

**SODA CREEK HIGHLANDS METROPOLITAN DISTRICT NO. 1 AND
SODA CREEK HIGHLANDS METROPOLITAN DISTRICT NO. 2
CITY OF IDAHO SPRINGS, COLORADO
CONSOLIDATED ANNUAL REPORT FOR THE CALENDAR YEAR 2024**

City Clerk
City of Idaho Springs
via Email

County Clerk and Recorder
Gilpin County, Colorado
via Email

Office of the State Auditor,
via E-Filing Portal

Division of Local Government,
via E-Filing Portal

Pursuant to Section VII of each Service Plan for the Soda Creek Highlands Metropolitan District No. 1 (the “**District No. 1**”), the Soda Creek Highlands Metropolitan District No. 2 (“**District No. 2**,” along with District No. 1, the “**Districts**”) is required to submit an annual report (the “**Report**”) for the preceding calendar year to the City of Idaho Springs, Colorado (the “**City**”). Pursuant to Section 32-1-207(3)(c)(I), C.R.S., the District is also required to submit this Report to the Division of Local Government, Office of the State Auditor, and the Gilpin County Clerk and Recorder; the Report must also be posted on the Districts’ public website.

1. Boundary changes made or proposed to the Districts’ boundaries as of December 31st.

There were no boundary changes made or proposed to the Districts’ boundaries during the Report year.

2. Intergovernmental Agreements with other governmental entities either entered into, proposed or terminated as of December 31 of the prior year.

There were no intergovernmental agreements entered into, proposed or terminated during the Report year.

3. A copy of the Districts’ rules and regulations, if any, as of December 31st and access information to obtain a copy of such.

The Districts have not yet adopted any rules and regulations.

4. A summary of any litigation which involves the Districts’ Public Improvements as of December 31 of the prior year.

The Districts have not constructed any public improvements as of December 31st and are not involved in any litigation relating thereto.

5. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year.

The Districts have not constructed or acquired any facilities or improvements as of December 31, 2024.

6. A list of all Public Improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.

Please refer to item 5 above.

7. The assessed valuation of the Districts for the current year.

The 2024 assessed valuation of District No. 1 is \$550. The 2024 assessed valuation of District No. 2 is \$520.

8. Current year budget including a description of the Public Improvements to be constructed in such year.

Attached as Exhibit A-1 is a copy of District No. 1's 2025 Budget, and Exhibit A-2 is a copy of District No. 2's 2025 Budget. The Districts do not plan to construct any Public Improvements in 2025.

9. Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.

Attached as Exhibit B-1 is a copy of District No. 1's 2024 Application for Audit Exemption, and Exhibit B-2 is a copy of District No. 2's 2024 Application for Audit Exemption.

10. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

The Districts have not issued any debt as of December 31, 2024.

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

Please refer to item 10 above.

EXHIBIT A-1
DISTRICT NO. 1
2025 BUDGET

SODA CREEK HIGHLANDS METROPOLITAN DISTRICT NO. 1

2025 BUDGET MESSAGE

Soda Creek Highlands Metropolitan District No. 1 (the “**District**”) was organized in November 2019 as a quasi-municipal corporation and a political subdivision organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment maintenance and financing of certain Public Improvements to be developed by the District.

The District is in the start-up phase, has no employees, and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District’s financial statements.

SODA CREEK HIGHLANDS METROPOLITAN DISTRICT NO. 1
2025 BUDGET
GENERAL FUND

	Actual 2023	Estimated 2024	Budget 2025
Beginning Balance	\$0	\$0	\$0
<u>REVENUE</u>			
Property Taxes	\$0	\$0	\$0
Specific Ownership Taxes	\$0	\$0	\$0
Developer Advances	\$45,000	\$45,000	\$45,000
Other Income	\$0	\$0	\$0
TOTAL	\$45,000	\$45,000	\$45,000
TOTAL FUNDS AVAILABLE	\$45,000	\$45,000	\$45,000
<u>EXPENSES</u>			
Legal	\$13,000	\$15,000	\$13,000
Election	\$2,000	\$0	\$2,000
Management and Accounting	\$5,000	\$5,000	\$5,000
Insurance	\$3,000	\$3,000	\$3,000
Organizational Costs	\$0	\$0	\$0
Treasurer's fees	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Contingency	\$22,000	\$22,000	\$22,000
TOTAL	\$45,000	\$45,000	\$45,000
ENDING FUND BALANCE	\$0	\$0	\$0

EXHIBIT A-2
DISTRICT NO. 2
2025 BUDGET

SODA CREEK HIGHLANDS METROPOLITAN DISTRICT NO. 2

2025 BUDGET MESSAGE

Soda Creek Highlands Metropolitan District No. 2 (the “**District**”) was organized in November 2019 as a quasi-municipal corporation and a political subdivision organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment maintenance and financing of certain Public Improvements to be developed by the District.

