

WINTER FARM METROPOLITAN DISTRICT NO. 2

2023 ANNUAL REPORT

Pursuant to § 32-1-207(3)(c), C.R.S., and the Service Plan for Winter Farm Metropolitan District No. 2 (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado, the District is required to provide an annual report to the Town of Windsor with regard to the following matters:

For the year ending December 31, 2023, the District makes the following report:

§ 32-1-207(3), C.R.S., Statutory Requirements

1. Boundary changes made.

There were no changes to the boundaries of the District during the reporting year.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

The District did not enter into or terminate any Intergovernmental Agreements with other governmental entities during the reporting year.

3. Access information to obtain a copy of rules and regulations adopted by the board.

Governing documents for the District may be found on the District's website at: <https://www.winterfarmmd.com>

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Weld County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's public improvements as of December 31, 2023.

5. The status of the construction of public improvements by the District.

Construction of all public improvements is complete and has been dedicated to and accepted by the Town, District, or other governmental entity as applicable.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

No new facilities or improvements have been constructed by the District that require conveyance or dedication by the Town of Windsor.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The final assessed valuation of all taxable property within the District for the reporting year, as certified by the Weld County Assessor, is \$20,608,760.

8. A copy of the current year's budget.

A copy of the 2024 Budget is attached hereto as **Exhibit A**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2023 Audit is in progress and will be provided in a supplemental report once completed.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

The District is not aware of any uncured events of default by the District that existed more than ninety (90) days under any debt instrument of the District.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

The District is not aware of any inability to pay its obligations as they become due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

Service Plan Requirements

1. A narrative summary of the progress of the District in implementing the Service Plan for the report year.

The District continues to undertake operations and maintenance services within the District, including non-potable water system, drainage, and open space.

2. Boundary changes made or proposed.

There were no changes to the boundaries of the District during the reporting year.

3. Intergovernmental Agreements with other governmental entities entered into or proposed.

The District did not enter into or terminate any Intergovernmental Agreements with other governmental entities during the reporting year.

4. Changes or proposed changes in the District's policies.

There were no changes or proposed changes in the District's policies during the reporting year.

5. Changes or proposed changes in the District's operations.

There were no changes or proposed changes in the District's operations during the reporting year.

6. The audited financial statements of the District for the report year, including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and statement of operations (i.e., revenues and expenditures) for the report year, or the District's application for exemption from Audit.

The current financial status of the District is reflected in the 2024 budget attached hereto as **Exhibit A**.

The 2023 Audit is in progress and will be provided in a supplemental report once completed.

7. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the Districts at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations incurred in the report year, the amount of payment or retirement of existing indebtedness of the Districts in the report year, the total assessed valuation of all taxable properties within the Districts as of January 1st of the report year and the current mill levy of the Districts pledged to debt retirement in the report year.

The amount of outstanding general obligation indebtedness as of December 31, 2023, by the District is \$8,858,352.04.

No new District indebtedness or long-term obligations were issued in the reporting year.

8. Copies of developer Reimbursement Agreements or amendments thereto made in the applicable year.

No new developer reimbursement agreements or amendments were made in the reporting year.

9. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the Districts in development of Public Improvements in the report year and the source of funds for the same.

No capital expenditures in the development of Public Improvements were incurred by the District during the reporting year, and none are currently proposed.

10. Status of District’s Public Improvement Construction Schedule.

Construction of all public improvements is complete and has been dedicated to and accepted by the Town, District, or other Governmental Agency as applicable.

11. List of all facilities and improvements constructed by the District that have been dedicated to and accepted by the Town of Windsor.

No new facilities or improvements have been constructed by the District that would require conveyance or dedication by the Town of Windsor.

12. A summary of any litigation which involves the District.

To our actual knowledge, based on review of the court records in Weld County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District's public improvements as of December 31, 2023.

13. Proposed plan for the year immediately following the year summarized in the annual report.

There are no current changes to the proposed plan for 2024.

14. Summary of current assessed valuation in the District.

The final assessed valuation of all taxable property within the District for the reporting year, as certified by the Weld County Assessor, is \$20,608,760.

EXHIBIT A
2024 Budget

WINTER FARM METROPOLITAN DISTRICT NO. 2
Weld County, CO
2024 Budget Narrative

The Winter Farm Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in November 2000. The District was established as part of a “Multiple District Structure” for the Winter Farm community located in the Town of Windsor, Weld County, Colorado. Along with its companion district, District No. 1 (“Service District”), this Financing District was organized to provide financing for the design, acquisition, construction and installation of public improvements, facilities and services. The public improvements to be provided by the Districts are proposed to include the types of facilities and improvements for streets and roadways, street landscaping, signage, monuments, and lighting, safety protection, park and recreation, sanitation and storm drainage, water improvements and other related improvements and their operation and maintenance.

