

**ORCHARD FARMS METROPOLITAN DISTRICT  
(F/K/A/ BIG DRY CREEK METROPOLITAN DISTRICT)  
CITY OF THORNTON, STATE OF COLORADO**

**ANNUAL REPORT FOR FISCAL YEAR 2024**

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Orchard Farms Metropolitan District (the “District”) formerly known as Big Dry Creek Metropolitan District provides the following report to the City of Thornton (the “City”) pursuant to the Second Amended and Restated Service Plan for Big Dry Creek Metropolitan District:

**To the best of our actual knowledge, for the year ending December 31, 2024, the District makes the following report:**

**1. Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year:**

There were no boundary changes made or proposed to the District’s boundary in 2024.

**2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year:**

The District did not enter into or propose any new Intergovernmental Agreements in 2024.

**3. Copies of the District’s rules and regulations, if any, as of December 31 of the prior year:**

The District adopted new rules and regulations as of June 13, 2019, which are attached hereto as **Exhibit A**.

**4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year:**

To our actual knowledge, based on review of the court records in Adams County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District Public Improvements as of December 31, 2024.

**5. Status of the District’s construction of the Public Improvements as of December 31 of the prior year:**

The Public Improvements within the District are being constructed by the Developer of the project.

**6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year:**

The Public Improvements within the District are being constructed by the developer of the project. The District has not constructed any facilities or improvements.

**7. The assessed valuation of the District for the current year:**

The 2024 assessed valuation of the District is attached hereto as **Exhibit B**.

**8. Current year budget including a description of the Public Improvements to be constructed in such year:**

The District's 2025 budget is attached hereto as **Exhibit C**.

**9. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable:**

The 2023 Audit is attached hereto as **Exhibit D**. The 2024 Audit is attached hereto as **Exhibit E**.

**10. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument:**

To our actual knowledge, there were no events of default under any Debt instrument continuing beyond a 90 day period in the year ending December 31, 2024.

**11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period:**

To our actual knowledge, the District has been able to pay its obligations as they come due.

**EXHIBIT A**  
**Rules & Regulations**

**RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
BIG DRY CREEK METROPOLITAN DISTRICT**

**ADOPTING RULES AND REGULATIONS**

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WHEREAS, the Board of Directors (the “Board”) of Big Dry Creek Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”) has determined that it is in the best interest of the District and the residents and property owners of the District to adopt rules and regulations in order to preserve and protect public property and facilities owned and/or operated by the District, and prohibit activities that interfere with the use and enjoyment of such property and facilities; and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the Board is authorized to adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of the State of Colorado for carrying on the business, objects, and affairs of the District; and

WHEREAS, pursuant to § 32-1-1001(n), C.R.S., the Board is authorized to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to the District by Article 1, Title 32, C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(j), C.R.S., the District is authorized to fix and impose fees, rates, tolls, charges and penalties for services or facilities provided by the District; and

WHEREAS, pursuant to that certain First Amendment to Intergovernmental Agreement between the City of Thornton and the District Regarding the Second Amended and Restated Service Plan for the District dated August 22, 2017, the District is authorized to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City and the District and may impose fees and charges for rentals and reservations of the park pavilion and tennis courts; and

WHEREAS, pursuant to § 18-9-117(1), C.R.S., in addition to any authority granted by any other law, the District may adopt such orders, rules, or regulations as are reasonably necessary for the administration, protection, and maintenance of public property under its control, management or supervision, regarding, *inter alia*, the following matters: (i) the preservation of property, grounds and structures; (ii) restriction or limitation of the use of such public property as to time, manner, or permitted activities; (iii) prohibition of activities or conduct on public property which may be reasonably expected to substantially interfere with the use and enjoyment of such places by others or which may constitute a general nuisance; (iv) necessary sanitation, health, and safety measures; (v) camping, picnicking, assemblages, and other individual or group usages including the time, place, and manner in which such activities may be permitted; (vi) use of all vehicles as to place, time, and manner of use; and (vii) control and limitation on fires; and

WHEREAS, pursuant to § 18-9-117 (2), C.R.S., such limitations or prohibitions must be prominently posted at all public entrances to such property or such notice must be given by an officer or agency, including any agent thereof, or by any law enforcement officer having jurisdiction or authority to enforce the limitations, restrictions, or prohibitions; and

WHEREAS, the Board has determined that it is in the best interest of the District and the residents and property owners of the District to adopt rules and regulations in order to provide for the preservation of the health, safety, and welfare of residents, property owners, and the public and in order to preserve and protect public property and facilities owned and/or operated by the District, and prohibit activities that interfere with the use and enjoyment of such property and facilities.

NOW, THEREFORE, be it resolved by the Board of Directors of Big Dry Creek Metropolitan District as follows:

1. Adoption of Rules and Regulations. The rules and regulations attached hereto as **Exhibit A** and incorporated herein by this reference (the “Rules and Regulations”) are hereby adopted pursuant to § 32-1-1001(1)(m) and § 18-9-117, C.R.S.

2. Variances. The Board hereby authorizes the district manager or general counsel to grant written variances from the Rules and Regulations for good cause shown.

3. Amendment. The District expressly reserves the right to amend, revise, redact, and/or repeal the Rules and Regulations adopted hereby in whole or in part, from time to time in order to further the purpose of carrying on the business, objects, and affairs of the District. The foregoing shall specifically include, but not be limited to, the right to adopt new rules and regulations and/or policies and procedures as may be necessary, all in the Board's discretion.

4. Effective Date. The provisions of this resolution shall take effect as of the date this resolution is adopted by the Board.

5. Severability. If any term or provision of this resolution or if any rule or regulation is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of the remainder of the resolution or rules and regulations, as a whole, but shall be severed, leaving the remaining terms or provisions in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

6. Penalties. Persons who violate any of the Rules and Regulations shall be subject to criminal and civil penalties.

a. Criminal Remedies. Pursuant to § 18-9-117 (3)(a) and (b), C.R.S., any violation of the Rules and Regulations is unlawful and persons found in violation shall be subject to criminal penalties enforceable by authorized law enforcement officers.

b. Civil Penalties. A violation of any of the Rules and Regulations is subject to any and all civil remedies available to the District under Title 32, C.R.S. or other applicable laws, including a civil penalty hereby imposed in the amount of \$50 for the first violation, \$100 for the second violation, and \$250 for the third and subsequent violations, and actual costs and attorneys' fees incurred by the District. The District may collect such penalties, charges, costs and fees by any means authorized by law.

*[Signature page follows]*

**RESOLVED AND ADOPTED** this 13<sup>th</sup> day of June, 2019.

**BIG DRY CREEK METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado



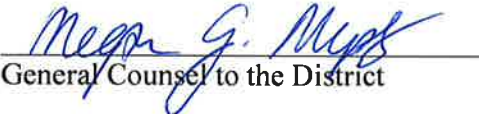
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

**WHITE BEAR ANKELE TANAKA & WALDRON**  
Attorneys at Law

  
\_\_\_\_\_  
General Counsel to the District

*[Signature page to Resolution Adopting Rules and Regulations.]*

**EXHIBIT A**  
**Rules and Regulations**

The following Rules and Regulations are hereby approved and adopted by the Board of Directors of Big Dry Creek Metropolitan District.

It is prohibited and shall be unlawful, unless otherwise approved in writing by the district manager or legal counsel, for any person to:

General Rules

1. To enter, use, or occupy any public areas during the time such areas, or any portions thereof, are closed to entry, use, or occupancy, including seasonal closures.
2. To loiter on or within or to block ingress and/or egress to or from the District or cause unreasonable noise within any District property between 11:00 p.m. and 6:00 a.m. unless authorized by a written permit.
3. To bicycle, skateboard or rollerblade on District property except on designated trails, sidewalks and/or roadways.
4. To solicit, picket, protest or distribute literature on District property without prior approval of the district manager and the securing of any required permits.
5. To engage in any activity on District property that unreasonably endangers the health, safety, and welfare of any person, animal, or property.
6. To engage in disorderly conduct within District property, including:
  - a. Addressing abusive language or threats to any person present which creates a clear and present danger of violence;
  - b. Fighting with another;
  - c. Any conduct defined as disorderly conduct pursuant to §18-9-106(1) C.R.S.
7. To place or post any type of permanent or temporary signage of any type on District property.
8. To stick or place any handbill, poster, placard, sticker, or painted or printed matter upon any District property, including, but not limited to, any fence, power or light pole, telephone pole or other District structure.
9. To camp within any District property.
10. To use any District property for any private enterprise or to sell or offer for sale any tangible or intangible goods or services on District property without prior approval and the securing of any required permits.
11. To hold any public meeting, gathering, or other scheduled event, public or private on

District property, which the sponsor reasonably anticipates will be attended by 15 or more persons without prior written approval of the district manager and the securing of any required permits.

### **Litter, Dumping**

12. To deposit or leave any refuse, trash, litter, household, or construction debris, or commercial garbage or trash, on District property except by depositing such refuse, trash, litter and debris in receptacles specifically designed for such purpose.