The District is in the start-up phase, has no employees, and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District’s financial statements.

SODA CREEK HIGHLANDS METROPOLITAN DISTRICT NO. 2
2025 BUDGET
GENERAL FUND

	Actual 2023	Estimated 2024	Budget 2025
Beginning Balance	\$0	\$0	\$0
<u>REVENUE</u>			
Property Taxes	\$0	\$0	\$0
Specific Ownership Taxes	\$0	\$0	\$0
Developer Advances	\$45,000	\$45,000	\$45,000
Other Income	\$0	\$0	\$0
TOTAL	\$45,000	\$45,000	\$45,000
TOTAL FUNDS AVAILABLE	\$45,000	\$45,000	\$45,000
<u>EXPENSES</u>			
Legal	\$13,000	\$15,000	\$13,000
Election	\$2,000	\$0	\$2,000
Management and Accounting	\$5,000	\$5,000	\$5,000
Insurance	\$3,000	\$3,000	\$3,000
Organizational Costs	\$0	\$0	\$0
Treasurer's fees	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Contingency	\$22,000	\$22,000	\$22,000
TOTAL	\$45,000	\$45,000	\$45,000
ENDING FUND BALANCE	\$0	\$0	\$0

EXHIBIT B-1
DISTRICT NO. 1
2024 APPLICATION FOR AUDIT EXEMPTION

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

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

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

EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

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

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

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

READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

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

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

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

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

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.

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

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

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

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

CHECKLIST

- ☐ Has the preparer signed the application?
- ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
- ☐ Has the application been PERSONALLY reviewed and approved by the governing body?
- ☐ Are all sections on the form complete, including responses to all of the questions?
- ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- ☐ Will this application be submitted electronically?
 - ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 11.
- Or--
- ☐ If yes, have you included a resolution?
- ☐ Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
- ☐ Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution at the end of this form.)
- ☐ Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
 - ☐ If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

Check out our web portal. Register your account and submit electronic Applications for Exemption From Audit, Extension of Time to File requests, Audited Financial Statements, and more!

See the link below:

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

FILING METHODS

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

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

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

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

QUESTIONS? Email: osa.lg@coleg.gov OR Phone; 303-869-3000

IMPORTANT!

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

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

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

In that event, AN AUDIT SHALL BE REQUIRED.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Soda Creek Highlands Metropolitan District No. 1
c/o Cockrel Ela Glesne Greher & Ruhland, P.C.
44 Cook Street, Suite 620
Denver, Colorado 80206
Matt Ruhland
(303) 218-7200

For the Year Ended
12/31/24
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

Matt Ruhland
Attorney
Cockrel Ela Glesne Greher & Ruhland, P.C.
44 Cook Street, Suite 620 Denver, Colorado 80206
(303) 218-7200

PREPARER (SIGNATURE REQUIRED)		DATE PREPARED (No exemption shall be granted prior to the close of said fiscal year)	
		03/28/2025	
Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)	
	☐	☐	

PART 2 - REVENUES

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 the nearest dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in question 10-7)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree to table 4-4, column 'Issued during year')	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree to table 4-4, column 'Issued during year')	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24		\$ -	
2-25		\$ -	
2-26	(add lines 2-1 through 2-25) TOTAL REVENUES	\$ -	

PART 3 - EXPENDITURES/EXPENSES

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 the nearest dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree to table 4-4, column 'Retired during year')	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree to table 4-4, column 'Retired during year')	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan	\$ -	
3-22	Contribution to Fire & Police Pension Assoc.	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26		\$ -	
3-27		\$ -	
3-28	(add lines 3-1 through 3-27) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUES (Line 2-26) or TOTAL EXPENDITURES (Line 3-28) 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 'No' is checked, skip to question 4-5)

(If 'Yes' is checked, please attach a copy of the entity's debt repayment schedule)

4-2 Is the debt repayment schedule attached? If no, **MUST** explain below:

☐☒

The Developer will be paid through Developer Advances, once excess funds are available.

