

RESOLUTION NO. 2021-10-03

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

RESOLUTION OF THE BOARD OF DIRECTORS OF SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1, ADAMS COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2022

A. The Board of Directors of Second Creek Farm Metropolitan District No. 1 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body on October 15, 2021, for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 18, 2021, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers 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.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. 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, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1, ADAMS COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND
APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on October 18, 2021.

**SECOND CREEK FARM
METROPOLITAN DISTRICT NO. 1**

By: Joel Farkas
President

Attest:

By: Jon Dene
Secretary

EXHIBIT A

Budget

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

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

1/9/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ (30,642)	\$ 64,633	\$ 114,562
REVENUES			
Property taxes	-	-	491
Specific ownership taxes	-	-	34
Developer advance	5,683,891	1,909,287	125,000
ERU	297,907	558,609	-
Facility fees	600,000	-	600,000
Other income	-	399,501	-
Transfer from Second Creek Farm No. 2	143	236	50,448
Transfer from Second Creek Farm No. 3	5,532,345	1,655,787	635,021
Transfer from Second Creek Farm No. 4	-	-	81
Total revenues	12,114,286	4,523,420	1,411,075
Total funds available	12,083,644	4,588,053	1,525,637
EXPENDITURES			
General Fund	173,136	145,098	160,000
Capital Projects Fund	11,845,875	4,328,393	1,336,070
Total expenditures	12,019,011	4,473,491	1,496,070
Total expenditures and transfers out requiring appropriation	12,019,011	4,473,491	1,496,070
ENDING FUND BALANCES	\$ 64,633	\$ 114,562	\$ 29,567
EMERGENCY RESERVE	\$ -	\$ -	\$ 1,600
TOTAL RESERVE	\$ -	\$ -	\$ 1,600

No assurance provided. See summary of significant assumptions.

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

1/9/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ 750	\$ 3,870	\$ 1,930
State assessed	530	140	1,050
Vacant land	-	-	19,390
Personal property	10,930	3,550	21,720
Certified Assessed Value	<u>\$ 12,210</u>	<u>\$ 7,560</u>	<u>\$ 44,090</u>
MILL LEVY			
General	11.132	11.132	11.132
Total mill levy	<u>11.132</u>	<u>11.132</u>	<u>11.132</u>
PROPERTY TAXES			
General	\$ 136	\$ 84	\$ 491
Levied property taxes	136	84	491
Adjustments to actual/rounding	(136)	(84)	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491</u>
BUDGETED PROPERTY TAXES			
General	\$ -	\$ -	\$ 491
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491</u>

No assurance provided. See summary of significant assumptions.

SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/9/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (30,642)	\$ 22,972	\$ 13,110
REVENUES			
Property taxes	-	-	491
Specific ownership taxes	-	-	34
Developer advance	226,607	135,000	125,000
Transfer from Second Creek Farm No. 2	143	236	50,448
Transfer from Second Creek Farm No. 3	-	-	403
Transfer from Second Creek Farm No. 4	-	-	81
Total revenues	226,750	135,236	176,457
Total funds available	196,108	158,208	189,567
EXPENDITURES			
General and administrative			
Accounting	59,332	50,000	55,000
Auditing	12,500	13,150	15,000
Contingency	-	-	8,993
County Treasurer's fee	-	-	7
Dues and memberships	808	821	1,500
Election expense	1,672	-	2,000
Insurance and bonds	9,720	11,127	12,500
Landscaping	1,171	-	5,000
Legal services	44,504	60,000	50,000
Miscellaneous	344	500	500
Paying agent fees	9,500	9,500	9,500
Repay developer advance - interest	33,585	-	-
Total expenditures	173,136	145,098	160,000
Total expenditures and transfers out requiring appropriation	173,136	145,098	160,000
ENDING FUND BALANCE	\$ 22,972	\$ 13,110	\$ 29,567
EMERGENCY RESERVE	\$ -	\$ -	\$ 1,600
TOTAL RESERVE	\$ -	\$ -	\$ 1,600

No assurance provided. See summary of significant assumptions.

SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/9/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 41,661	\$ 101,452
REVENUES			
Developer advance	5,457,284	1,774,287	-
Facility fees	600,000	-	600,000
ERU	297,907	558,609	-
Other income	-	399,501	-
Transfer from Second Creek Farm No. 3	5,532,345	1,655,787	634,618
Total revenues	11,887,536	4,388,184	1,234,618
Total funds available	11,887,536	4,429,845	1,336,070
EXPENDITURES			
Capital Projects			
Capital outlay	8,424,044	2,486,775	-
Engineering	419,265	60,000	-
Legal services	66,027	13,859	-
Repay developer advance - interest	248,714	113,483	61,025
Repay developer advance - principal	2,687,825	1,654,276	1,275,045
Total expenditures	11,845,875	4,328,393	1,336,070
Total expenditures and transfers out requiring appropriation	11,845,875	4,328,393	1,336,070
ENDING FUND BALANCE	\$ 41,661	\$ 101,452	\$ -

No assurance provided. See summary of significant assumptions.

SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Adams County on December 5, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Commerce City, Adams County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements, including streets and safety controls, street lighting, landscaping, monuments, signage, mosquito control, television relay, water, sanitary-sewer, storm drainage, and park and recreation improvements and facilities.

Pursuant to an Amended and Restated Facilities Funding, Construction & Operations Agreement among the District and Second Creek Farms Metropolitan District Nos. 2, 3 and 4, dated July 15, 2019, with an effective date of January 1, 2019 ("FFCOA"), District No. 1 provides District Administration and Project Administration for all District Nos. 1-4 and District Nos. 2, 3 and 4 serve as the Financing Districts.