### **Glass Containers**

13. To possess or use any glass bottle or container on District property.

### **Damage to Property/Vandalism**

14. To remove, destroy, vandalize, deface, or damage any building, structure, facility, sign, equipment, fences, gates or locks located on or regulating access to District property.
15. To tamper with, remove, or vandalize any life safety equipment on District property (i.e. fire extinguishers, smoke detectors, fire alarms, lifeguard equipment, etc.).

### **Drugs, Alcohol, Marijuana, Etc.**

16. To sell, possess or consume any illegal drugs or controlled substances prohibited under any section of the Colorado Revised Statutes on District property.
17. To sell, serve, dispense, or consume any alcoholic beverage or possess an open container of any alcoholic beverage on District property.
18. To sell or consume any tobacco product of any kind on District property.
19. To sell, possess, use, or display marijuana in any form and/or marijuana related products on District property.

### **Firearms, Projectiles, Fireworks, Flying Crafts**

20. To knowingly possess a bow and arrow, crossbow, sling, paintball gun, air soft gun, blowgun or any other device potentially inimical to wildlife or dangerous to human safety, or any instrument that can be loaded with and fire blank cartridges, or any trapping device on District property.
21. To possess, ignite or discharge explosives or fireworks or operate or launch model rockets or other devices that use an explosive charge on District property.
22. To golf or hit golf balls onto or within any District property.

## **Fire**

23. To build, start, or light any fire at any location, of any nature, except within properly approved and designated areas (i.e. park grills, etc.), or to leave any fire unattended, or to fail to comply with any fire bans on District Property.

## **Vehicles**

24. To park any motor vehicles, trailers, or campers on District property except in designated parking areas.
25. To operate any motorized vehicle on District property, except on public roads or within public parking areas. Emergency, maintenance, and patrol vehicles are specifically excluded.

## **Dogs/Domestic Animals**

26. To allow domestic pets to roam on District property, except when restrained by a leash and under direct control of a person physically able to control the domestic pet.
27. To leave any domestic animal unattended on District property.
28. To allow domestic pets to harm, kill, chase, or otherwise harass any wild animal, bird, fish, reptile or amphibian within any District property.
29. To allow any domestic pet to enter any water feature, pond, fountain or the like on or within District property.
30. To leave on any District property, except in designated trash receptacles, the fecal matter of any animal that one owns, possesses, or keeps.

## **Unlawful Improvements**

31. To construct, place, or maintain any kind of road, trail, structure, sign, fence, marker, enclosure, communication equipment or other improvement within or upon any District property.
32. To install any structure including, but not limited to, tents, booths, stands, awnings, tree houses, rope swings, inflatable amusements and canopies on District property, with the exception that temporary awnings and/or umbrellas for shade are permitted as long as such temporary structures do not exceed 25 square feet, are not left unattended, and are removed when the visitor leaves.

## **Noise/Sound**

33. To amplify sound in accordance with Adams County noise ordinance and between the times of 10 p.m. and 7 a.m. by any means, including but not limited to the use of

loudspeakers, public address systems, radios and/or stereo systems, within any District property. Lighting activities, noise or increased traffic associated with special use shall not unreasonably disturb surrounding residents.

**Wildlife/Habitat**

34. To feed, or attempt to feed, any wildlife on District property.
35. To relocate or release animals, fish, birds or insects on District property.
36. To hunt, shoot, kill, injure, trap or maim any animal on District property.
37. To permit any livestock to graze, or remain to graze on District property.
38. To install landscaping improvements extending onto District property including, but not limited to, irrigation, landscape materials, shrub and tree planting, gardening, landscape related structures, and retaining walls.
39. To knowingly mar, mutilate, deface, disfigure, remove, or injure beyond normal use any rocks, trees, shrubbery, flowers, wildflowers or other features of the natural environment on District property.

**EXHIBIT B**  
**2024 Assessed Valuation**

# CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **353 - ORCHARD FARMS METRO DISTRICT**

IN ADAMS COUNTY ON 11/26/2024

New Entity: No

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$19,164,780
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$20,410,430
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$20,410,430
5. NEW CONSTRUCTION: **	\$2,281,380
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND ( 29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

## USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2024

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$300,327,443
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$34,049,750
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
<small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small>	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2024

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
<small>** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.</small>	

**EXHIBIT C**  
**2025 Budget**

**ORCHARD FARMS METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2025**

**ORCHARD FARMS METRO DISTRICT  
SUMMARY  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/23/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 325,373	\$ 425,054	\$ 548,976
REVENUES			
Property taxes	985,706	1,095,478	1,166,680
Specific ownership taxes	67,814	54,447	70,001
Operations and maintenance fee	233,170	267,955	270,004
Interest Income	33,547	40,635	29,195
Other Revenue	6,532	20,600	20,500
Transfer Fees	30,500	24,000	-
Legal Collection Fees	-	-	600
Total revenues	<u>1,357,269</u>	<u>1,503,114</u>	<u>1,556,980</u>
TRANSFERS IN	<u>200,000</u>	<u>255,000</u>	<u>380,000</u>
Total funds available	<u>1,882,642</u>	<u>2,183,168</u>	<u>2,485,956</u>
EXPENDITURES			
General Fund	99,597	99,524	152,000
Operations Fee Fund	407,522	485,625	561,000
Debt Service Fund	750,469	794,043	803,000
Total expenditures	<u>1,257,588</u>	<u>1,379,192</u>	<u>1,516,000</u>
TRANSFERS OUT	<u>200,000</u>	<u>255,000</u>	<u>380,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,457,588</u>	<u>1,634,192</u>	<u>1,896,000</u>
ENDING FUND BALANCES	<u>\$ 425,054</u>	<u>\$ 548,976</u>	<u>\$ 589,956</u>
EMERGENCY RESERVE	\$ 9,700	\$ 12,700	\$ 13,500
AVAILABLE FOR OPERATIONS	128,633	193,673	107,617
OPERATIONS FEE FUND RESERVE	80,000	120,000	300,000
TOTAL RESERVE	<u>\$ 218,333</u>	<u>\$ 326,373</u>	<u>\$ 526,350</u>

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METRO DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/23/25

ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
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**ASSESSED VALUATION**

Residential	\$ 13,852,470	\$ 17,627,250	\$ 20,113,750
State assessed	6,640	5,860	5,890
Vacant land	1,245,580	1,275,260	22,030
Personal property	226,900	236,940	250,580
Oil and Gas	2,460	19,470	18,180
	15,334,050	19,164,780	20,410,430
Certified Assessed Value	\$ 15,334,050	\$ 19,164,780	\$ 20,410,430

**MILL LEVY**

General	18.467	19.161	19.161
Debt Service	45.815	38.000	38.000
Total mill levy	64.282	57.161	57.161

**PROPERTY TAXES**

General	\$ 283,174	\$ 367,216	\$ 391,084
Debt Service	702,530	728,262	775,596
Levied property taxes	985,704	1,095,478	1,166,680
Adjustments to actual/rounding	2	-	-
Budgeted property taxes	\$ 985,706	\$ 1,095,478	\$ 1,166,680

**BUDGETED PROPERTY TAXES**

General	\$ 283,175	\$ 367,216	\$ 391,084
Debt Service	702,531	728,262	775,596
	\$ 985,706	\$ 1,095,478	\$ 1,166,680

**ORCHARD FARMS METRO DISTRICT  
GENERAL FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/23/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 114,897	\$ 138,333	\$ 206,373
REVENUES			
Property taxes	283,175	367,216	391,084
Specific ownership taxes	19,482	18,251	23,465
Interest Income	13,844	17,097	12,195
Other Revenue	6,532	20,000	20,000
Total revenues	<u>323,033</u>	<u>422,564</u>	<u>446,744</u>
Total funds available	<u>437,930</u>	<u>560,897</u>	<u>653,117</u>
EXPENDITURES			
General and administrative			
Accounting	54,231	52,000	58,000
Auditing	5,000	6,500	6,600
County Treasurer's Fee	4,250	5,508	5,866
Dues and Membership	554	389	700
Insurance	3,918	4,127	5,000
Legal	29,054	30,000	36,000
Miscellaneous	-	-	100
Election	2,546	-	20,000
Contingency	-	-	16,734
Website	44	1,000	3,000
Total expenditures	<u>99,597</u>	<u>99,524</u>	<u>152,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>200,000</u>	<u>255,000</u>	<u>380,000</u>
Total expenditures and transfers out requiring appropriation	<u>299,597</u>	<u>354,524</u>	<u>532,000</u>
ENDING FUND BALANCES	<u>\$ 138,333</u>	<u>\$ 206,373</u>	<u>\$ 121,117</u>
EMERGENCY RESERVE	\$ 9,700	\$ 12,700	\$ 13,500
AVAILABLE FOR OPERATIONS	128,633	193,673	107,617
TOTAL RESERVE	<u>\$ 138,333</u>	<u>\$ 206,373</u>	<u>\$ 121,117</u>