4-3 Is the entity current in its debt service payments? If no, **MUST** explain below:

☐☐

4-4 Please complete the following debt schedule, if applicable:
(please only include principal amounts)
(enter all amounts as positive numbers)

Outstanding at
end of prior year*

Issued during
year

Retired during
year

Outstanding at
year-end

General obligation bonds

\$ - \$ - \$ - \$ -

Revenue bonds

\$ - \$ - \$ - \$ -

Notes/Loans

\$ - \$ - \$ - \$ -

Lease & SBITA** Liabilities [GASB 87 & 96]

\$ - \$ - \$ - \$ -

Developer Advances

\$ 5,869 \$ - \$ - \$ 5,869

Other (specify):

\$ - \$ - \$ - \$ -

TOTAL

\$ 5,869 \$ - \$ - \$ 5,869

**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 as of its fiscal year-end?

☒☐

How much?

\$ 90,000,000.00

Date the debt was authorized:

11/5/2019

NEW 4-6 Is the authorized but unissued debt further limited by the entity's most recent Service Plan?

☐☐

If yes: How much?

\$ -

Date of the most recent Service Plan:

4-7 Does the entity intend to issue debt within the next calendar year?

☐☒

If yes: How much?

\$ -

4-8 Does the entity have debt that has been refinanced that it is still responsible for?

☐☒

If yes: What is the amount outstanding?

\$ -

4-9 Does the entity have any lease agreements?

☐☒

If yes: What is being leased?

What is the original date of the lease?

Number of years of lease?

Is the lease subject to annual appropriation?

☐☒

What are the annual lease payments?

\$ -

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

\$ -

TOTAL CASH DEPOSITS

\$ -

5-3 Investments (if investment is a mutual fund, please list underlying investments):

\$ -

\$ -

\$ -

\$ -

TOTAL INVESTMENTS

\$ -

TOTAL CASH AND INVESTMENTS

\$ -

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.?

☐☐☒

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.)?

☐☐☒

Part 5 - 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?
(If 'No' is checked, skip the rest of Part 6)

☐

☒

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:

☐

☐

6-3

Complete the following capital & right-to-use assets table:	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	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*Must agree to prior year-end balance

^Generally capital asset additions should be reported as capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

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

PART 7 - PENSION INFORMATION

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

Yes

No

7-1

Does the entity have an "old hire" firefighters' pension plan?

☐

☒

7-2

Does the entity have a volunteer firefighters' pension plan?

☐

☒

If yes:

Who administers the plan?

Indicate the contributions from:

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

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

\$ -

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

PART 8 - BUDGET INFORMATION

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

Yes

No

N/A

8-1

Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?
If no, **MUST** explain:

☒

☐

☐

8-2

Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain:

☒

☐

☐

If yes:

Please indicate the amount appropriated for each fund separately for the year reported
(Please make sure each individual fund's appropriation agrees to how the budget was adopted.
Do not combine funds)

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$45,000.00

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)			
Please answer the following question by marking in the appropriate box.		Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	☒	☐
<i>Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.</i>			
Part 9 - If no, MUST use this space to provide any explanations			

PART 10 - GENERAL INFORMATION				
Please answer the following questions by marking in the appropriate boxes.		Yes	No	
10-1	Is this application for a newly formed governmental entity?	☐	☒	
If yes:	Date of formation:			
10-2	Has the entity changed its name in the past or current year?	☐	☒	
If yes:	Please list the NEW name:			
	Please list the PRIOR name:			
10-3	Is the entity a metropolitan district?	☒	☐	
10-4	Please indicate what services the entity provides:			
	Finance and construct all or part of the public improvements noted within the District's Service Plan			
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:			
	Soda Creek Highlands Metropolitan District No. 2 - Finance, maintain and construct necessary improvements			
10-6	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> 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.]	☐	☒	
If yes:	Date filed:			
10-7	Does the entity have a certified mill levy?	☐	☒	
If yes:	Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts):			
	Bond redemption mills	-		
	General/other mills	-		
	Total mills	-		
		Yes	No	N/A
10-8	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO , please explain.	☒	☐	☐
Please use this space to provide any additional explanations or comments not previously included				

PART 11 - GOVERNING BODY APPROVAL		
Please answer the following question by marking in the appropriate box.	Yes	No
11-1 If you plan to submit this form electronically, have you read the Electronic Signature Policy?	☒	☐

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signature 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 two 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 or type the names of ALL members of current governing body below.
A MAJORITY of the members of the governing body must sign below.

