

**PRAIRIE FARM METROPOLITAN DISTRICT
ANNUAL REPORT
TO
THE CITY OF COMMERCE CITY**

FISCAL YEAR ENDING DECEMBER 31, 2023

Pursuant to the Prairie Farm Metropolitan District Service Plan, and requirements of § 32-1-207(3)(c), C.R.S., the District is required to provide an annual report to the City of Commerce City within one hundred twenty (120) days after conclusion of the District's fiscal year beginning December 31, 2007. Such annual report shall include information concerning the following matters:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreement entered into or proposed.
- C. Changes or proposed changes in the District's policies.
- D. Changes or proposed changes in the District's operations.
- E. Any significant changes in the financial status of the District, including revenue projection, or operating costs.
- F. A summary of any litigation which involves the District.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of construction of public improvements.
- I. Submission of current assessed valuation in the District.
- J. Submission of audited financial statements or application for exemption from audit.
- K. Uncured defaults of the District.
- L. Inability of District to pay obligations.

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

A. Boundary changes made or proposed.

No boundary changes were made during 2023.

B. Intergovernmental Agreements entered into or proposed.

The District did not enter into any intergovernmental agreements during 2023.

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

There have been no changes in the District's policies.

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

There have been no changes in the District's operations.

E. Any changes in the financial status of the District including revenue projections or operating costs.

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

F. Summary of any litigation which involves the District.

There is no litigation of which we are aware currently pending involving the District.

G. Proposed plans for the year 2024.

The District will continue its usual operations in 2024.

H. Status of District's public improvement construction schedule.

The construction of public improvements within the District is complete.

I. Summary of the current assessed valuation in the District.

The District has received a certification of valuation from the Adams County Assessor that reports a taxable assessed valuation for the District for 2023 of \$13,944,880, for collection in 2024. The District has certified a mill levy of 77.290 mills to be assessed against the properties within the District.

J. 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 process and an amended annual report will be forwarded/filed when available.

K. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the district.

None.

L. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

The District is able to pay its obligations as they come due.

EXHIBIT A
2024 BUDGET ATTACHED

PRAIRIE FARM METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**PRAIRIE FARM METRO DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,168,890	\$ 1,238,090	\$ 1,187,003
REVENUES			
Property taxes	667,099	741,109	1,077,800
Specific ownership taxes	46,403	51,461	75,446
Interest income	21,675	63,500	65,450
Other revenue	-	10,000	10,000
Total revenues	<u>735,177</u>	<u>866,070</u>	<u>1,228,696</u>
Total funds available	<u>1,904,067</u>	<u>2,104,160</u>	<u>2,415,699</u>
EXPENDITURES			
General Fund	55,826	180,000	125,000
Debt Service Fund	543,629	737,157	1,046,000
Total expenditures	<u>599,455</u>	<u>917,157</u>	<u>1,171,000</u>
Total expenditures and transfers out requiring appropriation	<u>599,455</u>	<u>917,157</u>	<u>1,171,000</u>
ENDING FUND BALANCES	<u>\$ 1,304,612</u>	<u>\$ 1,187,003</u>	<u>\$ 1,244,699</u>
EMERGENCY RESERVE	\$ 3,700	\$ 4,300	\$ 5,200
SENIOR RESERVE REQUIREMENT	784,112	784,112	784,112
SURPLUS FUND RESERVE	385,000	385,000	385,000
AVAILABLE FOR FUTURE DEBT SERVICE	13,152	-	11,564
TOTAL RESERVE	<u>\$ 1,185,964</u>	<u>\$ 1,173,412</u>	<u>\$ 1,185,876</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE FARM METRO DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/16/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 7,889,240	\$ 10,273,150	\$ 13,731,290
State assessed	1,200	5,050	4,480
Vacant land	1,936,460	420,850	6,200
Personal property	149,260	200,800	202,910
Certified Assessed Value	\$ 9,976,160	\$ 10,899,850	\$ 13,944,880

MILL LEVY

General	11.000	11.000	11.000
Debt Service	55.663	56.848	66.290
Total mill levy	66.663	67.848	77.290

PROPERTY TAXES

General	\$ 109,738	\$ 119,898	\$ 153,394
Debt Service	555,303	619,635	924,406
Levied property taxes	665,041	739,533	1,077,800
Adjustments to actual/rounding	(1,161)	1,576	-
Refunds and abatements	3,219	-	-
Budgeted property taxes	\$ 667,099	\$ 741,109	\$ 1,077,800

BUDGETED PROPERTY TAXES

General	\$ 110,071	\$ 120,154	\$ 153,394
Debt Service	557,028	620,955	924,406
	\$ 667,099	\$ 741,109	\$ 1,077,800