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METRO DISTRICT  
OPERATIONS FEE FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/23/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 169,056	\$ 231,706	\$ 305,129
<b>REVENUES</b>			
Operations and maintenance fee	233,170	267,955	270,004
Transfer Fees	30,500	24,000	-
Legal Collection Fees	-	-	600
Interest Income	6,502	11,493	10,000
Other Revenue	-	600	500
Total revenues	<u>270,172</u>	<u>304,048</u>	<u>281,104</u>
<b>TRANSFERS IN</b>			
Transfers from other funds	<u>200,000</u>	<u>255,000</u>	<u>380,000</u>
Total funds available	<u>639,228</u>	<u>790,754</u>	<u>966,233</u>
<b>EXPENDITURES</b>			
General and administrative			
Insurance	13,046	13,042	15,000
Design Review	14,208	16,200	20,800
District management	33,000	37,000	38,850
District Management - Costs	14,305	11,000	16,500
Billing	25,615	31,000	34,700
Covenant enforcement	18,455	25,395	25,000
Legal	894	4,900	5,000
Miscellaneous	199	-	15,300
Storage Facility	1,219	1,584	1,700
Community Cleanup	525	1,706	2,100
Community Activities	15,044	24,000	30,000
Landscape Maintenance			
Irrigation Repairs & Improvements	9,749	10,000	20,000
Landscape Maintenance - Contract	59,977	76,644	85,000
Landscape Replacements & Improvements	17,732	30,000	30,000
Tree Replacements	44,496	1,902	10,000
Tree Spraying and Fertilization	15,357	-	-
Grounds and Park Maintenance			
Snow removal	11,198	20,000	25,000
Lighting	6,639	-	-
Grounds Repair and Maintenance	10,204	16,500	16,500
Playground Inspection and Repairs	990	5,000	5,000
Holiday Lighting	2,500	2,500	3,500
Restroom Maintenance	4,117	3,753	4,300
Utilities			
Water	86,587	152,000	155,000
Electricity	1,466	1,500	1,750
Total expenditures	<u>407,522</u>	<u>485,625</u>	<u>561,000</u>
Total expenditures and transfers out requiring appropriation	<u>407,522</u>	<u>485,625</u>	<u>561,000</u>
ENDING FUND BALANCES	<u>\$ 231,706</u>	<u>\$ 305,129</u>	<u>\$ 405,233</u>
OPERATIONS FEE FUND RESERVE	<u>\$ 80,000</u>	<u>\$ 120,000</u>	<u>\$ 300,000</u>
TOTAL RESERVE	<u>\$ 80,000</u>	<u>\$ 120,000</u>	<u>\$ 300,000</u>

No assurance provided. See summary of significant assumptions.

**ORCHARD FARMS METRO DISTRICT  
DEBT SERVICE FUND  
2025 BUDGET  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

1/23/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 41,420	\$ 55,015	\$ 37,474
<b>REVENUES</b>			
Property taxes	702,531	728,262	775,596
Specific ownership taxes	48,332	36,196	46,536
Interest Income	13,201	12,044	7,000
Total revenues	764,064	776,502	829,132
Total funds available	805,484	831,517	866,606
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's Fee	10,542	10,924	11,634
Paying agent fees	3,000	5,000	5,000
Contingency	-	-	6,065
Debt Service			
Loan interest - Series 2022	606,927	593,119	585,301
Loan principal - Series 2022	130,000	185,000	195,000
Total expenditures	750,469	794,043	803,000
Total expenditures and transfers out requiring appropriation	750,469	794,043	803,000
ENDING FUND BALANCES	\$ 55,015	\$ 37,474	\$ 63,606

**ORCHARD FARMS METROPOLITAN DISTRICT  
2025 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 6.95% to 6.7% is 64.215 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.

**ORCHARD FARMS METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Property Taxes (Continued)**

For property tax collection year 2025, SB22-238, SB23B-001, SB 24-233, and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		Oil & Gas Production	87.50%		

**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 6.0% of all the property taxes collected.

**Operations Fees**

The District imposes a monthly fee of \$47.00 from the homeowners.

**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.

**ORCHARD FARMS METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Operating and Maintenance Expenditures**

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

**Debt and Leases**

**Tax-Exempt Refunding Loan, Series 2022**

On September 16, 2022, the District entered into a Loan Agreement with Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado (the Bank) pertaining to a loan in the amount of \$14,330,000 (2022 Loan). The proceeds from the 2022 Loan were used to (i) refund the 2017A Senior Bonds, the 2017B and 2017C Subordinate Bonds; (ii) pay the Bank's combined loan commitment fee and rate lock fee; (iii) pay the costs of issuing the 2022 Loan; and (iv) pay any remaining proceeds to the Loan Payment Fund.

The Loan bears interest at the Base Rate of 4.226%, until the Interest Reset Date of December 1, 2042, then the Base Rate shall be the greater of: (i) the sum of the 10-Year U.S. Treasury Rate as of the Interest Reset Date plus 200 basis points, multiplied by 80%, or (ii) 3.50%.

Interest payments are due on June 1 and December 1 of each year, commencing December 1, 2022 (Interest Payment Dates). All interest due and payable shall be calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period. Interest not paid when due shall compound on each Interest Payment Date

Principal payments are due December 1 of each year beginning on December 1, 2022. The 2022 Loan matures on December 1, 2052.

The Loan is not subject to prepayment prior to the tenth anniversary of the Closing Date, except from excess Pledged Revenue. At its option and subject to the restrictions set forth in this Section, the District may prepay all or any part of the principal of the Loan from any legally available revenues on any date on or after the tenth anniversary of the Closing Date upon payment to the Bank of the principal amount so prepaid, accrued interest thereon to the prepayment date, without prepayment fee or penalty.

The principal of and interest on the Loan shall be payable solely from and to the extent of the Pledged Revenue, which consists of (a) the Required Mill Levy; (b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue.

Prior to the time when the Debt to Assessed Ratio is 50% or less, the Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund, to pay the annual debt requirements for the next fiscal year, but not in excess of 50 mills (subject to adjustment).

**ORCHARD FARMS METROPOLITAN DISTRICT  
2025 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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**

**\$14,330,000 Tax-Exempt Refunding Loan, Series 2022**

**Issue date September 16, 2022**

**Principal Due Annually December 1**

**Interest at 4.226%**

**Due June 1 and December 1**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 195,000	\$ 585,301	\$ 780,301
2026	215,000	577,060	792,060
2027	225,000	567,974	792,974
2028	245,000	558,466	803,466
2029	260,000	548,112	808,112
2030	285,000	537,125	822,125
2031	300,000	525,081	825,081
2032	325,000	512,403	837,403
2033	340,000	498,668	838,668
2034	365,000	484,300	849,300
2035	385,000	468,875	853,875
2036	415,000	452,605	867,605
2037	435,000	435,067	870,067
2038	465,000	416,684	881,684
2039	485,000	397,033	882,033
2040	515,000	376,537	891,537
2041	540,000	354,773	894,773
2042	570,000	331,952	901,952
2043	580,000	327,825	907,825
2044	615,000	301,725	916,725
2045	645,000	274,050	919,050
2046	675,000	245,025	920,025
2047	710,000	214,650	924,650
2048	740,000	182,700	922,700
2049	775,000	149,400	924,400
2050	810,000	114,525	924,525
2051	850,000	78,075	928,075
2052	885,000	39,825	924,825
	<u>\$ 13,850,000</u>	<u>\$ 10,555,813</u>	<u>\$ 24,405,813</u>

No assurance provided. See summary of significant assumptions.

**EXHIBIT D**  
**2023 Audit**

**ORCHARD FARMS METROPOLITAN DISTRICT**  
**Adams County, Colorado**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY**  
**INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

**ORCHARD FARMS METROPOLITAN DISTRICT  
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Board of Directors  
Orchard Farms Metropolitan District  
Adams County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Orchard Farms Metropolitan District (the "District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Orchard Farms Metropolitan District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

## Other Matters

### Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Information

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Wipfli LLP  
Denver, Colorado