Board Member 1	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: <u>May 2027</u>	<u>Kevin O'Malley</u> DocuSigned by: <u>Kevin O'Malley</u> Signature <u>C625BCA5556341D...</u> Date _____
Board Member 2	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: <u>May 2027</u>	<u>Philip Mott</u> DocuSigned by: <u>Phil Mott</u> Signature <u>7AFE06E9B9814AC...</u> Date _____
Board Member 3	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: <u>May 2025</u>	<u>Duane Hartman</u> DocuSigned by: <u>Duane Hartman</u> Signature <u>C67B1A07A19541E...</u> Date _____
Board Member 4	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: <u>May 2025</u>	<u>Debby Hartman</u> DocuSigned by: <u>Debby Hartman</u> Signature <u>8E0991AD14B74B2...</u> Date _____
Board Member 5	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: <u>May 2025</u>	<u>Jim Alexander</u> Signature _____ Date _____
Board Member 6	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: _____	<u>N/A</u> Signature _____ Date _____
Board Member 7	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: _____	<u>N/A</u> Signature _____ Date _____

EXAMPLE - DO NOT FILL OUT THIS PAGE

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

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

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

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

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

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

[Choose 1 or 2 below, whichever is applicable]

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

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

OR

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

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

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

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

ADOPTED THIS ____ day of _____, A.D. 20XX.

EXAMPLE - DO NOT FILL OUT THIS PAGE

Mayor/President/Chairman, etc.

ATTEST:

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Certificate Of Completion

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Sarah Luetjen

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Denver, CO 80206

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sluetjen@cegrlaw.com

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Debby Hartman

debby@4hprop.com

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Signature

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Debby Hartman
8E0991AD14B74B2...

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Duane Hartman

butch@4hprop.com

Four H Properties

Security Level: Email, Account Authentication
(None)

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C67B1A07A19541E...

Sent: 3/28/2025 10:25:04 AM

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Jim Alexander

alexanderjim12@yahoo.com

Security Level: Email, Account Authentication
(None)

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Not Offered via Docusign

Kevin O'Malley

Kevin@theomalleyteam.com

Chair

Security Level: Email, Account Authentication
(None)

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Kevin O'Malley
C625BCA5556341D...

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Signature Adoption: Pre-selected Style

Using IP Address: 174.198.128.66

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Electronic Record and Signature Disclosure:

Accepted: 3/29/2025 11:14:23 AM

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Signer Events	Signature	Timestamp
Phil Mott philmott60@gmail.com Security Level: Email, Account Authentication (None)	DocuSigned by:  7AFE06E9B9814AC... Signature Adoption: Pre-selected Style Using IP Address: 76.154.33.29	Sent: 3/28/2025 10:25:03 AM Viewed: 3/28/2025 10:27:11 AM Signed: 3/28/2025 10:30:15 AM

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ID: 6ab2d35f-c19a-48b9-9f4e-a4a738574b89

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/28/2025 10:25:04 AM
Certified Delivered	Security Checked	3/28/2025 10:27:11 AM
Signing Complete	Security Checked	3/28/2025 10:30:15 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Cockrel Ela Glesne Greher & Ruhland PC (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 Cockrel Ela Glesne Greher & Ruhland PC:

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: sluetjen@cegrlaw.com

To advise Cockrel Ela Glesne Greher & Ruhland PC 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 sluetjen@cegrlaw.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 Cockrel Ela Glesne Greher & Ruhland PC

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 sluetjen@cegrlaw.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 Cockrel Ela Glesne Greher & Ruhland PC

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 sluetjen@cegrlaw.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 Cockrel Ela Glesne Greher & Ruhland PC 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 Cockrel Ela Glesne Greher & Ruhland PC during the course of your relationship with Cockrel Ela Glesne Greher & Ruhland PC.