**PRAIRIE FARM METRO DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 54,854	\$ 55,826	\$ 17,891
REVENUES			
Property taxes	110,071	120,154	153,394
Specific ownership taxes	7,657	8,411	10,738
Interest income	5,592	13,500	7,000
Total revenues	<u>123,320</u>	<u>142,065</u>	<u>171,132</u>
Total funds available	<u>178,174</u>	<u>197,891</u>	<u>189,023</u>
EXPENDITURES			
General and administrative			
Accounting	24,224	30,000	33,000
Auditing	6,000	6,500	7,000
County Treasurer's fee	1,651	1,802	2,301
Dues and membership	356	356	400
Insurance	2,467	2,521	2,750
Legal	19,213	20,000	22,000
Miscellaneous	-	-	1,000
Election	1,915	1,436	-
Repay developer advance	-	100,000	50,000
Contingency	-	17,385	6,549
Total expenditures	<u>55,826</u>	<u>180,000</u>	<u>125,000</u>
Total expenditures and transfers out requiring appropriation	<u>55,826</u>	<u>180,000</u>	<u>125,000</u>
ENDING FUND BALANCES	<u>\$ 122,348</u>	<u>\$ 17,891</u>	<u>\$ 64,023</u>
EMERGENCY RESERVE	<u>\$ 3,700</u>	<u>\$ 4,300</u>	<u>\$ 5,200</u>
TOTAL RESERVE	<u>\$ 3,700</u>	<u>\$ 4,300</u>	<u>\$ 5,200</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE FARM METRO DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31, 2024**

1/16/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,114,036	\$ 1,182,264	\$ 1,169,112
REVENUES			
Property taxes	557,028	620,955	924,406
Specific ownership taxes	38,746	43,050	64,708
Interest income	16,083	50,000	58,450
Other revenue	-	10,000	10,000
Total revenues	<u>611,857</u>	<u>724,005</u>	<u>1,057,564</u>
Total funds available	<u>1,725,893</u>	<u>1,906,269</u>	<u>2,226,676</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	8,355	9,325	13,866
Paying agent fees	3,100	3,100	3,100
Contingency	-	10,085	1,016
Debt Service			
Bond interest	487,725	487,725	486,938
Bond Interest - Sub Bond	44,449	176,922	91,080
Bond Principal	-	15,000	90,000
Bond Principal - Sub Bond	-	35,000	360,000
Total expenditures	<u>543,629</u>	<u>737,157</u>	<u>1,046,000</u>
Total expenditures and transfers out requiring appropriation	<u>543,629</u>	<u>737,157</u>	<u>1,046,000</u>
ENDING FUND BALANCES	<u>\$ 1,182,264</u>	<u>\$ 1,169,112</u>	<u>\$ 1,180,676</u>
SENIOR RESERVE REQUIREMENT	\$ 784,112	\$ 784,112	\$ 784,112
SURPLUS FUND RESERVE	385,000	385,000	385,000
AVAILABLE FOR FUTURE DEBT SERVICE	13,152	-	11,564
TOTAL RESERVE	<u>\$ 1,169,112</u>	<u>\$ 1,169,112</u>	<u>\$ 1,169,112</u>

No assurance provided. See summary of significant assumptions.

**PRAIRIE FARM METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Order and Decree of the District Court of Adams County, Colorado on May 18, 2006, to provide financing for design, acquisition, construction and installation of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, sewer and drainage facilities, public transportation, mosquito control, and television relay and translation equipment, and the operation and maintenance of the District. The District's service area is located entirely within the City of Commerce City, Adams County, Colorado.

The budget is in accordance with the TABOR Amendment limitations, which were modified by the voters in an election held on May 2, 2006. The election approved general obligation indebtedness of \$4,300,000 for the streets, \$500,000 for the traffic and safety controls, \$24,600,000 for water, \$22,960,000 for sanitary and storm sewer, \$ 16,400,000 for park and recreation, \$500,000 for public transportation, \$4,100,000 for television relay and translator, \$4,100,000 for mosquito control, \$500,000 for operations and maintenance contracts, and \$14,100,000 for bond refunding. Additionally, the election allows the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. On November 7, 2006, District voters approved authorization to increase property taxes \$800,000 annually to pay for the operation and maintenance expenditure of The District, again allowing the District to collect, spend retain all revenues, other than ad valorem taxes, without regard to the limitation contained in Article X, Section 20 of the Colorado constitution.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable.

**PRAIRIE FARM METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 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 7% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 5.0%

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking and meeting costs.

County Treasurer's Fees

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

**PRAIRIE FARM METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District has outstanding the following bond issues:

General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2018A

On September 13, 2018, the District issued \$9,290,000 of Tax Exempt General Obligation Bonds (the 2018 Bonds). The 2018 Bonds were issued with interest rates of 5.250% per annum. Interest is payable semi-annually on June 1 and December 1, commencing on December 1, 2018. Mandatory principal payments are due on December 1, commencing on December 1, 2023, with final payment due on December 1, 2048. The 2018 Bonds cannot be prepaid prior to December 1, 2022.

General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2018A

From December 1, 2022 to November 30, 2023 bonds can be prepaid at a redemption premium of 3%. From December 1, 2023 to November 30, 2024 bonds can be prepaid at a redemption premium of 2%. From December 1, 2024 to November 30, 2025 bonds can be prepaid at a redemption premium of 1%. After November 30, 2025 bonds can be redeemed without premium.

