

CUNDALL FARMS METROPOLITAN DISTRICT

**ANNUAL REPORT
TO
THE CITY OF THORNTON**

FISCAL YEAR ENDING DECEMBER 31, 2022

Pursuant to the Section VII. of the Service Plan of Cundall Farms Metropolitan District (the “District”), the District is required to provide an annual report to the City of Thornton, Colorado (the “City”) within six months of the close of the fiscal year with regard to the following matters:

For the year ending December 31, 2022, 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 in 2022.

- 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 any new intergovernmental agreements as of December 31, 2022. The list of current Intergovernmental Agreements is attached hereto as **Exhibit A**.

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

In July 2022, the District adopted a Resolution Amending Residential Improvement Guidelines and Site Restrictions regarding required approval of solar energy devices is attached hereto as **Exhibit B**.

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

The District was not involved in any litigation in the period ending December 31, 2022.

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

To our knowledge, all Public Improvements were completed on or before 2019.

- 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:**

Improvements for three phases of the community have been completed by the developer. These improvements include roadways, utilities including water mains, sewer mains and storm mains, and park and open space areas. A portion of the roadways, sidewalks, and utilities including water mains, sewer mains and storm mains have been dedicated and accepted by the City as of December 31, 2021.

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

The District's current assessed valuation is \$13,655,330, attached hereto as **Exhibit C**.

8. The current year budget, including a description of the Public Improvements to be constructed in such year:

The 2023 budget is attached hereto as **Exhibit D**. No additional Public Improvements are planned to be constructed in 2023.

9. An 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 2022 Audit is currently in process and will be filed as a supplement to the 2022 annual report.

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

There were no events of default for the year ending December 31, 2022.

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:

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

EXHIBIT A
Intergovernmental Agreement Listing

1. Intergovernmental Agreement between the City of Thornton and Cundall Farms Metropolitan District re Service Plan for the District dated June 7, 2010.
2. First Amendment to Intergovernmental Agreement between the City of Thornton and Cundall Farms Metropolitan District re Service Plan for the District dated December 4, 2018.

EXHIBIT B
Rules and Regulations

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
CUNDALL FARMS METROPOLITAN DISTRICT**

**Amending the Residential Improvement Guidelines and Site Restrictions for Trailside
Community at Cundall Farms**

WHEREAS, the Cundall Farms Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the “**Board**”) is empowered to have the management, control, and supervision of all business and affairs of the District; and

WHEREAS, Article 2, Section 2.1 of the Covenants, Conditions, and Restrictions for Trailside, recorded in the real property records of the clerk and recorder for Adams County, Colorado on November 17, 2014, at Reception Number 20140000080289 (the “**Declaration**”), provides that the Board has the authority to serve as or appoint members to the Architectural Review Committee (“**ARC**”); and

WHEREAS, Section 2.12 of the Residential Improvements Guidelines and Site Restrictions for Trailside Community at Cundall Farms (the “**Guidelines**”) provides the Guidelines may, at any time, be added to, deleted from, repealed, amended, and modified, reenacted, or otherwise changed by the ARC in its sole discretion as changing conditions and/or priorities dictate; and

WHEREAS, the Board, acting as the ARC, hereby desires to amend and supplement the Guidelines as set forth herein.

NOW THEREFORE, be it resolved by the Board of Directors of the Cundall Farms Metropolitan District as follows:

1. Repeal and Restatement. Pursuant to the findings set forth above, Section 3.75-Solar Energy Devices- of the Guidelines is hereby repealed in its entirety and the following is substituted:

Approval is required (Excluding landscape lighting) in order to review aesthetic conditions. Photovoltaic (PV) Solar panels must lay flat on the roof, meet all applicable safety, building codes and electrical requirements. This includes solar panels for thermal systems (solar water heaters). The installation of critter guards is required. The ARC is permitted to request changes as long as they do not significantly increase the cost or decrease the efficiency of the proposed device and panels. Please see Colorado Law C.R.S. § 38-30-168, which governs the review and the homeowner’s installation of such devices.

2. Effective Date. This Resolution shall be effective as of July 12, 2022.

Adopted this 12th day of July, 2022.

CUNDALL FARMS METROPOLITAN DISTRICT

Reuben Maes

Vice President, Board of Directors

Attest:

Darren Fresquez

Darren Fresquez (Jul 29, 2022 06:07 MDT)

Secretary or Assistant Secretary

Signature: *Reuben Maes*

Reuben Maes (Jul 28, 2022 23:44 EDT)

Email: reuben.maes@cfmd.co

EXHIBIT C
2022 Assessed Valuation

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **374 - CUNDALL FARMS METRO**

IN ADAMS COUNTY ON 12/1/2022

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 2022 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$13,963,020
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$13,655,330
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$13,655,330
5. NEW CONSTRUCTION: **	\$0
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 2022 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$193,670,313
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
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
(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.)	
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, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** 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.	