EXHIBIT B-2
DISTRICT NO. 2
2024 APPLICATION FOR AUDIT EXEMPTION

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

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

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

EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

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

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

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

READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

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

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

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

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

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED.

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

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

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

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

CHECKLIST

- ☐ Has the preparer signed the application?
- ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
- ☐ Has the application been PERSONALLY reviewed and approved by the governing body?
- ☐ Are all sections on the form complete, including responses to all of the questions?
- ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- ☐ Will this application be submitted electronically?

- ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 11.

--Or--

- ☐ If yes, have you included a resolution?
- ☐ Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
- ☐ Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution at the end of this form.)

- ☐ Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
 - ☐ If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

Check out our web portal. Register your account and submit electronic Applications for Exemption From Audit, Extension of Time to File requests, Audited Financial Statements, and more!

See the link below:

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

FILING METHODS

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

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

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

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

QUESTIONS? Email: osa.lg@coleg.gov OR Phone; 303-869-3000

IMPORTANT!

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

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

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

In that event, AN AUDIT SHALL BE REQUIRED.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Soda Creek Highlands Metropolitan District No. 2
c/o Cockrel Ela Glesne Greher & Ruhland, P.C.
44 Cook Street, Suite 620
Denver, Colorado 80206
Matt Ruhland
(303) 218-7200

For the Year Ended
12/31/24
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

Matt Ruhland
Attorney
Cockrel Ela Glesne Greher & Ruhland, P.C.
44 Cook Street, Suite 620 Denver, Colorado 80206
(303) 218-7200

PREPARER (SIGNATURE REQUIRED)		DATE PREPARED (No exemption shall be granted prior to the close of said fiscal year)	
		03/28/2025	
Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)	
	☐	☐	

PART 2 - REVENUES

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 the nearest dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in question 10-7)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree to table 4-4, column 'Issued during year')	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree to table 4-4, column 'Issued during year')	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24		\$ -	
2-25		\$ -	
2-26	(add lines 2-1 through 2-25) TOTAL REVENUES	\$ -	

PART 3 - EXPENDITURES/EXPENSES

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 the nearest dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree to table 4-4, column 'Retired during year')	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree to table 4-4, column 'Retired during year')	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan	\$ -	
3-22	Contribution to Fire & Police Pension Assoc.	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26		\$ -	
3-27		\$ -	
3-28	(add lines 3-1 through 3-27) TOTAL EXPENDITURES/EXPENSES	\$ -	

If TOTAL REVENUES (Line 2-26) or TOTAL EXPENDITURES (Line 3-28) 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 'No' is checked, skip to question 4-5)

(If 'Yes' is checked, please attach a copy of the entity's debt repayment schedule)

4-2 Is the debt repayment schedule attached? If no, **MUST** explain below:

☐

☒

The Developer will be paid through Developer Advances, once excess funds are available.

4-3 Is the entity current in its debt service payments? If no, **MUST** explain below:

☐

☐

4-4 Please complete the following debt schedule, if applicable:
(please only include principal amounts)
(enter all amounts as positive numbers)

	Outstanding at end of prior year*	Issued during year	Retired during year	Outstanding at year-end
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 5,869	\$ -	\$ -	\$ 5,869
Other (specify):	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 5,869	\$ -	\$ -	\$ 5,869

**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 as of its fiscal year-end?

☒

☐

How much?

\$ 90,000,000.00

Date the debt was authorized:

11/5/2019

NEW 4-6 Is the authorized but unissued debt further limited by the entity's most recent Service Plan?

☒

☐

If yes: How much?

\$ 7,500,000.00

Date of the most recent Service Plan:

7/22/2019

4-7 Does the entity intend to issue debt within the next calendar year?

☐

☒

If yes: How much?

\$ -

4-8 Does the entity have debt that has been refinanced that it is still responsible for?

☐

☒

If yes: What is the amount outstanding?

\$ -

4-9 Does the entity have any lease agreements?

☐

☒

If yes: What is being leased?

What is the original date of the lease?

Number of years of lease?

Is the lease subject to annual appropriation?

☐

☒

What are the annual lease payments?

\$ -

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

\$ -

TOTAL CASH DEPOSITS

\$ -

5-3 Investments (if investment is a mutual fund, please list underlying investments):

\$ -

\$ -

\$ -

\$ -

TOTAL INVESTMENTS

\$ -

TOTAL CASH AND INVESTMENTS

\$ -

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.?

