

ORCHARD FARMS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**ORCHARD FARMS METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 1,796,926	\$ 1,193,717	\$ 1,280,671
REVENUE			
Property Tax	654,185	816,506	1,052,101
Specific Ownership Tax	48,036	54,204	73,647
Interest Income	10,401	821	1,443
2018 Operations Fees	12,250	-	-
Other Revenue	41,196	26,000	30,000
Operations Fees	159,780	189,000	200,000
Transfer Fees	36,500	35,000	30,000
Legal Collection Fees	2,413	5,000	5,000
Developer Advance	2,352,504	-	-
Total revenue	<u>3,317,265</u>	<u>1,126,531</u>	<u>1,392,191</u>
TRANSFERS IN	<u>1,589</u>	<u>165,018</u>	<u>130,000</u>
Total funds available	<u>5,115,780</u>	<u>2,485,266</u>	<u>2,802,862</u>
EXPENDITURES			
General Fund	120,689	128,000	90,700
Operations Fee Fund	313,011	334,765	376,000
Debt Service Fund	574,968	576,812	610,000
Capital Projects Fund	2,911,806	-	-
Total expenditures	<u>3,920,474</u>	<u>1,039,577</u>	<u>1,076,700</u>
TRANSFERS OUT	<u>1,589</u>	<u>165,018</u>	<u>130,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,922,063</u>	<u>1,204,595</u>	<u>1,206,700</u>
ENDING FUND BALANCES	<u>\$ 1,193,717</u>	<u>\$ 1,280,671</u>	<u>\$ 1,596,162</u>
Emergency Reserve	\$ 6,400	\$ 7,300	\$ 9,300
Available For Operations	89,321	35,040	117,505
Debt Service Surplus Fund	960,297	1,041,345	1,283,176
Operations Fee Fund Reserve	137,681	80,000	80,000
TOTAL RESERVE	<u>\$ 1,193,699</u>	<u>\$ 1,163,685</u>	<u>\$ 1,489,981</u>

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Residential	\$ 7,718,180	\$ 10,178,200	\$ 13,276,090
Agricultural	4,400	4,400	6,190
State Assessed	3,220	4,590	1,200
Vacant Land	1,040,230	769,380	903,110
Personal Property	96,840	135,950	95,060
Oil & Gas	22,890	4,870	770
Certified Assessed Value	\$ 8,885,760	\$ 11,097,390	\$ 14,282,420

MILL LEVY

General	18.000	18.000	18.000
Debt Service	55.664	55.664	55.664
Total mill levy	73.664	73.664	73.664

PROPERTY TAXES

General	\$ 159,944	\$ 199,753	\$ 257,084
Debt Service	494,617	617,725	795,017
Levied property taxes	654,561	817,478	1,052,101
Adjustments to actual/rounding	(1)		-
Refunds and abatements	(375)	(972)	-
Budgeted property taxes	\$ 654,185	\$ 816,506	\$ 1,052,101

BUDGETED PROPERTY TAXES

General	\$ 159,852	\$ 199,516	\$ 257,084
Debt Service	494,333	616,990	795,017
	\$ 654,185	\$ 816,506	\$ 1,052,101

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 5,062	\$ 95,721	\$ 42,340
REVENUE			
Property Taxes	159,852	199,516	257,084
Specific Ownership Taxes	11,738	13,983	17,996
Other Revenue	41,196	26,000	30,000
Interest Income	151	120	85
Total revenue	<u>212,937</u>	<u>239,619</u>	<u>305,165</u>
Total funds available	<u>217,999</u>	<u>335,340</u>	<u>347,505</u>
EXPENDITURES			
General and administrative			
Accounting	30,828	31,000	34,000
Auditing	4,000	4,150	4,400
Contingency	-	11,005	5,340
County Treasurer's Fee	2,399	2,968	3,860
Dues	606	639	750
Elections	1,517	-	2,000
Insurance	5,555	5,792	6,250
Costs Review/ Verification	4,525	-	-
Legal	29,824	25,000	33,000
Miscellaneous	747	100	100
Repay Developer Advance	40,000	46,346	-
Website	688	1,000	1,000
Total expenditures	<u>120,689</u>	<u>128,000</u>	<u>90,700</u>
TRANSFERS OUT			
Transfers to Other Fund	<u>1,589</u>	<u>165,000</u>	<u>130,000</u>
Total expenditures and transfers out requiring appropriation	<u>122,278</u>	<u>293,000</u>	<u>220,700</u>
ENDING FUND BALANCE	<u>\$ 95,721</u>	<u>\$ 42,340</u>	<u>\$ 126,805</u>
Emergency Reserve	\$ 6,400	\$ 7,300	\$ 9,300
Available For Operations	89,321	35,040	117,505
Total Reserve	<u>95,721</u>	<u>42,340</u>	<u>126,805</u>