The District has no employees at this time, and all operations and administrative functions are contracted. The District’s budget has been prepared using the Modified Accrual Accounting Basis.

GENERAL FUND

REVENUES – Operating and Maintenance

1. Property Taxes are based on the assessed value of property within the District as established by Weld County. The General Fund mill levy is budgeted at 8.250 mills for 2024.
2. Specific ownership taxes are budgeted at 6.0% of property taxes collected. These taxes are set by the state and collected by the county treasurer primarily on vehicle licensing within the county as a whole. They are allocated by the county treasurer to all taxing entities within the county.

EXPENDITURES – Operating and Maintenance

1. The County property tax collection fee is based on 1.5% of the property tax received.
2. Operating expenditures include administrative costs, District management, legal fees, and landscape repair and maintenance costs.
3. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year revenues.

**SPECIAL REVENUE FUND
REVENUES**

Revenues for the Special Fund are comprised of Irrigation Water Fees.

EXPENDITURES

Expenditures for the Special Fund includes costs to maintain the District’s non-potable water system.

**DEBT SERVICE FUND
REVENUES**

1. The District has budgeted a 24.419 mill levy for debt service in 2024, which is sufficient to pay the 2024 Debt Service as required by the loan. The District has an unlimited mill levy obligation for the loan.
2. Specific ownership taxes are budgeted at 6.0% of property taxes collected.

EXPENDITURES

1. The required principal and interest payments due to the Bank in 2024 are budgeted. See the District’s Debt summary included in this filing.
2. The County property tax collection fee is based on 1.5% of the property tax received.
3. Other expenses include Paying Agent Fees

**Winter Farm District No. 2
Debt Summary**

Series 2019 General Obligation Refunding Bonds, \$8,590,000

Year	Principal	Interest	Total
2023-2027	805,000	1,705,688	2,510,688
2028-2032	1,000,000	1,511,688	2,511,688
2033-2037	1,275,000	1,235,188	2,510,188
2038-2042	1,630,000	882,938	2,512,938
2043-2050	3,465,000	547,863	4,012,863
Total	8,175,000	5,883,365	14,058,365

CAPITAL FUND

The District has established a Capital Fund to plan for major repairs to the District’s non-potable water system.

Winter Farm Metropolitan District No. 2

2024 Budget

General Operating Fund

		2023	2023	2024
	2022 Actual	Budget	Estimated Actual	Budget
Accounting Basis: Modified Accrual				
Beginning Fund Balance	85,593	125,400	141,174	155,195
Income				
Fines	225	-	400	-
NSF Fees	20	-	-	-
Interest Revenue	1,995	-	5,400	-
Design Review Fees	1,190	1,400	750	500
Setup and Transfer Fees	16,850	14,000	8,000	-
Property Taxes	163,129	155,542	158,461	170,022
Specific Ownership Taxes	9,655	9,333	6,720	10,201
Intergovernmental Revenue	-	-	-	-
Transfer In	32,308	37,405	-	-
Tax Related Interest	81	-	38	-
Total Income	225,453	217,680	179,769	180,723
Expense				
<i>General and Administrative</i>				
Management & Accounting Services	27,840	31,200	31,200	32,340
Design Review Fees	1,190	1,400	750	500
Setup & Transfer Fees	16,100	14,000	8,000	-
Setup & Transfer Fees - District	-	-	-	-
Legal	10,584	15,000	15,000	15,750
Audit/Tax Prep	8,000	8,250	8,500	8,000
Election	1,661	7,500	185	-
Fees	10	-	-	-
Insurance	8,210	8,621	8,603	9,033
Treasurers Fees	2,448	2,333	2,333	2,550
Bad Debt	112	-	15	-
Bank Fees	-	-	-	-
Office	2,261	2,000	300	2,000
Dues and Compliance	450	473	367	385
Contingency	-	5,000	-	5,000
Overhead Allocation to Special Fund	-	-	(31,733)	(25,405)
Total G&A	78,866	95,777	43,520	50,153
<i>Landscape</i>				
Landscape Contract	66,275	72,903	72,903	70,000
Landscape - Repairs	1,267	15,000	15,000	15,000
Landscape Projects	2,482	10,000	10,000	10,000
Snow Removal	5,205	6,000	6,000	6,000
Pest Control	1,065	3,000	3,000	3,000
Sprinklers	8,303	10,000	10,000	10,000
Trees/ Bushes	4,930	5,000	5,000	5,000
Signage	334	-	325	-
Erosion Control	1,145	-	-	-
Total Landscape	91,006	121,903	122,228	119,000
Total Expenses	169,872	217,680	165,748	169,153