July 26, 2024

## **BASIC FINANCIAL STATEMENTS**

**ORCHARD FARMS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 361,506
Cash and Investments - Restricted	68,864
Accounts Receivable	25,230
Prepaid Insurance	17,169
Receivable from County Treasurer	5,545
Property Tax Receivable	1,095,478
Capital Assets:	
Capital Assets Not Being Depreciated	<u>11,442,021</u>
Total Assets	<u>13,015,813</u>
<b>LIABILITIES</b>	
Accounts Payable	25,468
Accrued Interest	49,427
Noncurrent Liabilities:	
Due Within One Year	185,000
Due in More Than One Year	<u>13,850,000</u>
Total Liabilities	<u>14,109,895</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax	1,095,478
Prepaid Assessments	7,485
Unearned Revenue	<u>20,304</u>
Total Deferred Inflows of Resources	<u>1,123,267</u>
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserve	17,800
Debt Service	5,589
Unrestricted	<u>(2,240,738)</u>
Total Net Position	<u><u>\$ (2,217,349)</u></u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
<b>FUNCTIONS/PROGRAMS</b>				
Primary Government:				
Governmental Activities:				
General Government	\$ 507,117	\$ 263,670	\$ -	\$ (243,447)
Interest on Long-Term Debt and Related Costs	<u>620,011</u>	<u>-</u>	<u>-</u>	<u>(620,011)</u>
Total Governmental Activities	<u>\$ 1,127,128</u>	<u>\$ 263,670</u>	<u>\$ -</u>	<u>(863,458)</u>
<b>GENERAL REVENUES</b>				
Property taxes				985,706
Specific ownership taxes				67,814
Interest income				33,548
Other revenue				<u>6,532</u>
Total General Revenues				<u>1,093,600</u>
<b>CHANGES IN NET POSITION</b>				230,142
Net Position - Beginning of Year				<u>(2,447,491)</u>
<b>NET POSITION - END OF YEAR</b>				<u>\$ (2,217,349)</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 132,692	\$ 228,814	\$ -	\$ 361,506
Cash and Investments - Restricted	9,700	8,100	51,064	68,864
Receivable from County Treasurer	1,593	-	3,952	5,545
Accounts Receivable	-	25,230	-	25,230
Prepaid Insurance	4,127	13,042	-	17,169
Property Tax Receivable	367,216	-	728,262	1,095,478
	<u>\$ 515,328</u>	<u>\$ 275,186</u>	<u>\$ 783,278</u>	<u>\$ 1,573,792</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,779	\$ 15,689	\$ -	\$ 25,468
Total Liabilities	<u>9,779</u>	<u>15,689</u>	<u>-</u>	<u>25,468</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax	367,216	-	728,262	1,095,478
Unearned Revenue	-	20,304	-	20,304
Prepaid Assessments	-	7,485	-	7,485
Total Deferred Inflows of Resources	<u>367,216</u>	<u>27,789</u>	<u>728,262</u>	<u>1,123,267</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expense	4,127	13,042	-	17,169
Restricted for:				
Emergency Reserves	9,700	8,100	-	17,800
Debt Service	-	-	55,016	55,016
Committed:				
Operations	-	210,566	-	210,566
Unassigned	124,506	-	-	124,506
Total Fund Balances	<u>138,333</u>	<u>231,708</u>	<u>55,016</u>	<u>425,057</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 515,328</u>	<u>\$ 275,186</u>	<u>\$ 783,278</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 11,442,021

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest (49,427)  
Loans Payable (14,035,000)

Net Position of Governmental Activities \$ (2,217,349)

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2023**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 283,175	\$ -	\$ 702,531	\$ 985,706
Specific Ownership Taxes	19,482	-	48,332	67,814
Operations And Maintenance Fee	-	233,170	-	233,170
Interest Income	13,844	6,502	13,202	33,548
Transfer Fees	-	30,500	-	30,500
Other Revenue	6,532	-	-	6,532
Total Revenues	<u>323,033</u>	<u>270,172</u>	<u>764,065</u>	<u>1,357,270</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	54,231	-	-	54,231
Auditing	5,000	-	-	5,000
Billing	-	25,615	-	25,615
County Treasurer's Fee	4,250	-	10,542	14,792
Covenant Enforcement	-	18,455	-	18,455
District Management	-	33,000	-	33,000
Dues And Membership	554	-	-	554
Election	2,546	-	-	2,546
Electricity	-	1,466	-	1,466
Insurance	3,918	13,046	-	16,964
Legal	29,054	894	-	29,948
Miscellaneous	-	197	-	197
Design Review	-	14,208	-	14,208
District Management - Costs	-	14,305	-	14,305
Lighting	-	6,639	-	6,639
Tree Replacements	-	44,496	-	44,496
Grounds Repair And Maintenance	-	10,204	-	10,204
Playground Inspection And Repairs	-	990	-	990
Holiday Lighting	-	2,500	-	2,500
Restroom Maintenance	-	4,117	-	4,117
Irrigation Repairs & Improvements	-	9,749	-	9,749
Landscape Maintenance - Contract	-	59,977	-	59,977
Landscape Replacements & Improvements	-	17,732	-	17,732
Tree Spraying And Fertilization	-	15,357	-	15,357
Storage Facility	-	1,219	-	1,219
Community Cleanup	-	525	-	525
Community Activities	-	15,044	-	15,044
Snow Removal	-	11,198	-	11,198
Water	-	86,587	-	86,587
Website	44	-	-	44
Debt Service:				
Loan Interest - Series 2022	-	-	606,927	606,927
Loan Principal - Series 2022	-	-	130,000	130,000
Paying Agent Fees	-	-	3,000	3,000
Total Expenditures	<u>99,597</u>	<u>407,520</u>	<u>750,469</u>	<u>1,257,586</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	223,436	(137,348)	13,596	99,684
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in/(out)	(200,000)	200,000	-	-
Total Other Financing Uses	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	23,436	62,652	13,596	99,684
Fund Balances - Beginning of Year	<u>114,897</u>	<u>169,056</u>	<u>41,420</u>	<u>325,373</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 138,333</u>	<u>\$ 231,708</u>	<u>\$ 55,016</u>	<u>\$ 425,057</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	99,684
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Principal		130,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability		458
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Changes in Net Position of Governmental Activities	\$	230,142
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*See accompanying Notes to Basic Financial Statements.*

**ORCHARD FARMS METROPOLITAN DISTRICT  
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 283,174	\$ 283,175	\$ 1
Specific Ownership Taxes	19,822	19,482	(340)
Interest Income	2,892	13,844	10,952
Other Revenue	26,000	6,532	(19,468)
Total Revenues	<u>331,888</u>	<u>323,033</u>	<u>(8,855)</u>
<b>EXPENDITURES</b>			
Accounting	44,450	54,231	(9,781)
Auditing	5,000	5,000	-
Contingency	13,502	-	13,502
County Treasurer's Fee	4,248	4,250	(2)
Dues And Membership	400	554	(154)
Election	22,000	2,546	19,454
Insurance	6,000	3,918	2,082
Legal	37,500	29,054	8,446
Miscellaneous	100	-	100
Website	1,800	44	1,756
Total Expenditures	<u>135,000</u>	<u>99,597</u>	<u>35,403</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	196,888	223,436	26,548
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other fund	(200,000)	(200,000)	-
Total Other Financing Uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,112)	23,436	26,548
Fund Balance - Beginning of Year	<u>126,618</u>	<u>114,897</u>	<u>(11,721)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 123,506</u>	<u>\$ 138,333</u>	<u>\$ 14,827</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND – STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Operations And Maintenance Fee	\$ 229,092	\$ 229,092	\$ 233,170	\$ 4,078
Interest Income	4,300	8,000	6,502	(1,498)
Legal Collection Fees	500	-	-	-
Transfer Fees	20,000	20,000	30,500	10,500
Total Revenues	<u>253,892</u>	<u>257,092</u>	<u>270,172</u>	<u>13,080</u>
<b>EXPENDITURES</b>				
Billing	26,580	26,580	25,615	965
Covenant Enforcement	16,596	15,840	18,455	(2,615)
District Management	33,000	33,000	33,000	-
Electricity	1,500	1,500	1,466	34
Insurance	13,500	13,046	13,046	-
Legal	5,000	2,500	894	1,606
Miscellaneous	5,216	19,960	197	19,763
Design Review	14,208	14,208	14,208	-
District Management - Costs	9,100	15,000	14,305	695
Lighting	2,000	13,500	6,639	6,861
Tree Replacements	10,000	44,496	44,496	-
Grounds Repair And Maintenance	15,000	15,000	10,204	4,796
Playground Inspection And Repairs	8,200	6,000	990	5,010
Holiday Lighting	2,500	2,500	2,500	-
Restroom Maintenance	4,900	4,900	4,117	783
Irrigation Repairs & Improvements	23,000	23,000	9,749	13,251
Landscape Maintenance - Contract	66,600	66,600	59,977	6,623
Landscape Replacements & Improvements	15,000	35,000	17,732	17,268
Tree Spraying And Fertilization	15,000	15,000	15,357	(357)
Storage Facility	1,600	1,320	1,219	101
Community Cleanup	1,500	1,050	525	525
Community Activities	15,000	15,000	15,044	(44)
Snow Removal	15,000	15,000	11,198	3,802
Water	150,000	90,000	86,587	3,413
Total Expenditures	<u>470,000</u>	<u>490,000</u>	<u>407,520</u>	<u>82,480</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(216,108)	(232,908)	(137,348)	95,560
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	200,000	200,000	200,000	-
Total Other Financing Sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(16,108)	(32,908)	62,652	95,560
Fund Balance - Beginning of Year	<u>164,487</u>	<u>193,217</u>	<u>169,056</u>	<u>(24,161)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 148,379</u>	<u>\$ 160,309</u>	<u>\$ 231,708</u>	<u>\$ 71,399</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Orchard Farms Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for the County of Adams, Colorado on November 28, 2007, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the city of Thornton, Colorado.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, street improvements, safety protection, parks and recreation, transportation, fire protection, security, television relay and translation, and mosquito control.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds is recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with maintaining certain amenities and facilities within the District. Revenue reported in this fund include the Operations Fee and Transfer Fee as authorized by the Resolution dated March 12, 2020.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2023.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

**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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**Operations Fees**

The District charges an operations fee to homeowners to cover costs related to district management and maintenance of district property and facilities. Excess fees at year-end are reflected as committed fund balance.

**Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The item *deferred property tax revenue* is deferred, and recognized as an inflow of resources in the period that the amount becomes available. The item *prepaid assessments* represent operations fees paid to the District in advance and is recognized as an inflow of resources in the period that the revenues are earned. The item *unearned revenue* represents operations fees billed in advance and is recognized as an inflow of resources in the period that the revenues are earned.

**Equity**

**Net Position**

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

Fund Balance (Continued)

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 361,506
Cash and Investments - Restricted	68,864
Total Cash and Investments	<u>\$ 430,370</u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 43,873
Investments	386,497
Total Cash and Investments	<u>\$ 430,370</u>

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District’s cash deposits had a bank balance of \$43,873 and a carrying balance of \$43,873.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- \* Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund (CSAFE)	Weighted-Average Under 60 Days	\$ 335,433
Fidelity Investments	Weighted-Average Under 60 Days	51,064
Total		<u>\$ 386,497</u>

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE (Continued)**

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Fidelity Money Market**

The debt service money that is included in the trust accounts at Zions Bank (a division of Zions Bancorporation, NA.) is invested in the Fidelity Investments Money Market Government Portfolio Class III. This portfolio is a money market mutual fund which invests in U.S. Treasury obligations, which are fully guaranteed as to principal and interest by the United States, with maturities of 180 days or less and repurchase agreements collateralized by U.S. Treasury obligations. The Fund is rated AAAM by Standard & Poor's and AAA-mf by Moody's.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2023 follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 11,442,021	\$ -	\$ -	\$ 11,442,021
Capital Assets, Net	<u>\$ 11,442,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,442,021</u>

The District will convey certain public improvements to other governmental entities and will own and maintain certain landscaping improvements once the improvements have been completed and acquired by the District.

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Loans from Direct Borrowings and Direct Placements:					
Loan - Series 2022	\$ 14,165,000	\$ -	\$ 130,000	\$ 14,035,000	\$ 185,000
Total Loans Payable	<u>14,165,000</u>	<u>-</u>	<u>130,000</u>	<u>14,035,000</u>	<u>185,000</u>
Total Long-Term Obligations	<u>\$ 14,165,000</u>	<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 14,035,000</u>	<u>\$ 185,000</u>

**\$14,330,000 Series 2022 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan**

On September 16, 2022, the District entered into a Loan Agreement with Zion Bancorporation, N.A. dba: Vectra Bank Colorado (the Bank) in connection with the issuance of a loan in the maximum amount of \$14,330,000 (2022 Loan). The proceeds from the 2022 Loan were used to (i) refund the 2017A Senior Bond in the principal amount of \$9,740,000 which had an interest rate of 5.75%, the 2017B Subordinate Bonds in the principal amount of \$1,288,000 which had an interest rate of 7.750%, and the 2017C Subordinate Bonds in the principal amount of \$1,865,000 which had an interest rate of 13.000% (ii) pay the Bank's combined loan commitment fee and rate lock fee; and (iii) pay the costs of issuing the 2022 Loan; and (iv) pay any remaining proceeds to the Loan Payment Fund. The 2022 Loan does not have any unused lines of credit.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$14,330,000 Series 2022 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan (Continued)**

\$13,541,135 of the 2022 Loan proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent along with an additional \$1,676,269 of Loan proceeds and District Funds deposited and uninvested into a trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds have been removed from the District's liabilities. The 2017A, 2017B and 2017C Bonds were redeemed on December 1, 2022, and December 15, 2022, respectively.

The 2022 Loan bears interest at the Base Rate of 4.226%, until the Interest Reset Date of December 1, 2042, then the Base Rate shall be the greater of; (i) the sum of the 10-Year U.S. Treasury Rate as of the Interest Reset Date plus 200 basis point, multiplied by 80% or (ii) 3.50%.

Interest payments are due on June 1 and December 1 of each year, commencing December 1, 2022 (Interest Payment Dates). All interest due and payable shall be calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period.

Principal payments are due December 1 of each year beginning on December 1, 2022. The 2022 Loan matures on December 1, 2052. To the extent that Principal of the 2022 Loan is not paid when due, principal shall remain outstanding until paid. To the extent interest not paid when due, such unpaid interest shall compound on each Interest Payment Date at a rate as described in the Loan Agreement.

The Loan is not subject to prepayment prior to the tenth anniversary of the Closing Date, except from excess Pledged Revenue. At its option and subject to the restrictions set forth in this Section, the District may prepay all or any part of the principal of the Loan from any legally available revenues on any date on or after the tenth anniversary of the Closing Date upon payment to the Bank of the principal amount so prepaid, accrued interest thereon to the prepayment date, without prepayment fee or penalty. The 2022 Loan is not subject to acceleration.

The principal of and interest on the Loan shall be payable solely from and to the extent of the Pledged Revenue, which consists of (a) the Required Mill Levy; (b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue. No assets have been pledged as collateral on the 2022 Loan.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$14,330,000 Series 2022 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan (Continued)**

Prior to the time when the Debt to Assessed Ratio is 50% or less, the Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund, to pay the annual debt requirements for the next fiscal year, but not in excess of 50 mills (subject to adjustment). Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenue as required by the Loan Agreement and does not comply with other customary terms and conditions consistent with normal municipal financial as described in the Loan Agreement.

<u>Year Ending December 31,</u>	Senior Bonds		
	Principal	Interest	Total
2024	\$ 185,000	\$ 593,119	\$ 778,119
2025	195,000	585,301	780,301
2026	215,000	577,060	792,060
2027	225,000	567,974	792,974
2028	245,000	558,466	803,466
2029-2033	1,510,000	2,621,389	4,131,389
2034-2038	2,065,000	2,257,531	4,322,531
2039-2043	2,690,000	1,788,120	4,478,120
2044-2048	3,385,000	1,218,150	4,603,150
2049-2052	3,320,000	381,825	3,701,825
Total	\$ 14,035,000	\$ 11,148,935	\$ 25,183,935

**D**

**Debt Authorization**

On November 6, 2007 and November 4, 2014, the District's voters authorized total indebtedness of \$133,000,000 and \$140,000,000, respectively. Pursuant to the Service Plan, the total debt that the District shall be permitted to issue shall not exceed \$20,000,000. Additionally, the maximum debt mill levy is 50.000 mills, as adjusted for changes in the assessment ratio, which has been adjusted to 55.664 mills, which shall not be imposed for longer than 40 years from the first year the debt service mill levy is imposed. The final year to impose a debt service mill levy is 2057.

The District shall not impose a levy for repayment of any and all debt (or use the proceeds of any mill levy for repayment of debt) on any single property developed which exceeds 40 years after the year of the initial imposition of such mill levy unless a majority of the Board are residents of the District and have voted in favor of a refunding of part or all of the debt and such refunding will result in a net present value savings as set forth in Section 110-56-101, C.R.S., et seq.

At December 31, 2023, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Authorization (Continued)**

	Authorized November 6, 2007 Election	Authorized November 4, 2014 Election	Authorization Used Series 2011	Authorization Used Series 2017	Authorized But Unused
Street Improvements	\$ 9,500,000	\$ 10,000,000	\$ 550,800	\$ 3,062,000	\$ 15,887,200
Park and Recreation	9,500,000	10,000,000	-	-	19,500,000
Water	9,500,000	10,000,000	-	3,116,200	16,383,800
Sanitation/Storm Sewer	9,500,000	10,000,000	-	6,016,000	13,484,000
Transportation	9,500,000	10,000,000	-	-	19,500,000
Mosquito Control	9,500,000	10,000,000	-	-	19,500,000
Traffic and Safety Protection	9,500,000	10,000,000	-	148,000	19,352,000
Fire Protection	9,500,000	10,000,000	-	-	19,500,000
TV Relay and Translation	9,500,000	10,000,000	-	-	19,500,000
Security	9,500,000	10,000,000	-	-	19,500,000
Operations and Maintenance	9,500,000	10,000,000	-	-	19,500,000
Refunding of Debt	9,500,000	10,000,000	-	550,800	18,949,200
Governmental IGA's	9,500,000	10,000,000	-	-	19,500,000
Private IGA's	9,500,000	10,000,000	-	-	19,500,000
Total	<u>\$ 133,000,000</u>	<u>\$ 140,000,000</u>	<u>\$ 550,800</u>	<u>\$ 12,893,000</u>	<u>\$ 259,556,200</u>

**NOTE 6 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of \$17,800 for emergencies, and \$5,589 for debt as of December 31, 2023.

The District has a deficit in unrestricted net position. The deficit at December 31, 2023 was primarily due to interest paid and related costs on long-term debts.

