948	6,490	-	7,438	-
Developer Advances - Capital	-	5,322,648	5,184,333	138,315	-
Developer Advances - Capital - Accrued Interest	-	141,516	138,315	3,201	-
Total	<u>20,296</u>	<u>5,560,274</u>	<u>5,322,648</u>	<u>257,922</u>	<u>-</u>
	<u>\$ 20,296</u>	<u>\$ 14,375,076</u>	<u>\$ 5,322,648</u>	<u>\$ 9,072,724</u>	<u>\$ -</u>

A description of the long-term obligations as of December 31, 2024, is as follows:

Limited Tax General Obligation Bonds, Series 2024A

On October 1, 2024, the District issued \$7,810,000 of Limited Tax General Obligation Bonds Series 2024A (the "Series 2024A Bonds"). The Series 2024A Bonds were issued for the purpose of financing or reimbursing a portion of the costs of acquiring, constructing and/or installing public improvements, fund the Senior Reserve Fund, fund a portion of the interest to accrue on the Series 2024A Bonds and pay the costs of issuance of the Bonds. The Series 2024A Bonds mature on December 1, 2054 and bear an annual interest rate of 5.50% calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of senior pledged revenue available, semiannually on each June 1 and December 1, commencing on December 1, 2024. The Bonds discharge on December 1, 2054.

The Series 2024A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2029 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on September 1, 2029 and any date thereafter, upon payment of par, accrued interest and a redemption premium that ranges between 0% and 3%.

The Series 2024A Bonds are secured by senior pledged revenues which include senior property tax revenue, senior specific ownership tax revenue and any other legally available moneys which the District determines, in its absolute discretion, to credit the Senior Bond Fund. In connection with the Series 2024A Bonds, the District is required to fund a Surplus Fund in the maximum amount of \$781,000 and a Reserve Fund in the amount of \$642,625. As of December 31, 2024, the Surplus Fund has a balance of \$0 and the Reserve Fund has a balance of \$647,643. The Senior Required Mill Levy shall not be more than 34 mills, adjusted for changes in the method of calculating assessed valuations, however, as long as the amount on deposit in the Surplus Fund is less than the maximum surplus amount, the required mill levy shall be 34 mills, adjusted for changes in the method of calculating assessed valuations.

POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

Events of default as defined in the Series 2024A Bond Indenture are 1) the District fails or refuses to impose the Senior Require Mill Levy or to apply the Senior Pledged Revenue as required by the Series 2024A Bond Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions in the Series 2024A Bond Indenture or bond resolution, and fails to remedy the same after notice thereof pursuant to the Series 2024A Bond Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2024A Bonds. The failure to pay the principal and interest on the Series 2024A Bonds when due is not to, of itself, constitute a Senior Indenture Event of Default.

In the event of default, the trustee shall have the following remedies 1) receivership, 2) suit for judgment, and 3) mandamus or other suits. Acceleration of the Series 2024A Bonds is not an available remedy for a Senior Indenture Event of Default.

The following is a summary of the annual long-term debt principal and interest requirement for the Series 2024A Bonds:

	Principal	Interest	Total
2025	\$ -	\$ 429,550	\$ 429,550
2026	-	429,550	429,550
2027	-	429,550	429,550
2028	-	429,550	429,550
2029	60,000	429,550	489,550
2030-2034	545,000	2,077,350	2,622,350
2035-2039	860,000	1,895,025	2,755,025
2040-2044	1,285,000	1,614,250	2,899,250
2045-2049	1,835,000	1,203,400	3,038,400
2050-2054	3,225,000	620,950	3,845,950
	\$ 7,810,000	\$ 9,558,725	\$ 17,368,725

Subordinate Limited Tax General Obligation Bonds, Series 2024B

On October 1, 2024, the District issued \$985,000 of Subordinate Limited Tax General Obligation Bonds Series 2024B (the "Series 2024B Bonds"). The Series 2024B Bonds were issued for the purpose of financing or reimbursing a portion of the costs of acquiring, constructing and/or installing public improvements and pay the costs of issuance of the Series 2024B Bonds. The Series 2024B Bonds mature on December 15, 2040 and bear an annual interest rate of 7.875% calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of subordinate pledged revenue available, annually on each December 15, commencing on December 15, 2024. Accrued unpaid interest will compound annually on each interest payment date. The Series 2024B Bonds discharge on December 15, 2054.

## POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2024

The Series 2024B Bonds are subject to a mandatory sinking fund redemption commencing on December 15, 2024, from subordinate pledged revenue, if any, on deposit in the subordinate bond fund determined by the Trustee 45 days prior to the applicable mandatory redemption date. Amounts shall be applied first to interest and then to principal after accrued interest has been paid.

The Series 2024B Bonds are subject to redemption prior to maturity, on September 1, 2029, and on any other date thereafter, at the option of the District, as a whole or in integral multiples of \$1,000, upon payment of par, accrued interest and a redemption premium that ranges between 0% and 3%.

The Series 2024B Bonds are secured by subordinate pledged revenues which include subordinate property tax revenue, subordinate specific ownership tax revenue, amounts released from the Surplus Fund pursuant to the Series 2024 Bonds Indenture and any other legally available moneys which the District determines, in its absolute discretion, to credit to the subordinate bond fund. The subordinate mill levy is 34 mills less the senior required mill levy or lesser amount to generate sufficient funds to pay the Series 2024B Bonds in full.

Events of default as defined in the Series 2024B Bond Indenture are 1) the District fails or refuses to impose the subordinate required mill levy or to apply the subordinate pledged revenue as required by the Series 2024B Bond Indenture, 2) the default by the District in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Series 2024B Bond Indenture or the bond resolution, and fails to remedy the same after notice thereof as provided in the Series 2024B Bond Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2024B Bonds. The failure to pay the principal and interest on the Series 2024B Bonds when due is not, of itself, constitute a Subordinate Indenture event of default.

In the event of default, the trustee shall have the following remedies 1) receivership, 2) suit for judgment, and 3) mandamus or other suits. Acceleration of the Series 2024B Bonds is not an available remedy for an event of default.

Due to the uncertainty of the timing of principal and interest payments on the Series 2024B Bonds, a schedule of the estimated timing of these payments is not available.

#### Operation Funding Agreement

The District and Meritage Homes of Colorado, Inc. (“Developer”) entered into an Operation Funding Agreement (“OFA”) dated as of August 18, 2022, with an effective date of July 20, 2022, as amended by that First Amendment, dated November 15, 2023, and further amended by that Second Amendment, dated November 13, 2024. Pursuant to the OFA, the Developer agrees to advance funds for the operation of the District through 2025 up to a maximum amount of \$175,000. Simple interest shall accrue on each Developer advance from the date of deposit into the District’s account or from the date of direct payment by Developer, until paid. The District shall not pay a rate of interest on such Developer advance that exceeds a rate equal to the prime rate as published in the Wall Street Journal plus two percent (2%) for the applicable period. The OFA states that the District agrees that it is the

## POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2024

intention of the District to repay the amounts the Developer has advanced or directly paid pursuant to the OFA, to the extent it has funds available from the imposition of its taxes, fees, rates, tolls, penalties and charges, and from any other revenue legally available, after the payment of its annual debt service obligations and annual operations, maintenance and administrative expenses, which repayment is subject to annual budget and appropriation. The District's obligation to pay any Developer advances does not constitute a multiple fiscal year financial obligation, and the making of any reimbursement thereof is subject to annual appropriation by the District in its absolute discretion.

Any obligation of the District to reimburse the Developer shall expire on December 31, 2065. In the event the District has not reimbursed the Developer for any Developer advances made pursuant to the OFA on or before December 31, 2065, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

As of December 31, 2024, the District had \$108,968 of principal and \$7,438 of accrued interest outstanding under the OFA.

#### Facilities Funding and Acquisition Agreement

The District and the Developer entered into a Facilities Funding and Acquisition Agreement ("FFAA"), dated as of August 18, 2022, with an effective date of July 20, 2022, pursuant to which the Developer agrees to advance funds to or for the benefit of the District for organizational expenses and certain expenses related to the provision of capital improvements through fiscal year 2026 up to a maximum amount of \$19,301,972, which amounts the District agrees to reimburse to the Developer. Simple interest shall accrue on such Developer advances at a rate of interest not to exceed a rate equal to the prime rate as published in the Wall Street Journal plus two percent (2%) for the applicable period until paid, subject to the conditions precedent and otherwise in accordance with the procedures set forth in the FFAA. Payments shall credit first against accrued and unpaid interest and then to the principal amount due. The parties agree that no payment is required of the District under the agreement unless and until the District issues bonds in an amount sufficient to reimburse the Developer for all or a portion of such amounts. The District also agrees to utilize any available moneys not otherwise pledged to payment of bonds, used for operation and maintenance expenses or otherwise encumbered to reimburse the Developer. The agreement terminates on December 31, 2066, unless terminated earlier by the parties. In the event the District has not reimbursed the Developer for any advances made pursuant to the agreement on or before December 31, 2066, any amount of principal and accrued interest outstanding on such date will be deemed to be forever discharged and satisfied in full.