☐

☐

☒

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.)?

☐

☐

☒

Part 5 - 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?

☐☒

(If 'No' is checked, skip the rest of Part 6)

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:

☐☐

6-3

Complete the following capital & right-to-use assets table:

	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	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*Must agree to prior year-end balance

^Generally capital asset additions should be reported as capital outlay on line 3-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy

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

PART 7 - PENSION INFORMATION

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

Yes

No

7-1 Does the entity have an "old hire" firefighters' pension plan?

☐☒

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

☐☒

If yes: Who administers the plan?

Indicate the contributions from:

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

\$ -

State contribution amount:

\$ -

Other (gifts, donations, etc.):

\$ -

TOTAL

\$ -

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

\$ -

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

PART 8 - BUDGET INFORMATION

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

Yes

No

N/A

8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?

☒☐☐

If no, **MUST** explain:

8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, **MUST** explain:

☒☐☐

If yes: Please indicate the amount appropriated for each fund separately for the year reported (Please make sure each individual fund's appropriation agrees to how the budget was adopted. Do not combine funds)

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$45,000.00

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)			
Please answer the following question by marking in the appropriate box.		Yes	No
9-1	Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?	☒	☐
<i>Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.</i>			
Part 9 - If no, MUST use this space to provide any explanations			

PART 10 - GENERAL INFORMATION				
Please answer the following questions by marking in the appropriate boxes.		Yes	No	
10-1	Is this application for a newly formed governmental entity?	☐	☒	
If yes:	Date of formation:			
10-2	Has the entity changed its name in the past or current year?	☐	☒	
If yes:	Please list the NEW name:			
	Please list the PRIOR name:			
10-3	Is the entity a metropolitan district?	☒	☐	
10-4	Please indicate what services the entity provides:			
	Finance and construct all or part of the public improvements noted within the District's Service Plan			
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:			
	Soda Creek Highlands Metropolitan District No. 2 - Finance, maintain and construct necessary improvements			
10-6	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.]	☐	☒	
If yes:	Date filed:			
10-7	Does the entity have a certified mill levy?	☐	☒	
If yes:	Please provide the following mills levied for the year reported (do not report \$ amounts):			
	Bond redemption mills		-	
	General/other mills		-	
	Total mills		-	
		Yes	No	N/A
10-8	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain.	☒	☐	☐
Please use this space to provide any additional explanations or comments not previously included				

PART 11 - GOVERNING BODY APPROVAL		
Please answer the following question by marking in the appropriate box.	Yes	No
11-1 If you plan to submit this form electronically, have you read the Electronic Signature Policy?	☒	☐

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signature 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 two 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 or type the names of ALL members of current governing body below. A MAJORITY of the members of the governing body must sign below.		
Board Member 1	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: May 2027	Kevin O'Malley DocuSigned by: Kevin O'Malley Signature C625BCA5556341D... Date
Board Member 2	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: May 2027	Philip Mott DocuSigned by: Phil Mott Signature 7AFE06E9B9814AC... Date
Board Member 3	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: May 2025	Duane Hartman DocuSigned by: Duane Hartman Signature C67B1A07A19541E... Date
Board Member 4	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: May 2025	Debby Hartman DocuSigned by: Debby Hartman Signature 8E0991AD14B74B2... Date
Board Member 5	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires: May 2025	Jim Alexander Signature Date
Board Member 6	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires:	N/A Signature Date
Board Member 7	Board Member's Name: I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit. My term expires:	N/A Signature Date

EXAMPLE - DO NOT FILL OUT THIS PAGE

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

RESOLUTION/ORDINANCE FOR EXEMPTION FROM AUDIT

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

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

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

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

[Choose 1 or 2 below, whichever is applicable]

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

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

OR

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

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

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

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

ADOPTED THIS ____ day of _____, A.D. 20XX.

EXAMPLE - DO NOT FILL OUT THIS PAGE

Mayor/President/Chairman, etc.

ATTEST:

Town Clerk, Secretary, etc.