**NOTE 7 TRANSFERS**

The District transferred \$200,000 from the General Fund to Special Revenue Fund to support the ongoing maintenance of District facilities.

**NOTE 8 RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, workers' compensation, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 6, 2007 and November 4, 2014, the District's voters approved for an annual increase in taxes of \$500,000 and \$5,000,000, respectively, for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**ORCHARD FARMS METROPOLITAN DISTRICT  
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 702,529	\$ 702,531	\$ 2
Specific Ownership Taxes	49,177	48,332	(845)
Interest Income	5,000	13,202	8,202
Total Revenues	<u>756,706</u>	<u>764,065</u>	<u>7,359</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	10,538	10,542	(4)
Paying Agent Fees	4,000	3,000	1,000
Loan Interest - Series 2022	598,613	606,927	(8,314)
Loan Principal - Series 2022	130,000	130,000	-
Contingency	11,849	-	11,849
Total Expenditures	<u>755,000</u>	<u>750,469</u>	<u>4,531</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,706	13,596	11,890
Fund Balance - Beginning of Year	<u>107,019</u>	<u>41,420</u>	<u>(65,599)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 108,725</u>	<u>\$ 55,016</u>	<u>\$ (53,709)</u>

## **OTHER INFORMATION**

**ORCHARD FARMS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2023**

\$14,330,000 Tax - Exempt Refunding Loan, Series 2022  
Issue date September 16, 2022  
Principal Due Annually December 1  
Interest at 4.226%  
Due June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 185,000	\$ 593,119	\$ 778,119
2025	195,000	585,301	780,301
2026	215,000	577,060	792,060
2027	225,000	567,974	792,974
2028	245,000	558,466	803,466
2029	260,000	548,112	808,112
2030	285,000	537,125	822,125
2031	300,000	525,081	825,081
2032	325,000	512,403	837,403
2033	340,000	498,668	838,668
2034	365,000	484,300	849,300
2035	385,000	468,875	853,875
2036	415,000	452,605	867,605
2037	435,000	435,067	870,067
2038	465,000	416,684	881,684
2039	485,000	397,033	882,033
2040	515,000	376,537	891,537
2041	540,000	354,773	894,773
2042	570,000	331,952	901,952
2043	580,000	327,825	907,825
2044	615,000	301,725	916,725
2045	645,000	274,050	919,050
2046	675,000	245,025	920,025
2047	710,000	214,650	924,650
2048	740,000	182,700	922,700
2049	775,000	149,400	924,400
2050	810,000	114,525	924,525
2051	850,000	78,075	928,075
2052	885,000	39,825	924,825
	<u>\$ 14,035,000</u>	<u>\$ 11,148,935</u>	<u>\$ 25,183,935</u>
Total	<u>\$ 14,035,000</u>	<u>\$ 11,148,935</u>	<u>\$ 25,183,935</u>

**ORCHARD FARMS METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2018/2019	\$ 5,264,340	0.0%	18.000	55.277	73.277	\$ 385,755	\$ 385,540	99.94 %
2019/2020	8,885,760	68.8%	18.000	55.664	73.664	654,561	654,186	99.94 %
2020/2021	11,097,390	24.9%	18.000	55.664	73.664	817,478	815,313	99.74 %
2021/2022	14,282,420	28.7%	18.000	55.664	73.664	1,052,101	1,053,446	100.13 %
2022/2023	15,334,050	7.4%	18.467	45.815	64.282	985,703	985,706	100.00 %
Estimated for Year Ending December 31, 2024	\$ 19,164,780	-20.0%	19.161	38.000	57.161	1095478		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Adams County Assessor and Treasurer.

**EXHIBIT E**  
**2024 Audit**

**ORCHARD FARMS METROPOLITAN DISTRICT  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

**ORCHARD FARMS METROPOLITAN DISTRICT  
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Board of Directors  
Orchard Farms Metropolitan District  
Adams County, Colorado

Independent Auditor's Report

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Orchard Farms Metropolitan District (the "District"), as of and for the year ended 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Orchard Farms Metropolitan District as of 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund and special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Other Matters

### Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Information

Management is responsible for the other information included in our report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Wipfli LLP  
Denver, Colorado

June 7, 2025

## **BASIC FINANCIAL STATEMENTS**

**ORCHARD FARMS METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 524,960
Cash and Investments - Restricted	52,439
Accounts Receivable	25,573
Prepaid Insurance	20,070
Receivable from County Treasurer	4,119
Property Tax Receivable	1,166,680
Capital Assets:	
Capital Assets Not Being Depreciated	11,442,021
Total Assets	13,235,862
<b>LIABILITIES</b>	
Accounts Payable	16,742
Accrued Interest	48,792
Noncurrent Liabilities:	
Due Within One Year	195,000
Due in More Than One Year	13,655,000
Total Liabilities	13,915,534
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax	1,166,680
Prepaid Assessments	8,555
Unearned Revenue	21,667
Total Deferred Inflows of Resources	1,196,902
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserve	21,600
Unrestricted	(1,898,174)
Total Net Position	\$ (1,876,574)

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

<b>FUNCTIONS/PROGRAMS</b>	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Primary Government:	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 544,949	\$ 291,777	\$ -	\$ (253,172)
Interest on Long-Term Debt and Related Costs	616,315	-	-	(616,315)
Total Governmental Activities	\$ 1,161,264	\$ 291,777	\$ -	(869,487)
 <b>GENERAL REVENUES</b>				
Property taxes				1,097,284
Specific ownership taxes				54,462
Interest Income				42,790
Other Revenue				15,726
Total General Revenues				1,210,262
 <b>CHANGES IN NET POSITION</b>				
Net Position - Beginning of Year				(2,217,349)
<b>NET POSITION - END OF YEAR</b>				\$ (1,876,574)

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 204,855	\$ 320,105	\$ -	\$ 524,960
Cash and Investments - Restricted	12,600	9,000	30,839	52,439
Receivable from County Treasurer	1,381	-	2,738	4,119
Accounts Receivable	-	25,573	-	25,573
Prepaid Insurance	6,578	13,492	-	20,070
Property Tax Receivable	391,084	-	775,596	1,166,680
Total Assets	\$ 616,498	\$ 368,170	\$ 809,173	\$ 1,793,841
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 4,338	\$ 12,404	\$ -	\$ 16,742
Total Liabilities	4,338	12,404	-	16,742
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax	391,084	-	775,596	1,166,680
Unearned Revenue	-	21,667	-	21,667
Prepaid Assessments	-	8,555	-	8,555
Total Deferred Inflows of Resources	391,084	30,222	775,596	1,196,902
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expense	6,578	13,492	-	20,070
Restricted for:				
Emergency Reserves	12,600	9,000	-	21,600
Debt Service	-	-	33,577	33,577
Committed:				
Operations	-	303,052	-	303,052
Assigned to:				
Subsequent Year's Expenditures	85,256	-	-	85,256
Unassigned	116,642	-	-	116,642
Total Fund Balances	221,076	325,544	33,577	580,197
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 616,498	\$ 368,170	\$ 809,173	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

11,442,021

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest  
Loans Payable

(48,792)  
(13,850,000)

Net Position of Governmental Activities

\$ (1,876,574)

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	General	Special Revenue	Debt Service	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 367,821	\$ -	\$ 729,463	\$ 1,097,284
Specific Ownership Taxes	18,256	-	36,206	54,462
Operations And Maintenance Fee	-	268,777	-	268,777
Interest Income	18,545	9,403	14,842	42,790
Transfer Fees	-	23,000	-	23,000
Other Revenue	15,426	300	-	15,726
Total Revenues	<u>420,048</u>	<u>301,480</u>	<u>780,511</u>	<u>1,502,039</u>
<b>EXPENDITURES</b>				
Current:				
Accounting	42,527	-	-	42,527
Auditing	6,500	-	-	6,500
Billing	-	31,000	-	31,000
County Treasurer's Fee	5,519	-	10,946	16,465
Covenant Enforcement	-	23,969	-	23,969
District Management	-	37,000	-	37,000
Dues And Membership	389	-	-	389
Election	45	-	-	45
Electricity	-	1,588	-	1,588
Insurance	4,127	13,063	-	17,190
Legal	22,719	3,931	-	26,650
Design Review	-	16,200	-	16,200
District Management - Costs	-	11,469	-	11,469
Lighting	-	570	-	570
Tree Replacements	-	1,902	-	1,902
Grounds Repair & Maintenance	-	13,103	-	13,103
Playground Inspection & Repairs	-	1,768	-	1,768
Holiday Lighting	-	2,278	-	2,278
Restroom Maintenance	-	3,753	-	3,753
Irrigation Repairs & Improvements	-	5,779	-	5,779
Landscape Maintenance - Contract	-	76,642	-	76,642
Landscape Replacements & Improvements	-	25,831	-	25,831
Storage Facility	-	1,584	-	1,584
Community Cleanup	-	1,310	-	1,310
Community Activities	-	23,214	-	23,214
Snow Removal	-	9,162	-	9,162
Water	-	157,528	-	157,528
Website	479	-	-	479
Debt Service:				
Loan Interest - Series 2022	-	-	603,004	603,004
Loan Principal - Series 2022	-	-	185,000	185,000
Paying Agent Fees	-	-	3,000	3,000
Total Expenditures	<u>82,305</u>	<u>462,644</u>	<u>801,950</u>	<u>1,346,899</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	337,743	(161,164)	(21,439)	155,140
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in/(out)	(255,000)	255,000	-	-
Total Other Financing Uses	<u>(255,000)</u>	<u>255,000</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	82,743	93,836	(21,439)	155,140
Fund Balances - Beginning of Year	<u>138,333</u>	<u>231,708</u>	<u>55,016</u>	<u>425,057</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 221,076</u>	<u>\$ 325,544</u>	<u>\$ 33,577</u>	<u>\$ 580,197</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 155,140
--	------------