Winter Farm Metropolitan District No. 2**2024 Budget**

Excess Revenue (Expenses)	55,581	-	14,021	11,570
Ending Fund Balance	141,174	125,400	155,195	166,765

Debt Service Fund

		2023	2023	2024
	2022 Actual	Budget	Estimated Actual	Budget
Accounting Basis: Modified Accrual				
Beginning Fund Balance	65,379	65,379	75,855	79,530
Income				
Interest Revenue	3,964	-	10,400	-
Property Tax	489,388	483,440	483,440	503,245
Specific Ownership Tax	28,964	29,006	20,900	30,195
Tax Related Interest	242	-	125	-
Total Income	522,558	512,446	514,865	533,440
Expense				
Treasurers Fees	7,344	7,252	7,252	7,549
Paying Agent Fees	400	400	400	400
Principal - Bonds	145,000	150,000	150,000	155,000
Interest - Bonds	359,338	353,538	353,538	347,538
Insurance	-	-	-	-
Costs of Issuance	-	-	-	-
Bank fees	-	-	-	-
Contingency	-	2,500	-	2,500
Total Expenses	512,082	513,690	511,190	512,987
Excess Revenues (Expenses)	10,476	(1,244)	3,675	20,453
Bond Proceeds	-	-	-	-
Premium on Bonds	-	-	-	-
Bond Refunding	-	-	-	-
Ending Fund Balance	75,855	64,135	79,530	99,983

Special Fund

		2023	2023	2024
	2022 Actual	Budget	Estimated Actual	Budget
Accounting Basis: Modified Accrual				
Beginning Fund Balance	63,414	63,414	97,785	97,785
Income				
Irrigation Water Fees	170,495	170,495	170,495	170,495
Late Fees	-	-	-	-
Interest Charges	560	-	695	-
Interest Revenue	1,786	-	5,500	-
Other Income	375	-	-	-

Winter Farm Metropolitan District No. 2

2024 Budget

Total Income	173,216	170,495	176,690	170,495
Expense				
<i>General and Administration</i>				
Management	20,160	22,560	22,560	26,460
Mgmt Software Fee	-	-	-	-
Bank Fees	-	-	-	-
Bad Debt	-	-	700	-
Office Expenses	685	1,500	3,000	1,500
Contingency	-	5,000	-	5,000
Overhead Allocation from Operating	-	-	31,733	25,405
Total G&A	20,845	29,060	57,993	58,365
<i>Utilities</i>				
Electric	33,375	35,700	29,000	36,414
Total Utilities	33,375	35,700	29,000	36,414
<i>Non-potable Water System</i>				
Irrigation System Repairs	10,774	20,000	10,000	20,000
Irrigation System Monitoring	2,420	2,000	2,000	2,000
Pumphouse	2,621	10,000	10,000	10,000
Meter Equipment	-	-	-	-
Utility Locates	1,502	4,000	2,500	3,000
Transfer Out - Operating	32,308	37,405	-	-
Transfer Out - Capital Projects	35,000	29,500	45,000	35,000
Total non-potable Water System	84,625	102,905	69,500	70,000
Total Expenses	138,845	167,665	156,493	164,779
Excess Revenues (Expenses)	34,371	2,830	20,197	5,716
Ending Fund Balance	97,785	66,244	117,982	103,501

Capital Fund

Accounting Basis: Modified Accrual	2022 Actual	2023		2024 Budget
		2023 Budget	Estimated Actual	
Beginning Fund Balance	220,811	222,822	244,555	244,555
Income				
Tap Fees	-	-	-	-
Interest Revenue	3,661	-	12,954	-
Gain transfer of operations	-	-	-	-
Transfer In	35,000	29,500	45,000	35,000
Total Income	38,661	29,500	57,954	35,000
Expense				
Principal	14,917	-	-	-
Contingency	-	5,000	-	5,000

Winter Farm Metropolitan District No. 2**2024 Budget**

Irrigation System Repairs	-	62,376	62,376	68,614
Earthwork	-	-	-	-
Meter Equipment	-	-	-	-
Total Exepenses	<u>14,917</u>	<u>67,376</u>	<u>62,376</u>	<u>73,614</u>
Excess Revenues (Expenses)	<u>23,744</u>	<u>(37,876)</u>	<u>(4,422)</u>	<u>(38,614)</u>
Ending Fund Balance	<u>244,555</u>	<u>184,946</u>	<u>240,133</u>	<u>205,941</u>