

CERTIFICATION OF BUDGET

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Andrews Farm Metropolitan District No. 1, for the budget year ending December 31, 2022, as adopted on November 1, 2021.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Andrews Farm Metropolitan District No. 1, Weld County, Colorado, this 1st day of November, 2021.

DocuSigned by:
Ryan Carlson
276294CB64C44E2...
Chair

(S E A L)

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

12/20/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 2,393	\$ (2,739)	\$ 1,702,777
REVENUES			
Property taxes	1,125	1,727,684	1,427,208
Specific ownership tax	53	79,240	71,360
Developer advance	20,000	10,000	-
Intergovernmental revenues	1	-	1
Total revenues	<u>21,179</u>	<u>1,816,924</u>	<u>1,498,569</u>
Total funds available	<u>23,572</u>	<u>1,814,185</u>	<u>3,201,346</u>
EXPENDITURES			
General Fund	26,311	90,134	73,000
Debt Service Fund	-	21,274	-
Total expenditures	<u>26,311</u>	<u>111,408</u>	<u>73,000</u>
Total expenditures and transfers out requiring appropriation	<u>26,311</u>	<u>111,408</u>	<u>73,000</u>
ENDING FUND BALANCES	<u>\$ (2,739)</u>	<u>\$ 1,702,777</u>	<u>\$ 3,128,346</u>
EMERGENCY RESERVE	\$ -	\$ 9,700	\$ 45,000
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 9,700</u>	<u>\$ 45,000</u>

No assurance provided. See summary of significant assumptions.

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/20/21

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Agricultural	\$ 4,070	\$ 4,070	\$ 4,240
State assessed	7,570	9,250	23,180
Oil and Gas	5,200	25,773,010	21,274,200
Certified Assessed Value	\$ 16,840	\$ 25,786,330	\$ 21,301,620

MILL LEVY

General	66.795	12.000	67.000
Debt Service	0.000	55.000	0.000
Total mill levy	66.795	67.000	67.000

PROPERTY TAXES

General	\$ 1,124	\$ 309,435	\$ 1,427,208
Debt Service	-	1,418,248	-
Levied property taxes	1,124	1,727,683	1,427,208
Adjustments to actual/rounding	1	1	-
Budgeted property taxes	\$ 1,125	\$ 1,727,684	\$ 1,427,208

BUDGETED PROPERTY TAXES

General	\$ 1,125	\$ 309,435	\$ 1,427,208
Debt Service	-	1,418,249	-
	\$ 1,125	\$ 1,727,684	\$ 1,427,208

No assurance provided. See summary of significant assumptions.

ANDREWS FARM METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/20/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 2,393	\$ (2,739)	\$ 237,392
REVENUES			
Property taxes	1,125	309,435	1,427,208
Specific ownership tax	53	10,830	71,360
Developer advance	20,000	10,000	-
Intergovernmental revenues	1	-	1
Total revenues	<u>21,179</u>	<u>330,265</u>	<u>1,498,569</u>
Total funds available	<u>23,572</u>	<u>327,526</u>	<u>1,735,961</u>
EXPENDITURES			
General and administrative			
Accounting	9,352	12,500	14,000
County Treasurer's fee	17	4,642	21,396
Dues and licenses	525	549	750
Election Expense	-	-	5,000
Engineering	4,549	10,000	10,000
Insurance and bonds	5,020	5,058	6,000
Legal services	6,848	5,000	7,500
Repay developer advance - principal	-	46,290	-
Repay developer advance - interest	-	6,095	-
Contingency	-	-	8,354
Total expenditures	<u>26,311</u>	<u>90,134</u>	<u>73,000</u>
Total expenditures and transfers out requiring appropriation	<u>26,311</u>	<u>90,134</u>	<u>73,000</u>
ENDING FUND BALANCE	<u>\$ (2,739)</u>	<u>\$ 237,392</u>	<u>\$ 1,662,961</u>
EMERGENCY RESERVE	\$ -	\$ 9,700	\$ 45,000
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 9,700</u>	<u>\$ 45,000</u>

No assurance provided. See summary of significant assumptions.