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT
OPERATIONS FEE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 238,677	\$ 137,681	\$ 196,986
REVENUE			
2018 Operations Fees	12,250	-	-
Operations Fees	159,780	189,000	200,000
Interest Income	1,072	70	195
Legal Collection Fees	2,413	5,000	5,000
Transfer Fees	36,500	35,000	30,000
Total revenue	<u>212,015</u>	<u>229,070</u>	<u>235,195</u>
TRANSFERS IN			
Transfers from Other Funds	<u>-</u>	<u>165,000</u>	<u>130,000</u>
Total funds available	<u>450,692</u>	<u>531,751</u>	<u>562,181</u>
EXPENDITURES			
General and Administrative			
Billing	12,163	12,000	13,200
Community Activities	2,439	2,000	8,000
Covenant Enforcement	10,400	12,500	12,500
Design Review	7,859	7,500	8,280
District Management	17,500	22,000	24,240
District Management - Costs	3,107	8,700	9,570
Insurance	-	11,886	13,000
Legal	3,758	7,500	9,000
Miscellaneous	1,828	1,500	3,216
Landscape Maintenance			
Irrigation Repairs & Improvements	14,028	15,000	15,000
Landscape Maintenance - Contract	56,213	57,899	60,794
Landscape Replacements & Improvements	-	25,400	30,000
Tree Replacements	-	6,030	10,000
Tree Spraying and Fertilization	-	5,000	15,000
Grounds and Park Maintenance			
Lighting	5,014	6,000	6,000
Grounds Repair and Maintenance	35,620	5,000	15,000
Restroom Maintenance	-	-	2,000
Playground Inspection and Repairs	-	1,850	4,200
Snow Removal	8,685	10,000	15,000
Holiday Lighting	1,677	5,000	5,000
Underdrain Maintenance	-	25,000	-
Utilities			
Electricity	1,102	2,000	2,000
Water	131,618	85,000	95,000
Total expenditures	<u>313,011</u>	<u>334,765</u>	<u>376,000</u>
Total expenditures and transfers out requiring appropriation	<u>313,011</u>	<u>334,765</u>	<u>376,000</u>
ENDING FUND BALANCE	<u>\$ 137,681</u>	<u>\$ 196,986</u>	<u>\$ 186,181</u>
Operations Fee Fund Reserve	<u>\$ 137,681</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>
TOTAL RESERVE	<u>\$ 137,681</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 998,528	\$ 960,297	\$ 1,041,345
REVENUE			
Property Taxes	494,333	616,990	795,017
Specific Ownership Taxes	36,298	40,221	55,651
Interest Income	6,106	631	1,163
Total revenue	<u>536,737</u>	<u>657,842</u>	<u>851,831</u>
TRANSFERS IN			
Transfers from Other Funds	<u>-</u>	<u>18</u>	<u>-</u>
Total funds available	<u>1,535,265</u>	<u>1,618,157</u>	<u>1,893,176</u>
EXPENDITURES			
County Treasurer's Fee	7,418	9,262	11,930
Contingency	-	-	520
Interest - Series 2017A	560,050	560,050	560,050
Principal - Series 2017A	-	-	30,000
Paying Agent Fees	7,500	7,500	7,500
Total expenditures	<u>574,968</u>	<u>576,812</u>	<u>610,000</u>
Total expenditures and transfers out requiring appropriation	<u>574,968</u>	<u>576,812</u>	<u>610,000</u>
ENDING FUND BALANCE	<u>\$ 960,297</u>	<u>\$ 1,041,345</u>	<u>\$ 1,283,176</u>
Debt Service Surplus Fund	<u>\$ 960,297</u>	<u>\$ 1,041,345</u>	<u>\$ 1,283,176</u>
TOTAL RESERVE	<u>\$ 960,297</u>	<u>\$ 1,041,345</u>	<u>\$ 1,283,176</u>