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Loan Principal	185,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable - Change in Liability	635
--	-----

Changes in Net Position of Governmental Activities	\$ 340,775
--	------------

*See accompanying Notes to Basic Financial Statements.*

**ORCHARD FARMS METROPOLITAN DISTRICT  
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 367,216	\$ 367,821	\$ 605
Specific Ownership Taxes	25,705	18,256	(7,449)
Interest Income	11,852	18,545	6,693
Other Revenue	10,000	15,426	5,426
Total Revenues	<u>414,773</u>	<u>420,048</u>	<u>5,275</u>
<b>EXPENDITURES</b>			
Accounting	60,500	42,527	17,973
Auditing	6,500	6,500	-
Contingency	16,598	-	16,598
County Treasurer's Fee	5,508	5,519	(11)
Dues And Membership	650	389	261
Election	-	45	(45)
Insurance	17,664	4,127	13,537
Legal	35,500	22,719	12,781
Miscellaneous	100	-	100
Website	1,980	479	1,501
Total Expenditures	<u>145,000</u>	<u>82,305</u>	<u>62,695</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	269,773	337,743	67,970
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other fund	(255,000)	(255,000)	-
Total Other Financing Uses	<u>(255,000)</u>	<u>(255,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	14,773	82,743	67,970
Fund Balance - Beginning of Year	<u>124,126</u>	<u>138,333</u>	<u>14,207</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 138,899</u>	<u>\$ 221,076</u>	<u>\$ 82,177</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
SPECIAL REVENUE FUND – STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Operations And Maintenance Fee	\$ 247,802	\$ 268,777	\$ 20,975
Interest Income	7,000	9,403	2,403
Legal Collection Fees	600	-	(600)
Transfer Fees	20,000	23,000	3,000
Other Revenue	-	300	300
Total Revenues	<u>275,402</u>	<u>301,480</u>	<u>26,078</u>
<b>EXPENDITURES</b>			
Billing	31,000	31,000	-
Covenant Enforcement	16,630	23,969	(7,339)
District Management	37,000	37,000	-
Electricity	1,500	1,588	(88)
Insurance	14,850	13,063	1,787
Legal	5,000	3,931	1,069
Miscellaneous	14,105	-	14,105
Design Review	16,200	16,200	-
District Management - Costs	16,500	11,469	5,031
Lighting	2,000	570	1,430
Tree Replacements	10,000	1,902	8,098
Grounds Repair & Maintenance	16,500	13,103	3,397
Playground Inspection & Repairs	8,200	1,768	6,432
Holiday Lighting	2,500	2,278	222
Restroom Maintenance	5,000	3,753	1,247
Irrigation Repairs & Improvements	25,000	5,779	19,221
Landscape Maintenance - Contract	77,000	76,642	358
Landscape Replacements & Improvements	28,000	25,831	2,169
Storage Facility	1,440	1,584	(144)
Community Cleanup	1,575	1,310	265
Community Activities	24,000	23,214	786
Snow Removal	20,000	9,162	10,838
Water	120,000	157,528	(37,528)
Total Expenditures	<u>494,000</u>	<u>462,644</u>	<u>31,356</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(218,598)	(161,164)	57,434
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	255,000	255,000	-
Total Other Financing Sources	<u>255,000</u>	<u>255,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	36,402	93,836	57,434
Fund Balance - Beginning of Year	<u>160,368</u>	<u>231,708</u>	<u>71,340</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 196,770</u>	<u>\$ 325,544</u>	<u>\$ 128,774</u>

See accompanying Notes to Basic Financial Statements.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Orchard Farms Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court for the County of Adams, Colorado on November 28, 2007, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the boundaries of the city of Thornton, Colorado.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation/storm sewer, street improvements, safety protection, parks and recreation, transportation, fire protection, security, television relay and translation, and mosquito control.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds is recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and operations fees. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Fund is used to account for revenues earned and expenditures incurred in connection with maintaining certain amenities and facilities within the District. Revenue reported in this fund include the Operations Fee and Transfer Fee as authorized by the Resolution dated March 12, 2020.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2024.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

**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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**Operations Fees**

The District charges an operations fee to homeowners to cover costs related to district management and maintenance of district property and facilities. Excess fees at year-end are reflected as committed fund balance.

**Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The item *deferred property tax revenue* is deferred, and recognized as an inflow of resources in the period that the amount becomes available. The item *prepaid assessments* represent operations fees paid to the District in advance and is recognized as an inflow of resources in the period that the revenues are earned. The item *unearned revenue* represents operations fees billed in advance and is recognized as an inflow of resources in the period that the revenues are earned.

**Equity**

**Net Position**

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

Fund Balance (Continued)

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 524,960
Cash and Investments - Restricted	<u>52,439</u>
Total Cash and Investments	<u><u>\$ 577,399</u></u>

Cash and investments as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	\$ 52,218
Investments	<u>525,181</u>
Total Cash and Investments	<u><u>\$ 577,399</u></u>

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2024, the District’s cash deposits had a bank balance of \$49,853 and a carrying balance of \$52,218.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- \* Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund (CSAFE)	Weighted-Average Under 60 Days	\$ 494,342
Fidelity Investments	Weighted-Average Under 60 Days	30,839
Total		<u>\$ 525,181</u>

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE (Continued)**

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, highest rated commercial paper, and any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Fidelity Money Market**

The debt service money that is included in the trust accounts at Zions Bank (a division of Zions Bancorporation, NA.) is invested in the Fidelity Investments Money Market Government Portfolio Class III. This portfolio is a money market mutual fund which invests in U.S. Treasury obligations, which are fully guaranteed as to principal and interest by the United States, with maturities of 180 days or less and repurchase agreements collateralized by U.S. Treasury obligations. The Fund is rated AAAM by Standard & Poor's and AAA-mf by Moody's.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 11,442,021	\$ -	\$ -	\$ 11,442,021
Capital Assets, Net	<u>\$ 11,442,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,442,021</u>

The District will convey certain public improvements to other governmental entities and will own and maintain certain landscaping improvements once the improvements have been completed and acquired by the District.

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Loans from Direct Borrowings and Direct Placements:					
Loan - Series 2022	\$ 14,035,000	\$ -	\$ 185,000	\$ 13,850,000	\$ 195,000
Total Loans Payable	<u>14,035,000</u>	<u>-</u>	<u>185,000</u>	<u>13,850,000</u>	<u>195,000</u>
Total Long-Term Obligations	<u>\$ 14,035,000</u>	<u>\$ -</u>	<u>\$ 185,000</u>	<u>\$ 13,850,000</u>	<u>\$ 195,000</u>

**\$14,330,000 Series 2022 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan**

On September 16, 2022, the District entered into a Loan Agreement with Zion Bancorporation, N.A. dba: Vectra Bank Colorado (the Bank) in connection with the issuance of a loan in the maximum amount of \$14,330,000 (2022 Loan). The proceeds from the 2022 Loan were used to (i) refund the 2017A Senior Bond in the principal amount of \$9,740,000 which had an interest rate of 5.75%, the 2017B Subordinate Bonds in the principal amount of \$1,288,000 which had an interest rate of 7.750%, and the 2017C Subordinate Bonds in the principal amount of \$1,865,000 which had an interest rate of 13.000% (ii) pay the Bank's combined loan commitment fee and rate lock fee; and (iii) pay the costs of issuing the 2022 Loan; and (iv) pay any remaining proceeds to the Loan Payment Fund. The 2022 Loan does not have any unused lines of credit.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$14,330,000 Series 2022 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan (Continued)**

\$13,541,135 of the 2022 Loan proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent along with an additional \$1,676,269 of Loan proceeds and District Funds deposited and uninvested into a trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds have been removed from the District's liabilities. The 2017A, 2017B and 2017C Bonds were redeemed on December 1, 2022, and December 15, 2022, respectively.

The 2022 Loan bears interest at the Base Rate of 4.226%, until the Interest Reset Date of December 1, 2042, then the Base Rate shall be the greater of; (i) the sum of the 10-Year U.S. Treasury Rate as of the Interest Reset Date plus 200 basis point, multiplied by 80% or (ii) 3.50%.

Interest payments are due on June 1 and December 1 of each year, commencing December 1, 2022 (Interest Payment Dates). All interest due and payable shall be calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period.