Type or Print Names of Members of Governing Body	Date Term Expires	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Certificate Of Completion

Envelope Id: FD683E55-C6D5-4F31-8733-0E964B76A930

Status: Sent

Subject: URGENT Complete with Docusign: Soda Creek Highlands District No. 2 - Audit Exemption Application

Source Envelope:

Document Pages: 11

Signatures: 4

Envelope Originator:

Certificate Pages: 5

Initials: 0

Sarah Luetjen

AutoNav: Enabled

44 Cook Street, Suite 620

Envelopeld Stamping: Enabled

Denver, CO 80206

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

sluetjen@cegrlaw.com

IP Address: 50.207.72.210

Record Tracking

Status: Original

Holder: Sarah Luetjen

Location: DocuSign

3/28/2025 10:18:50 AM

sluetjen@cegrlaw.com

Signer Events

Debby Hartman

debby@4hprop.com

Security Level: Email, Account Authentication
(None)

Signature

DocuSigned by:

Debby Hartman
8E0991AD14B74B2...

Timestamp

Sent: 3/28/2025 10:22:21 AM

Viewed: 3/28/2025 11:00:28 AM

Signed: 3/28/2025 11:01:17 AM

Signature Adoption: Pre-selected Style

Using IP Address: 200.32.219.198

Signed using mobile

Electronic Record and Signature Disclosure:

Accepted: 3/28/2025 11:00:28 AM

ID: 0df74831-2034-493d-a92e-b695f9b978d3

Duane Hartman

butch@4hprop.com

Four H Properties

Security Level: Email, Account Authentication
(None)

DocuSigned by:

Duane Hartman
C67B1A07A19541E...

Sent: 3/28/2025 10:22:22 AM

Viewed: 3/28/2025 11:00:05 AM

Signed: 3/28/2025 11:00:16 AM

Signature Adoption: Pre-selected Style

Using IP Address: 104.28.94.6

Signed using mobile

Electronic Record and Signature Disclosure:

Accepted: 3/28/2025 11:00:05 AM

ID: 211a4c27-d8f4-4f6f-82d9-3e3539015714

Jim Alexander

alexanderjim12@yahoo.com

Security Level: Email, Account Authentication
(None)

Sent: 3/28/2025 10:22:24 AM

Electronic Record and Signature Disclosure:

Not Offered via Docusign

Kevin O'Malley

Kevin@theomalleyteam.com

Chair

Security Level: Email, Account Authentication
(None)

DocuSigned by:

Kevin O'Malley
C625BCA5556341D...

Sent: 3/28/2025 10:22:22 AM

Viewed: 3/29/2025 11:16:18 AM

Signed: 3/29/2025 11:18:02 AM

Signature Adoption: Pre-selected Style

Using IP Address: 174.198.128.66

Signed using mobile

Electronic Record and Signature Disclosure:

Accepted: 3/29/2025 11:16:18 AM

ID: 9db6e17f-5294-4168-a4d6-9654a88016f8

Signer Events	Signature	Timestamp
Phil Mott philmott60@gmail.com Security Level: Email, Account Authentication (None)	DocuSigned by:  7AFE06E9B9814AC... Signature Adoption: Pre-selected Style Using IP Address: 76.154.33.29	Sent: 3/28/2025 10:22:23 AM Viewed: 3/28/2025 10:30:39 AM Signed: 3/28/2025 10:33:01 AM

Electronic Record and Signature Disclosure:
Accepted: 3/28/2025 10:30:39 AM
ID: 80821f66-a263-4cef-8898-633fdc4f4b62

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/28/2025 10:22:24 AM
Certified Delivered	Security Checked	3/28/2025 10:30:39 AM
Signing Complete	Security Checked	3/28/2025 10:33:01 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Cockrel Ela Glesne Greher & Ruhland PC (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 Cockrel Ela Glesne Greher & Ruhland PC:

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: sluetjen@cegrlaw.com

To advise Cockrel Ela Glesne Greher & Ruhland PC 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 sluetjen@cegrlaw.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 Cockrel Ela Glesne Greher & Ruhland PC

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 sluetjen@cegrlaw.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 Cockrel Ela Glesne Greher & Ruhland PC

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 sluetjen@cegrrlaw.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 Cockrel Ela Glesne Greher & Ruhland PC 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 Cockrel Ela Glesne Greher & Ruhland PC during the course of your relationship with Cockrel Ela Glesne Greher & Ruhland PC.