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/9/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 554,659	\$ 18	\$ -
REVENUE			
Interest Income	3,072	-	-
Developer Advance	2,352,504	-	-
Total revenue	<u>2,355,576</u>	<u>-</u>	<u>-</u>
TRANSFERS IN			
Transfers from Other Funds	<u>1,589</u>	<u>-</u>	<u>-</u>
Total funds available	<u>2,911,824</u>	<u>18</u>	<u>-</u>
EXPENDITURES			
Capital Outlay			
Public Improvements	2,352,504	-	-
Repay Developer Advance	559,302	-	-
Total expenditures	<u>2,911,806</u>	<u>-</u>	<u>-</u>
TRANSFERS OUT			
Transfers to Other Fund	<u>-</u>	<u>18</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,911,806</u>	<u>18</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Orchard Farms Metropolitan District, a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was established to provide public streets, traffic and safety, water, sewer, park and recreation, television relay and translation, and mosquito control facilities and improvements for the use and benefit of the inhabitants and taxpayers of the District.

On November 6, 2007, the District's voters authorized total general obligation indebtedness of \$48,000,000 for the above listed facilities and, with a maximum debt mill levy of 50.000 mills as adjusted for changes in the assessment ratio. The adjusted debt mill levy for the change in the assessment ratio from 7.96% to 7.15% is 55.664 mills.

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

The District prepares its budget on the modified accrual basis of accounting and 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, sale 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 Information page of the budget.

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 7.0% of all the property taxes collected.

**ORCHARD FARMS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Operations Fees

The District imposes a monthly fee of \$47.00 from the homeowners and collects a \$500 fee at closing from each new homeowner to pay for the costs of landscaping, maintenance and management.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense.

Operating and Maintenance Expenditures

Anticipated expenditures for maintenance are outlined in the Operations Fees Fund of the Budget.

Debt and Leases

The District issued Senior Bonds and Subordinate Bonds on May 4, 2017, in the amounts of \$9,740,000 and \$1,288,000, respectively. Proceeds from the sale of the Senior Bonds were used for the purposes of: (i) reimbursing a portion of the costs of acquiring, constructing, and installing certain public improvements; (ii) refunding the District's outstanding General Obligation Subordinate Promissory Note, Series 2011A; (iii) providing an initial deposit to the Surplus Fund; (iv) providing capitalized interest; and (v) paying the costs of issuing the Bonds. Proceeds from the sale of the Subordinate Bonds were used to reimburse a portion of the costs of acquiring, constructing, and installing certain public improvements.

The Senior Bonds bear interest at the rate of 5.75% per annum payable semi-annually on June 1 and December 1, beginning on June 1, 2017. Annual mandatory sinking fund principal payments on the Senior Bonds are due on December 1, beginning on December 1, 2022. The Senior Bonds mature on December 1, 2047. In the event that any amount of principal or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue on December 1, 2057, the Senior Bonds are to be deemed discharged.

The Subordinate Bonds bear interest at the rate of 7.75% per annum payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue on December 15, 2057, the Subordinate Bonds are to be deemed discharged.

**ORCHARD FARMS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue, net of any costs of collection, consisting of:

- (a) all Senior Property Tax Revenues derived from the Senior Required Mill Levy;
- (b) all Specific Ownership Tax attributable to the Senior Required Mill Levy;
- (c) all Capital Fees, if any; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Prior to the time when the Debt to Assessed Ratio is 50% or less, the Senior Bonds are also secured by amounts accumulated in the Surplus Fund, if any.