The 2018 Bonds are secured by (1) the Required Mill Levy, (2) that portion of the Specific Ownership Tax allocable to the Required Mill Levy, and (3) Capital fees, if imposed, and (4) any other legally available moneys which the District determines in its sole discretion to apply as pledged revenue. Proceeds of the 2018 bonds were used to (1) repay Developer advances, (2) finance the cost of capital improvements, and (3) pay the costs of issuing the 2018 Bonds. and (3) pay the costs of issuing the 2018 bonds.

Prior to the date that the Debt to Assessed Ratio is less than 50%, the Required Mill Levy shall be an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient, when combined with other legally available moneys in the Bond Fund, to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable, but not in excess of fifty (50) mills (as adjusted). Such maximum and minimum mill levies are subject to adjustment for changes in the calculation of assessment ratios from December 20, 2016 and are currently 56.848 mills. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. Once the Debt to Assessed Ratio is 50% or less, the Required Mill Levy shall be an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable, without limitation of rate and in amounts sufficient to make such payments when due.

Subordinate Limited Tax General Obligation Bonds, Series 2018B

The District has \$1,270,000 Subordinate General Obligation Limited Tax Obligation Bonds, Series 2018B, dated September 13, 2018, with interest of 7.375% per annum. Interest on the bonds shall be payable beginning December 15, 2018, and unpaid interest shall accrue and compound on each December 15, through maturity. The principal, interest, and accrued interest shall be payable each December 15. The Series 2018B Bonds are subject to mandatory redemption beginning on December 15, 2018. In addition, the Series 2018B Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part, on December 15, 2022, and on any date thereafter, upon payment of the Redemption Price thereof. The District is required to impose a maximum required mill levy of 50.000 (as adjusted) less the mill levy required to be imposed for repayment of the Senior Bonds.

**PRAIRIE FARM METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Subordinate Limited Tax General Obligation Bonds, Series 2018B (continued)

If the maximum mill levy is required for the Senior Bonds, no additional mill levy will be imposed for the Sub Bonds.

The District has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2024, as defined under TABOR.

Debt Service Reserve

The District is required to maintain a debt service reserve in accordance with the 2018 bond issuance. This reserve has been established.

This information is an integral part of the accompanying budget

**PRAIRIE FARM METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE
REQUIREMENTS TO MATURITY**

\$9,290,000

**2018A General Obligation Bonds
Principal Payable December 1
5.250% Rate Interest Payable
June 1 and December 1**

Year Ended December 31,	Beginning December 1, 2018		
	Principal	Interest	Total
2024	\$ 90,000	\$ 486,938	\$ 576,938
2025	130,000	482,213	612,213
2026	155,000	475,388	630,388
2027	165,000	467,250	632,250
2028	185,000	458,588	643,588
2029	195,000	448,875	643,875
2030	220,000	438,638	658,638
2031	230,000	427,088	657,088
2032	255,000	415,013	670,013
2033	270,000	401,625	671,625
2034	295,000	387,450	682,450
2035	310,000	371,963	681,963
2036	340,000	355,688	695,688
2037	360,000	337,838	697,838
2038	390,000	318,938	708,938
2039	415,000	298,463	713,463
2040	450,000	276,675	726,675
2041	475,000	253,050	728,050
2042	510,000	228,113	738,113
2043	540,000	201,338	741,338
2044	580,000	172,988	752,988
2045	615,000	142,538	757,538
2046	660,000	110,250	770,250
2047	695,000	75,600	770,600
2048	745,000	39,113	784,113
	<u>\$ 9,275,000</u>	<u>\$ 8,071,621</u>	<u>\$ 17,346,621</u>

No assurance provided. See summary of significant assumptions.

**Prairie Farm Metropolitan District
Schedule of Long Term Obligations**

	Balance at December 31, 2022	Additions*	Repayments*	Balance at December 31, 2023
Developer advance - Operating	156,892	-	(57,476)	99,416
	<u>156,892</u>	<u>-</u>	<u>(57,476)</u>	<u>99,416</u>
Accrued interest - Operating	38,811	7,408	(42,524)	3,695
	<u>38,811</u>	<u>7,408</u>	<u>(42,524)</u>	<u>3,695</u>
	<u>\$ 195,703</u>	<u>\$ 7,408</u>	<u>\$ (100,000)</u>	<u>\$ 103,111</u>
	Balance at December 31, 2023	Additions*	Repayments*	Balance at December 31, 2024*
Developer advance - Operating	99,416	-	(40,340)	59,076
	<u>99,416</u>	<u>-</u>	<u>(40,340)</u>	<u>59,076</u>
Accrued interest - Operating	3,695	5,965	(9,660)	-
	<u>3,695</u>	<u>5,965</u>	<u>(9,660)</u>	<u>-</u>
	<u>\$ 103,111</u>	<u>\$ 5,965</u>	<u>\$ (50,000)</u>	<u>\$ 59,076</u>

* Estimate

No assurance provided. See summary of significant assumptions.