As of December 31, 2024, the District had \$138,315 of principal and \$3,201 of accrued interest outstanding under the FFAA.

#### Debt Authorization

The limit on the District's ability to issue Debt is set forth in its Service Plan as \$14,295,000 (the "Service Plan Debt Issuance Limit").

On May 3, 2022, a majority of the eligible electors of the District voted to authorize debt issuance by power (such as water, sewer, or streets). As the actual costs of construction were not known at the time of the election, the Service Plan Debt Issuance Limit was voted in every power resulting in the District having voter authorization in excess of the Service Plan Debt Issuance Limit.

POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2024

With that understanding, as of December 31, 2024, the District had \$5,500,00 available remaining Service Plan Debt Issuance Limit. In no event is the District authorized to issue Debt that results in an amount that is in excess of the Service Plan Debt Issuance Limit.

Note 5: Related Party

The Developer of the property which constitutes the District is Meritage Homes of Colorado, Inc. All of the members of the Board are employees, owners or are otherwise associated with the Developer, and have disclosed any potential conflicts of interest in taking action on matters brought before the Board. The District currently is indebted to the Developer for public improvements costs certified as constructed and acquired by the District as of December 31, 2024 in the amount of \$247,283 and accrued interest on the outstanding debt in the amount of \$10,639. Two Directors are consultants that provide accounting and administrative services to the District and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 6: Tax, Spending and Debt Limitations

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

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

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

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

On May 3, 2022, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

# POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2024

### Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the "Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as developer advances/bonds and accrued developer advance/bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in progress pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 3) governmental funds report developer advances/bond proceeds as revenue; and
- 4) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTARY INFORMATION

**POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL-  
DEBT SERVICE FUND

For the Year Ended December 31, 2024

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>				
Interest income	\$ -	\$ 25,000	\$ 21,505	\$ (3,495)
Total Revenues	<u>-</u>	<u>25,000</u>	<u>21,505</u>	<u>(3,495)</u>
<b>EXPENDITURES</b>				
Bond interest expense	-	78,747	71,592	7,155
Miscellaneous expenses	-	-	748	(748)
Contingency	-	15,000	-	15,000
Total Expenditures	<u>-</u>	<u>93,747</u>	<u>72,340</u>	<u>21,407</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(68,747)	(50,835)	17,912
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other funds	-	1,845,000	1,788,092	(56,908)
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,845,000</u>	<u>1,788,092</u>	<u>(56,908)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	1,776,253	1,737,257	(38,996)
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 1,776,253</u>	<u>\$ 1,737,257</u>	<u>\$ (38,996)</u>

**POUDRE HEIGHTS VALLEY METROPOLITAN DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL-  
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>				
Interest income	\$ -	\$ 19,875	\$ 19,875	\$ -
Total Revenues	<u>-</u>	<u>19,875</u>	<u>19,875</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital outlay	-	5,322,648	5,322,648	-
Miscellaneous expenses		745	745	-
Engineering	-	21,437	21,437	-
Bond issuance costs	-	420,558	420,558	-
Repay developer advances - Principal	-	5,184,333	5,184,333	-
Repay developer advances - Interest	-	138,315	138,315	-
Total Expenditures	<u>-</u>	<u>11,088,036</u>	<u>11,088,036</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(11,068,161)	(11,068,161)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer advances/Note proceeds	-	5,322,648	5,322,648	-
Bond proceeds	-	8,795,000	8,795,000	-
Transfer (to) other funds	-	(1,788,092)	(1,788,092)	-
Transfer from other funds	-	21,437	21,437	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>12,350,993</u>	<u>12,350,993</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	1,282,832	1,282,832	-
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 1,282,832</u>	<u>\$ 1,282,832</u>	<u>\$ -</u>