

**MARKETPLACE METROPOLITAN DISTRICT  
TOWN OF FREDERICK, STATE OF COLORADO**

**ANNUAL REPORT FOR FISCAL YEAR 2017**

Pursuant to the Service Plan for Marketplace Metropolitan District (the “District”), the District is required to provide an annual report to the Town of Frederick, Colorado (the “Town”) with regard to the following matters:

To the best of our actual knowledge, for the year ending December 31, 2017, the District makes the following report:

a. A narrative summary of the progress of the District in implementing its service plan for the report year;

No public improvements were constructed by the District during the reporting period. Development is anticipated to occur as described in the Service Plan.

b. Except when an exemption from audit has been granted pursuant to the Local Government Audit Law of Colorado, the audited financial statements of the District for the report year, including a statement of financial condition (i.e. balance sheet) as of December 31st of the report year and the statement of operations (i.e. revenues and expenditures) for the report year;

A copy of the District’s application for exemption from the 2017 audit is attached as **Exhibit A**.

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

No capital expenditures were incurred by the District in 2017 and none are currently proposed.

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

No new District indebtedness or long-term obligations were issued in the report year.

The total assessed valuation of all taxable properties within the District for 2017, as certified by the Weld County Assessor's Office, was \$771,750. 50.000 mills were pledged to general operating expenses.

e. The District's budget for the calendar year in which the annual report is submitted;

A copy of the District's 2018 budget is attached as **Exhibit B**.

f. A summary of residential and commercial development in the District for the report year;

Commercial development is anticipated to occur as described in the Service Plan.

g. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year;

The District did not adopt any new fees, charges, or assessments in 2017.

h. Certification of the Board of Directors of the District that no action, event or condition enumerated in Section 14.4 of the Code has occurred in the report year;

The Board of Directors of the District hereby certifies that no action, event or condition enumerated in Section 14.4 of the Land Use Code occurred in the report year.

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

Members of the Board:

Aaron Grant, President  
2130 Mountain View Avenue, Suite 101  
Longmont, Colorado 80501  
PH: 303-324-3320

Douglas Grant  
2130 Mountain View Avenue, Suite 101  
Longmont, Colorado 80501  
PH: 303-324-3320

JoAnna Grant  
2130 Mountain View Avenue, Suite 101  
Longmont, Colorado 80501  
PH: 303-324-3320

Andrew Grant  
2130 Mountain View Avenue, Suite 101  
Longmont, Colorado 80501

PH: 303-324-3320

Anna Grant  
2130 Mountain View Avenue, Suite 101  
Longmont, Colorado 80501  
PH: 303-324-3320

General Counsel:

Blair M. Dickhoner, Esq.  
WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law  
2154 East Commons Avenue, Suite 2000  
Centennial, CO 80122

Regular Meetings of the Board of Directors:

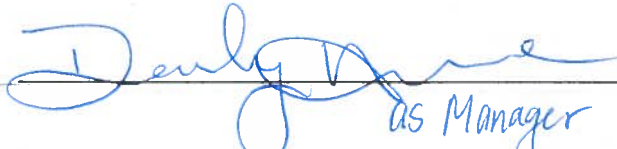
Thursday, March 15, 2018 and Thursday, October 18, 2018  
4040 Coriolis Way  
Frederick, Colorado  
6:00 p.m.

The District hereby certifies that the information provided herein is true and accurate and, as of the date hereof, the District is in full compliance with the District's Service Plan.

Respectfully submitted this 6<sup>th</sup> day of September, 2018.

MARKETPLACE METROPOLITAN DISTRICT

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AS Manager

**EXHIBIT A**

2017 Audit Exemption Application

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

NAME OF GOVERNMENT  
ADDRESS

Marketplace Metropolitan District
c/o Centennial Consulting Group, LLC
2619 Canton Court, Suite A
Fort Collins, CO 80525
Tisha Higgins
970/484-0101, Ext 3
tisha@ccgcolorado.com
970/300-1042

For the Year Ended  
12/31/17  
or fiscal year ended:

CONTACT PERSON  
PHONE  
EMAIL  
FAX

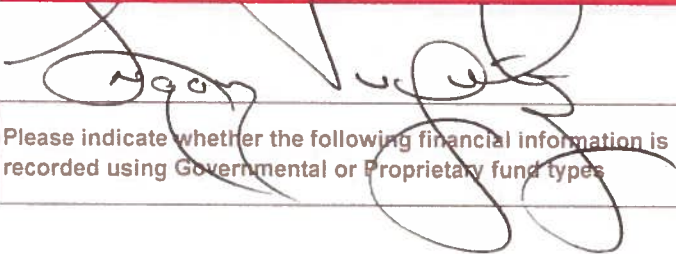
### PART 1 - CERTIFICATION OF PREPARER

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  
DATE PREPARED  
(Must be prepared prior to  
Board approval)