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue, net of any costs of collection, consisting of:

- (a) all Subordinate Property Taxes derived from the Subordinate Required Mill Levy;
- (b) all Specific Ownership Tax attributable to the Subordinate Required Mill Levy;
- (c) all Subordinate Capital Fees, if any;
- (d) any amounts in the Surplus Fund upon the termination of such fund pursuant to the Senior Indenture; and
- (e) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Prior to the date that the Debt to Assessed Ratio is equal to 50% or less, Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year will be deposited to and held in the Surplus Fund, up to the Maximum Surplus Amount of \$1,948,000. Except for the initial deposit of \$840,000 to the Surplus Fund from bond proceeds, the Surplus Fund is to be funded solely from deposits of Senior Pledged Revenue. The District anticipates that the Surplus Fund will be drawn upon in 2019 and 2020 to meet debt service requirements of the Senior Bonds. When the Debt to Assessed Ratio is equal to or less than 50%, the Surplus Fund will be terminated and any moneys therein applied to any legal purpose of the District. The Subordinate Indenture provides that any amounts in the Surplus Fund upon the termination of such fund pursuant to the Senior Indenture are pledged to the payment of the Subordinate Bonds. The District has acknowledged that State Law places certain restrictions on the use of money derived from the Senior Required Mill Levy.

**ORCHARD FARMS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Cumulative surplus cash in the Debt Service Fund will be used for the repayment of 2017C Bonds which were issued on August 2, 2017 with a par amount of \$1,865,000. The Junior Lien Bonds bear interest at the rate of 9.0% per annum payable annually on December 15, but only to the extent of available Junior Lien Pledged Revenue. The Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Junior Lien Bonds compounds annually on each December 15. In no event is any principal or interest to be paid on the Junior Lien Bonds until the Subordinate Bonds, and to the extent required by the applicable Senior/Subordinate Obligation Indentures, any other Senior/Subordinate Obligations, have been paid in full or defeased. In the event any amount of principal or interest on the Junior Lien Bonds remains unpaid after the application of all Junior Lien Pledged Revenue on December 15, 2057, the Junior Lien Bonds are to be deemed discharged.

Developer Advances

On October 30, 2013, the Operations Funding Agreement was entered into between the District and TCIRATO, LLC (the Developer). On September 9, 2021, the District approved repayment of the full outstanding amount which totaled \$46,346, comprised of \$43,734 of principal and \$2,612 in accrued interest, and executed a Termination of Operations Funding Agreement. As of October 1, 2021, the District has no obligations under the Operations Funding Agreement.

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending, as defined under TABOR

This information is an integral part of the accompanying budget.

**ORCHARD FARMS METROPOLITAN DISTRICT (FKA BIG DRY CREEK)
DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$9,740,000 Limited Tax (Convertible to Unlimited Tax)
General Obligation Refunding and Improvement Bonds
Issue date May 4, 2017**

Principal Due Annually December 1

Interest at 5.750%

Due June 1 and December 1

Year Ending December 31,	Principal	Interest	Total
2022	\$ 30,000	\$ 560,050	\$ 590,050
2023	115,000	558,325	673,325
2024	135,000	551,712	686,712
2025	140,000	543,950	683,950
2026	165,000	535,900	700,900
2027	170,000	526,412	696,412
2028	195,000	516,637	711,637
2029	210,000	505,425	715,425
2030	235,000	493,350	728,350
2031	250,000	479,837	729,837
2032	275,000	465,462	740,462
2033	290,000	449,650	739,650
2034	325,000	432,975	757,975
2035	345,000	414,287	759,287
2036	380,000	394,450	774,450
2037	400,000	372,600	772,600
2038	440,000	349,600	789,600
2039	465,000	324,300	789,300
2040	505,000	297,563	802,563
2041	535,000	268,525	803,525
2042	580,000	237,763	817,763
2043	615,000	204,413	819,413
2044	665,000	169,050	834,050
2045	705,000	130,813	835,813
2046	765,000	90,275	855,275
2047	805,000	46,288	851,288
	\$ 9,740,000	\$ 9,919,612	\$ 19,659,612

No assurance provided. See summary of significant assumptions.