Principal payments are due December 1 of each year beginning on December 1, 2022. The 2022 Loan matures on December 1, 2052. To the extent that Principal of the 2022 Loan is not paid when due, principal shall remain outstanding until paid. To the extent interest not paid when due, such unpaid interest shall compound on each Interest Payment Date at a rate as described in the Loan Agreement.

The Loan is not subject to prepayment prior to the tenth anniversary of the Closing Date, except from excess Pledged Revenue. At its option and subject to the restrictions set forth in this Section, the District may prepay all or any part of the principal of the Loan from any legally available revenues on any date on or after the tenth anniversary of the Closing Date upon payment to the Bank of the principal amount so prepaid, accrued interest thereon to the prepayment date, without prepayment fee or penalty. The 2022 Loan is not subject to acceleration.

The principal of and interest on the Loan shall be payable solely from and to the extent of the Pledged Revenue, which consists of (a) the Required Mill Levy; (b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue. No assets have been pledged as collateral on the 2022 Loan.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$14,330,000 Series 2022 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Loan (Continued)**

Prior to the time when the Debt to Assessed Ratio is 50% or less, the Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund, to pay the annual debt requirements for the next fiscal year, but not in excess of 50 mills (subject to adjustment). Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenue as required by the Loan Agreement and does not comply with other customary terms and conditions consistent with normal municipal financial as described in the Loan Agreement.

<u>Year Ending December 31,</u>	Senior Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 195,000	\$ 585,503	\$ 780,503
2026	215,000	585,075	800,075
2027	225,000	584,218	809,218
2028	245,000	585,389	830,389
2029	260,000	582,933	842,933
2030-2034	1,615,000	2,904,043	4,519,043
2035-2039	2,185,000	2,880,253	5,065,253
2040-2044	2,820,000	2,855,019	5,675,019
2045-2049	3,545,000	2,823,656	6,368,656
2050-2052	2,545,000	1,677,484	4,222,484
Total	<u>\$ 13,850,000</u>	<u>\$ 16,063,574</u>	<u>\$ 29,913,574</u>

**Debt Authorization**

On November 6, 2007 and November 4, 2014, the District's voters authorized total indebtedness of \$133,000,000 and \$140,000,000, respectively. Pursuant to the Service Plan, the total debt that the District shall be permitted to issue shall not exceed \$20,000,000. Additionally, the maximum debt mill levy is 50.000 mills, as adjusted for changes in the assessment ratio, which has been adjusted to 64.070 mills, which shall not be imposed for longer than 40 years from the first year the debt service mill levy is imposed. The final year to impose a debt service mill levy is 2057.

The District shall not impose a levy for repayment of any and all debt (or use the proceeds of any mill levy for repayment of debt) on any single property developed which exceeds 40 years after the year of the initial imposition of such mill levy unless a majority of the Board are residents of the District and have voted in favor of a refunding of part or all of the debt and such refunding will result in a net present value savings as set forth in Section 110-56-101, C.R.S., et seq.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Authorization (Continued)**

At December 31, 2024, the District had authorized but unissued general obligation indebtedness in the following amounts for the following purposes:

	Authorized November 6, 2007 Election	Authorized November 4, 2014 Election	Authorization Used Series 2011	Authorization Used Series 2017	Authorized but Unused
Street Improvements	\$ 9,500,000	\$ 10,000,000	\$ 550,800	\$ 3,062,000	\$ 15,887,200
Park and Recreation	9,500,000	10,000,000	-	-	19,500,000
Water	9,500,000	10,000,000	-	3,116,200	16,383,800
Sanitation/Storm Sewer	9,500,000	10,000,000	-	6,016,000	13,484,000
Transportation	9,500,000	10,000,000	-	-	19,500,000
Mosquito Control	9,500,000	10,000,000	-	-	19,500,000
Traffic and Safety Protection	9,500,000	10,000,000	-	148,000	19,352,000
Fire Protection	9,500,000	10,000,000	-	-	19,500,000
TV Relay and Translation	9,500,000	10,000,000	-	-	19,500,000
Security	9,500,000	10,000,000	-	-	19,500,000
Operations and Maintenance	9,500,000	10,000,000	-	-	19,500,000
Refunding of Debt	9,500,000	10,000,000	-	550,800	18,949,200
Governmental IGA's	9,500,000	10,000,000	-	-	19,500,000
Private IGA's	9,500,000	10,000,000	-	-	19,500,000
Total	<u>\$ 133,000,000</u>	<u>\$ 140,000,000</u>	<u>\$ 550,800</u>	<u>\$ 12,893,000</u>	<u>\$ 259,556,200</u>

**NOTE 6 NET POSITION**

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position of \$21,600 for emergencies as of December 31, 2024.

The District has a deficit in unrestricted net position. The deficit at December 31, 2024 was primarily due to interest paid and related costs on long-term debts.

**NOTE 7 TRANSFERS**

The District transferred \$255,000 from the General Fund to Special Revenue Fund to support the ongoing maintenance of District facilities.

**NOTE 8 RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

**ORCHARD FARMS METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 8 RISK MANAGEMENT (CONTINUED)**

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, workers' compensation, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 6, 2007 and November 4, 2014, the District's voters approved for an annual increase in taxes of \$500,000 and \$5,000,000, respectively, for general operations and maintenance without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

## **SUPPLEMENTARY INFORMATION**

**ORCHARD FARMS METROPOLITAN DISTRICT  
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 728,262	\$ 729,463	\$ 729,463	\$ -
Specific Ownership Taxes	50,978	36,206	36,206	-
Interest Income	2,000	14,842	14,842	-
Total Revenues	<u>781,240</u>	<u>780,511</u>	<u>780,511</u>	<u>-</u>
<b>EXPENDITURES</b>				
County Treasurer's Fee	10,924	10,946	10,946	-
Paying Agent Fees	5,000	3,000	3,000	-
Loan Interest - Series 2022	593,119	603,004	603,004	-
Loan Principal - Series 2022	185,000	185,000	185,000	-
Contingency	5,957	3,050	-	3,050
Total Expenditures	<u>800,000</u>	<u>805,000</u>	<u>801,950</u>	<u>3,050</u>
<b>NET CHANGE IN FUND BALANCE</b>	(18,760)	(24,489)	(21,439)	3,050
Fund Balance - Beginning of Year	<u>51,626</u>	<u>55,016</u>	<u>55,016</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 32,866</u>	<u>\$ 30,527</u>	<u>\$ 33,577</u>	<u>\$ 3,050</u>

## **OTHER INFORMATION**

**ORCHARD FARMS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2024**

\$14,330,000 Tax - Exempt Refunding Loan, Series 2022

Issue date September 16, 2022

Principal Due Annually December 1

Interest at 4.226%

Due June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 195,000	\$ 585,503	\$ 780,503
2026	215,000	585,075	800,075
2027	225,000	584,218	809,218
2028	245,000	585,389	830,389
2029	260,000	582,933	842,933
2030	285,000	582,290	867,290
2031	300,000	581,219	881,219
2032	325,000	582,167	907,167
2033	340,000	579,505	919,505
2034	365,000	578,862	943,862
2035	385,000	577,791	962,791
2036	415,000	578,515	993,515
2037	435,000	575,649	1,010,649
2038	465,000	574,792	1,039,792
2039	485,000	573,506	1,058,506
2040	515,000	574,218	1,089,218
2041	540,000	571,364	1,111,364
2042	570,000	570,293	1,140,293
2043	580,000	569,007	1,149,007
2044	615,000	570,137	1,185,137
2045	645,000	567,079	1,212,079
2046	675,000	565,794	1,240,794
2047	710,000	564,508	1,274,508
2048	740,000	564,551	1,304,551
2049	775,000	561,723	1,336,723
2050	810,000	560,224	1,370,224
2051	850,000	558,724	1,408,724
2052	885,000	558,536	1,443,536
Total	<u>\$ 13,850,000</u>	<u>\$ 16,063,574</u>	<u>\$ 29,913,574</u>

**ORCHARD FARMS METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2024**

Year Ended December 31,	Assessed Valuation	Percent Change	Total Mills Levied			Total Property Taxes		Percent Collected to Levied
			General Operations	Debt Service	Total	Levied	Collected	
2019/2020	\$ 8,885,760	0.0%	18.000	55.664	73.664	\$ 654,561	\$ 654,186	99.94 %
2020/2021	11,097,390	24.9%	18.000	55.664	73.664	817,478	815,313	99.74 %
2021/2022	14,282,420	28.7%	18.000	55.664	73.664	1,052,101	1,053,446	100.13 %
2022/2023	15,334,050	7.4%	18.467	45.815	64.282	985,703	985,706	100.00 %
2023/2024	19,164,780	25.0%	19.161	38.000	57.161	1,095,478	1,097,284	100.16 %
Estimated for Year Ending <u>December 31, 2025</u>	\$ 20,410,430	6.5%	19.161	38.000	57.161	\$ 1,166,680		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Adams County Assessor and Treasurer.