Gregory Viergutz, CPA
Shareholder
Marc, James and Associates, PC
1745 Shea Center Drive, Suite 400; Highlands Ranch, CO 80129-1540
720/344-4938
3/15/2018

**PREPARER** (SIGNATURE REQUIRED)



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

## PART 2 - REVENUE

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property	\$ 33,117	
2-2	Specific ownership	\$ 2,572	
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	\$ 150	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify): Metro District fees	\$ 1,800	
2-22	Forgiveness of legal fees	\$ 29,080	
2-23	Late fees	\$ 672	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 67,391	

## PART 3 - EXPENDITURES

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

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 4,314	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ 3,000	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 3,029	
3-7	Accounting and legal fees	\$ 11,070	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ 590	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 22,003	

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

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

Please answer the following questions by marking the appropriate boxes.

- 4-1 Does the entity have outstanding debt? Yes  No   
 If Yes, please attach a copy of the entity's Debt Repayment Schedule.

- 4-2 Is the debt repayment schedule attached? If no, MUST explain: Yes  No   
 No established repayment schedule, Developer Advances to be repaid as cash is available or refinanced.

- 4-3 Is the entity current in its debt service payments? If no, MUST explain: Yes  No   
 \_\_\_\_\_

Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount 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	\$ -	\$ -	\$ -	\$ -
Leases	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ 64,610	\$ -	\$ -	\$ 64,610
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 64,610</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,610</b>

\*must tie to prior year ending balance

- 4-5 Does the entity have any authorized, but unissued, debt? Yes  No

If yes: How much? \$ 3,875,000.00

Date the debt was authorized: 7/12/2006

- 4-6 Does the entity intend to issue debt within the next calendar year? Yes  No

If yes: How much? \$ -

- 4-7 Does the entity have debt that has been refinanced that it is still responsible for? Yes  No

If yes: What is the amount outstanding? \$ -

- 4-8 Does the entity have any lease agreements? Yes  No

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? Yes  No

What are the annual lease payments? \$ -

- 4-9 Does the entity have a certified Mill Levy? Yes  No

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

Bond Redemption	-
General/Other	50.00
<b>TOTAL</b>	<b>50.00</b>

Please use this space to provide any explanations or comments:

## 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	\$ 37,399	
5-2 Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>		<b>\$ 37,399</b>
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
<b>Total Investments</b>		<b>\$ -</b>
<b>Total Cash and Investments</b>		<b>\$ 37,399</b>

Please answer the following questions by marking in the appropriate boxes

- 5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.? Yes  No  N/A
- 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.)? Yes  No  N/A

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





## PART 6 - CAPITAL ASSETS

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

Yes                      No

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

6-3 Complete the following capital assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*must tie to prior year ending balance

Please use this space to provide any explanations or comments:

## 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" firemen's pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firemen's pension plan?  Yes       No
- If yes: Who administers the plan?

Indicate the contributions from:

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

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

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.?  Yes       No       N/A
- 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:  Yes       No       N/A

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

General	\$	35,635
Special Revenue	\$	4,200

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

Please answer the following question by marking in the appropriate box

Yes

No

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



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

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

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

Yes

No

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



If yes: **Date of formation:**

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



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

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



**Please indicate what services the entity provides:**

All services permitted under the Special District Act, except for specifically limited by the District's Service Plan.

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



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

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

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

## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

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

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

#### Policy - Requirements

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

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

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

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

Print the names of ALL current governing board members below.  
Print Board Member's Name

A MAJORITY of the governing board members must complete and sign in the column below.

Board Member 1	Print Board Member's Name <b>Aaron Grant</b>	I <u>Aaron D. Grant</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/26/18</u> My term Expires: <u>May 2020</u>
Board Member 2	Print Board Member's Name <b>Andrew Grant</b>	I <u>Aaron D. Grant</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/26/18</u> My term Expires: <u>May 2018</u>
Board Member 3	Print Board Member's Name <b>Anna Grant</b>	I <u>Anna Grant</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/26/18</u> My term Expires: <u>May 2018</u>
Board Member 4	Print Board Member's Name <b>Douglas Grant</b>	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: <u>MAY 2020</u>
Board Member 5	Print Board Member's Name <b>Joanna Grant</b>	I <u>JO ANNA GRANT</u> , attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>[Signature]</u> Date: <u>3/26/18</u> My term Expires: <u>May 2018</u>
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____

**EXHIBIT B**

2018 Budget

**MARKETPLACE METROPOLITAN DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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

