

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. 2, for the budget year ending December 31, 2023, as adopted on November 7, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Andrews Farm Metropolitan District No. 2, Weld County, Colorado, this 7th day of November, 2022.



Chair

(S E A L)

ANDREWS FARM METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

**ANDREWS FARM METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 1	\$ 1
REVENUES			
Property Taxes	1	1	1
Total revenues	<u>1</u>	<u>1</u>	<u>1</u>
Total funds available	<u>1</u>	<u>2</u>	<u>2</u>
EXPENDITURES			
General Fund	-	1	1
Total expenditures	<u>-</u>	<u>1</u>	<u>1</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>1</u>	<u>1</u>
ENDING FUND BALANCES	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

No assurance provided. See summary of significant assumptions.

ANDREWS FARM METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/25/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Agricultural	\$	10	\$	10	\$	10
Certified Assessed Value		10		10		10

MILL LEVY

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

PROPERTY TAXES

General	\$	-	\$	1	\$	1
Debt Service		1		-		-
Budgeted property taxes		1		1		1

BUDGETED PROPERTY TAXES

General	\$	-	\$	1	\$	1
Debt Service		1		-		-
		1		1		1

No assurance provided. See summary of significant assumptions.

ANDREWS FARM METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	1	1
Total revenues	<u>-</u>	<u>1</u>	<u>1</u>
Total funds available	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES			
General and administrative			
Intergovernmental expenditures	-	1	1
Total expenditures	<u>-</u>	<u>1</u>	<u>1</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>1</u>	<u>1</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

ANDREWS FARM METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/25/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 1	\$ 1
REVENUES			
Property taxes	1	-	-
Total revenues	<u>1</u>	<u>-</u>	<u>-</u>
Total funds available	<u>1</u>	<u>1</u>	<u>1</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

No assurance provided. See summary of significant assumptions.

**ANDREWS FARM METROPOLITAN DISTRICT NO. 2
2023 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.40% from 29.00%. Producing oil and gas remains at 87.50%. All other nonresidential property stays at 29.00%.

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.

Expenditures

Transfer to Other Districts

The District is obligated to impose a mill levy, subject to certain adjustments, and remit property taxes derived from such mill levy, together with specific ownership taxes applicable to property within the District, after deducting administrative expenditures, to the Operating District, Andrews Farm Metropolitan District No. 1.

**ANDREWS FARM METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

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

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of fiscal year spending. Since substantially all funds received by the District are transferred to Andrews Farm Metropolitan District No. 1, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

ANDREWS FARM METROPOLITAN DISTRICT NO. 2

RESOLUTION TO ADOPT 2023 BUDGET

WHEREAS, the Board of Directors (the “Board”) of Andrews Farm Metropolitan District No. 2 (the “District”) has appointed a budget committee to prepare and submit a proposed 2023 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 7, 2022, 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. 2:

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

General Fund:	\$	1
Debt Service Fund:	\$	0
Total	\$	1

2. That estimated revenues are as follows:

<u>General Fund:</u>		
From unappropriated surpluses		\$0
From fund transfers		\$0
From sources other than general property tax		\$0
From general property tax		\$1
Total		<hr/> \$1

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

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 2023 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; and

WHEREAS, the 2022 valuation for assessment of the District, as certified by the County Assessor, is \$10.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Andrews Farm Metropolitan District No. 2:

1. That for the purpose of meeting all general operating expenses of the District during the 2023 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.

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. 2 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:	\$1
Debt Service Fund	\$0
Total	<hr/> \$1

Adopted this 7th day of November, 2022.

ANDREWS FARM METROPOLITAN
DISTRICT NO. 2

By: _____
Chair

Attest:

Secretary