On November 5, 2002, the electorate approved general obligation indebtedness of \$3,539,171 for street improvements, \$5,870,144 for parks and recreation, \$2,670,360 for water supply system, \$1,920,323 for sanitary sewer system, \$14,000,000 for refinancing of District debt, and \$50,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$50,000 for general operations and maintenance.

On November 1, 2005, the electorate approved general obligation indebtedness of \$560,000,000 representing \$70,000,000 for each of the following public improvements: streets, water, sewer, parks and recreation, traffic and safety, mosquito control, public transportation, and television relay and translation. The voters also approved general obligation indebtedness of \$70,000,000 for refinancing of District debt, \$70,000,000 for intergovernmental contracts and \$2,000,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$2,000,000 for general operations and maintenance and \$2,000,000 for payments under intergovernmental agreements.

On May 6, 2014, the electorate approved general obligation indebtedness of \$700,000,000 representing \$70,000,000 for each of the following public improvements: streets, water, sewer, parks and recreation, traffic and safety, mosquito control, public transportation, television relay and translation, fire protection, and security services. The voters also approved general obligation indebtedness of \$70,000,000 for refinancing of District debt, \$70,000,000 for intergovernmental contracts, and \$70,000,000 for general operations and maintenance. The election also approved an annual increase in taxes of \$2,000,000 for general operations and maintenance, \$70,000,000 for payments under intergovernmental agreements for regional improvements, and \$2,000,000 for payments under intergovernmental agreements. The election also approved the imposition of fees of \$2,000,000 for general operations and maintenance.

The Service Plan limits total general obligation indebtedness to \$70,000,000.

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

SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided (Continued)

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes 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 7.0% of the property taxes collected by the District.

Developer Advances

The District is in the development stage. As such, the operating and administrative costs for 2022 are to be funded primarily by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

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

Revenues (Continued)

Developer Advances (Continued)

Estimated Developer advances as of December 31, 2021 are as follows:

	Balance			Est. Balance
	December 31,			December 31,
	2020	Additions	Retirements	2021
Developer Advances - Capital				
Principal	\$ 2,916,732	\$ 1,774,287	\$ 1,654,276	\$ 3,036,743
Interest	1,913	423,617	113,483	312,047
Developer Advances - Operating				
Principal	901,484	135,000	-	1,036,484
Interest	613,553	74,452	-	688,005
	<u>\$ 4,433,682</u>	<u>\$ 2,407,356</u>	<u>\$ 1,767,759</u>	<u>\$ 5,073,279</u>

Transfers from District Nos. 2, 3 & 4

The District anticipates the collection of taxes in District No. 2, 3 & 4 which will be transferred to the District to partially fund operations of the Districts. Per the FFCA, District No. 1 provides Project Administration for the other Districts and monies associated with Project Administration is remitted to District No. 1.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, engineering, insurance, banking, meeting expense and other administrative expenses.

Debt and Leases

The District has no debt or operating or capital leases.

Reserves

The District has provided for an Emergency Reserve fund equal to at least 3.0% of fiscal year spending for 2022 as defined under TABOR.

This information is an integral part of the accompanying budget.

I, Toni Serra, hereby certify that I am the duly appointed Secretary of the Second Creek Farm Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Second Creek Farm Metropolitan District No. 1 held on October 18, 2021.

A handwritten signature in black ink, appearing to read "Toni Serra", is positioned above a horizontal line.

Secretary

RESOLUTION NO. 2021-10-04

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE SECOND CREEK FARM METROPOLITAN DISTRICT NO. 1
LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111,
C.R.S., FOR THE YEAR 2021, TO HELP DEFRAY THE COSTS OF GOVERNMENT
FOR THE 2022 BUDGET YEAR**

A. The Board of Directors of Second Creek Farm Metropolitan District No. 1 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on October 18, 2021.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Second Creek Farm Metropolitan District No. 1, Adams County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on October 18, 2021.

**SECOND CREEK FARM
METROPOLITAN DISTRICT NO. 1**

By: Joel Farkas
President

Attest:

By: Jon Dene
Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES^{1,2} for NON-SCHOOL GovernmentsTO: County Commissioners¹ of ADAMS COUNTY, Colorado.On behalf of the SECOND CREEK FARM METROPOLITAN DISTRICT NO.1,
(taxing entity)^Athe BOARD OF DIRECTORS(governing body)^Bof the SECOND CREEK FARM METROPOLITAN DISTRICT NO.1(local government)^C**Hereby** officially certifies the following millsto be levied against the taxing entity's GROSS \$ 44,090

assessed valuation of:

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:\$ 44,090(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**Submitted:** 12/2/21 for budget/fiscal year 2022.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)**PURPOSE** (see end notes for definitions and examples)**LEVY²****REVENUE²**

1. General Operating Expenses ^H	<u>11.132</u> mills	\$ <u>491</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>11.132</u> mills	<u>\$ 491</u>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>11.132</u> mills	<u>\$491</u>

Contact person: (print) Jason Carroll Daytime phone: (303)-779-5710

Signed:  Title: Accountant for District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-I-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, Toni Serra, hereby certify that I am the duly appointed Secretary of the Second Creek Farm Metropolitan District No. 1, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Second Creek Farm Metropolitan District No. 1 held on October 18, 2021.

A handwritten signature in black ink, appearing to read "Toni Serra", is positioned above a horizontal line.

Secretary