**MARKETPLACE METROPOLITAN DISTRICT  
GENERAL FUND  
2018 PROPOSED BUDGET**

\*Modified Accrual Basis

	<b>2016 ACTUAL</b>	<b>2017 BUDGET</b>	<b>2017 ACTUAL YTD @ 9/30</b>	<b>2017 ACTUAL PROJECTED</b>	<b>2018 BUDGET</b>
BEGINNING FUND BALANCE	-	-	-	-	18,723
REVENUE					
Property Tax (771,750 x .050)	38,139	33,117	33,117	33,117	38,588
Specific Ownership Tax	2,233	2,318	1,909	2,318	2,701
Interest Income	234	200	88	100	100
Miscellaneous Income	-	-	-	-	-
Transfer in from Carriage Hills Metro	-	-	-	-	-
Developer Advance	7,691	-	-	-	-
TOTAL REVENUE	<u>48,297</u>	<u>35,635</u>	<u>35,114</u>	<u>35,535</u>	<u>41,389</u>
TOTAL FUNDS AVAILABLE	<u>48,297</u>	<u>35,635</u>	<u>35,114</u>	<u>35,535</u>	<u>60,112</u>
EXPENDITURES					
Operations & Maintenance					
Accounting	194	1,800	1,350	1,800	1,800
Audit / Audit Exemption		1,000			
District Management		3,000	2,250	3,000	3,000
Insurance	3,943	4,500	3,029	3,029	3,150
Dues & Fees (SDA)	290	400	285	285	290
Election Expense	2,811	-	-	-	3,500
Legal Fees	19,671	7,000	6,574	7,500	750
Office Expense	82	500	664	700	700
Treasurer Fees	576	662	498	498	772
Repairs and Maintenance	-	-	-	-	5,000
Payment to Town of Frederick (3 mills)	-	1,987	-	-	2,296
Contingency	-	14,786	-	-	5,131
Total Operations & Maintenance	<u>27,567</u>	<u>35,635</u>	<u>14,650</u>	<u>16,812</u>	<u>26,389</u>
OTHER SOURCES / USES OF FUNDS					
Transfer Out to Special Revenue Fund	-	-	-	-	-
Transfer out to Carriage Hills Metro	-	-	-	-	15,000
TOTAL OTHER SOURCES/USES OF FUNDS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
REVENUES OVER EXPENDITURES	<u>20,730</u>	<u>-</u>	<u>20,464</u>	<u>18,723</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 20,730</u>	<u>\$ -</u>	<u>\$ 20,464</u>	<u>\$ 18,723</u>	<u>\$ 18,723</u>
TOTAL EXPENDITURES REQUIRING APPROPRIATION	<u>27,567</u>	<u>35,635</u>	<u>14,650</u>	<u>16,812</u>	<u>41,389</u>
TABOR RESERVE					<u>792</u>

**MARKETPLACE METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND  
2018 PROPOSED BUDGET**

\*Modified Accrual Basis

	<b>2016 ACTUAL</b>	<b>2017 BUDGET</b>	<b>2017 ACTUAL YTD @ 9/30</b>	<b>2017 ACTUAL PROJECTED</b>	<b>2018 BUDGET</b>
BEGINNING FUND BALANCE	1,630	2,311	2,388	2,388	3,168
REVENUE					
Operations Fees	1,800	1,800	1,350	1,800	1,800
Late Charges and Collection Fees	215	500	144	180	250
TOTAL REVENUE	<u>2,015</u>	<u>2,300</u>	<u>1,494</u>	<u>1,980</u>	<u>2,050</u>
TOTAL FUNDS AVAILABLE	<u>3,645</u>	<u>4,611</u>	<u>3,882</u>	<u>4,368</u>	<u>5,218</u>
EXPENDITURES					
Billing Service Fees	1,257	1,200	900	1,200	1,200
Legal	-	3,000	-	-	850
Landscape and Road Maintenance	-	-	-	-	-
Landscape Maintenance - Contract	-	-	-	-	-
Landscape Maintenance - Non-Contract	-	-	-	-	-
Irrigation Repairs and Maintenance	-	-	-	-	-
Landscape Installation	-	-	-	-	-
Snow Removal	-	-	-	-	-
Street Maintenance & Repairs	-	-	-	-	-
Contingency	-	-	-	-	3,168
TOTAL EXPENDITURES	<u>1,257</u>	<u>4,200</u>	<u>900</u>	<u>1,200</u>	<u>5,218</u>
REVENUES OVER EXPENDITURES	<u>758</u>	<u>(1,900)</u>	<u>594</u>	<u>780</u>	<u>(3,168)</u>
ENDING FUND BALANCE	<u>\$ 2,388</u>	<u>\$ 411</u>	<u>\$ 2,982</u>	<u>\$ 3,168</u>	<u>\$ -</u>
TOTAL EXPENDITURES REQUIRING APPROPRIATION	<u>1,257</u>	<u>4,200</u>	<u>900</u>	<u>1,200</u>	<u>5,218</u>