**ANDREWS FARM METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2022 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/20/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 1,465,385
REVENUES			
Property taxes	-	1,418,249	-
Specific ownership tax	-	68,410	-
Total revenues	-	1,486,659	-
Total funds available	-	1,486,659	1,465,385
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	21,274	-
Total expenditures	-	21,274	-
Total expenditures and transfers out requiring appropriation	-	21,274	-
ENDING FUND BALANCE	\$ -	\$ 1,465,385	\$ 1,465,385

No assurance provided. See summary of significant assumptions.

**ANDREWS FARM METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District's service area is located entirely within the Town of Hudson, Weld County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets and safety controls, water, storm and sanitary sewer, and park and recreation facilities, primarily for single family residential development within the District.

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

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5.00% of the property taxes collected.

Intergovernmental Revenue – Transfer from Other Districts

The intergovernmental revenues are transferred from Andrews Farm Metropolitan District No. 2. The District will coordinate the payment of administrative expenditures for this district as well as the District's own administrative expenditures.

**ANDREWS FARM METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District’s Board of Directors and consultants and include the services necessary to maintain the District’s administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Developer Advances

The District and Parkwood East LLC entered into an Operating Reimbursement Agreement on December 4, 2018, pursuant to which Parkwood East LLC agreed to advance funds at their discretion to fund the District’s operations, maintenance and administrative expenses. The District agreed to repay the advances to the extent it has funds available from the imposition of its taxes, fees, rate, tolls, penalties, and charges and from any other revenue legally available, subject to annual budget and appropriation. Simple interest on each Advance accrues commencing as of the date of each Advance but in no event prior to the date the District was organized, at the rate of 8.00% per annum. Payments by the District shall first be applied to interest on, then to principal of the Advances. This term of the agreement shall end on the date the Advances have been paid in full or 40 years after December 4, 2018.

See reconciliation of Developer Advances below:

	Balance				Balance
	December 31,				December 31,
	2020	Additions	Retirements		2021
Developer Advances - Operating					
Principal	\$ 36,290	\$ 10,000	\$ 46,290		\$ -
Interest	3,074	3,021	6,095		-
	<u>\$ 39,364</u>	<u>\$ 13,021</u>	<u>\$ 52,385</u>		<u>\$ -</u>

Debt and Leases

The District has no debt, and no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3.00% of fiscal year spending for 2022 as defined under TABOR.

This information is an integral part of the accompanying budget.

ANDREWS FARM METROPOLITAN DISTRICT NO. 1

RESOLUTION TO ADOPT 2022 BUDGET

WHEREAS, the Board of Directors (the “**Board**”) of Andrews Farm Metropolitan District No. 1 (the “**District**”) has appointed a budget committee to prepare and submit a proposed 2022 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 1, 2021, and interested electors were given the opportunity to file or register any objections to the budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Andrews Farm Metropolitan District No. 1:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$	73,000
Debt Service Fund:	\$	0
	Total	\$ 73,000

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses		\$237,392
From fund transfers		\$0
From sources other than general property tax		\$71,361
From general property tax		\$1,427,208
	Total	<hr/> \$1,735,961

<u>Debt Service Fund:</u>	
From unappropriated surpluses	\$1,465,385
From fund transfers	\$0
From sources other than general property tax	\$0
From general property tax	\$0
Total	\$1,465,385

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2022 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$1,427,208; and

WHEREAS, the 2021 valuation for assessment of the District, as certified by the County Assessor, is \$21,301,620.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Andrews Farm Metropolitan District No. 1:

1. That for the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 67.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$1,427,208.

2. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Weld County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Andrews Farm Metropolitan District No. 1 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$73,000
Debt Service Fund	<u> \$0</u>
Total	\$73,000

Adopted this 1st day of November, 2021.

ANDREWS FARM METROPOLITAN
DISTRICT NO. 1

By: _____
Chair

Attest:

Secretary

Adopted this 1st day of November, 2021.

ANDREWS FARM METROPOLITAN
DISTRICT NO. 1

By: DocuSigned by:
Ryan Carlson
276294CB64C44E2...
Chair

Attest:

DocuSigned by:
Kent Carlson
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Secretary