EXHIBIT D
2023 Budget

CUNDALL FARMS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2023

**CUNDALL FARMS METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1,829,118	\$ 772,280	\$ 883,869
REVENUES			
Property Taxes	901,745	856,925	865,352
Specific Ownership Taxes	80,230	72,725	60,575
Interest Income	813	6,300	15,000
Operations Fees	204,168	204,168	204,168
Other Revenue	20,861	30,000	35,000
Working Capital	19,500	10,000	13,000
Loan Issuance	13,980,000	-	-
Total revenues	<u>15,207,317</u>	<u>1,180,118</u>	<u>1,193,095</u>
TRANSFERS IN	<u>-</u>	<u>-</u>	<u>20,000</u>
Total funds available	<u>17,036,435</u>	<u>1,952,398</u>	<u>2,096,964</u>
EXPENDITURES			
General Fund	89,466	83,227	90,000
Operations Fund	550,356	308,000	389,000
Debt Service Fund	15,624,333	677,302	700,000
Total expenditures	<u>16,264,155</u>	<u>1,068,529</u>	<u>1,179,000</u>
TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>20,000</u>
Total expenditures and transfers out requiring appropriation	<u>16,264,155</u>	<u>1,068,529</u>	<u>1,199,000</u>
ENDING FUND BALANCES	<u>\$ 772,280</u>	<u>\$ 883,869</u>	<u>\$ 897,964</u>
Emergency Reserve	\$ 5,000	\$ 7,400	\$ 7,300
Operations Fee Fund Reserve	7,400	7,400	7,700
25% Reserve Amount (per 2021 Reserve Study)	-	24,250	24,250
Debt Service Reserve Fund	437,333	437,333	437,333
Available for Operations	325,578	400,560	418,251
TOTAL RESERVE	<u>\$ 775,311</u>	<u>\$ 876,943</u>	<u>\$ 894,834</u>

**CUNDALL FARMS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION

Residential	\$ 13,465,430	\$ 13,848,700	\$ -
Residential - Single Family	-	-	13,458,780
State assessed	4,560	1,810	5,110
Vacant land	29,220	210	210
Personal property	161,780	112,300	191,230
Oil & gas	50	-	-
Certified Assessed Value	\$ 13,661,040	\$ 13,963,020	\$ 13,655,330

MILL LEVY

General	11.133	16.133	16.133
Debt Service	55.664	45.238	47.238
Total mill levy	66.797	61.371	63.371

PROPERTY TAXES

General	\$ 152,088	\$ 225,266	\$ 220,302
Debt Service	760,428	631,659	645,050
Levied property taxes	912,516	856,925	865,352
Adjustments to actual/rounding	(5,629)	-	-
Refunds and abatements	(5,142)	-	-
Budgeted property taxes	\$ 901,745	\$ 856,925	\$ 865,352

BUDGETED PROPERTY TAXES

General	\$ 150,293	\$ 225,266	\$ 220,302
Debt Service	751,452	631,659	645,050
	\$ 901,745	\$ 856,925	\$ 865,352

**CUNDALL FARMS METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 44,458	\$ 118,728	\$ 281,992
REVENUES			
Property Taxes	150,293	225,266	220,302
Specific Ownership Taxes	13,372	19,125	15,421
Interest Income	71	2,100	5,000
Total revenues	163,736	246,491	240,723
Total funds available	208,194	365,219	522,715
EXPENDITURES			
Accounting	30,000	30,000	30,000
Audit	4,850	5,000	5,500
County Treasurer's Fees	2,256	3,379	3,305
Dues	580	352	550
Election Expense	-	751	5,000
Insurance	7,944	7,745	9,000
Legal	34,530	35,000	35,000
Legal - Special Counsel	7,979	-	-
Miscellaneous	-	-	645
Website	1,327	1,000	1,000
Total expenditures	89,466	83,227	90,000
TRANSFERS OUT			
Transfers to other fund	-	-	20,000
Total expenditures and transfers out requiring appropriation	89,466	83,227	110,000
ENDING FUND BALANCE	\$ 118,728	\$ 281,992	\$ 412,715
Emergency Reserve	\$ 5,000	\$ 7,400	\$ 7,300
Available for Operations	113,728	274,592	405,415
TOTAL RESERVE	\$ 118,728	\$ 281,992	\$ 412,715

**CUNDALL FARMS METROPOLITAN DISTRICT
OPERATIONS FEE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 524,904	\$ 219,250	\$ 157,618
REVENUES			
Operations Fees	204,168	204,168	204,168
Other Revenue	20,861	30,000	35,000
Working Capital	19,500	10,000	13,000
Interest Income	173	2,200	4,000
Total revenues	<u>244,702</u>	<u>246,368</u>	<u>256,168</u>
TRANSFERS IN			
Transfers from other funds	-	-	20,000
Total funds available	<u>769,606</u>	<u>465,618</u>	<u>433,786</u>
EXPENDITURES			
General and Administrative			
Community Activities	12,231	13,500	15,000
District Management - Contract	18,000	18,660	19,656
District Management - Costs	5,852	3,000	5,000
Insurance	15,715	17,853	20,000
Legal	12,649	13,000	13,000
Miscellaneous / Contingency	-	1,187	4,474
Holiday Lighting	-	5,200	4,000
Landscape Maintenance			
Landscape Maintenance - Contract	70,734	73,500	75,370
Landscape Replacements	19,928	18,000	-
Tree Replacements	239,293	-	-
Grounds and Park Maintenance			
Basketball Court Maintenance	-	-	60,000
Irrigation Repairs & Improvements	27,544	29,000	25,000
Grounds Maintenance	24,039	16,000	20,000
Reserve Study	2,080	-	-
Playground Inspection & Repair	857	-	2,000
Snow Removal	6,944	20,000	25,000
Tract Regrade	-	-	26,000
Utilities			
Electricity	3,527	4,100	4,500
Water	90,963	75,000	70,000
Total expenditures	<u>550,356</u>	<u>308,000</u>	<u>389,000</u>
Total expenditures and transfers out requiring appropriation	<u>550,356</u>	<u>308,000</u>	<u>389,000</u>
ENDING FUND BALANCE	<u>\$ 219,250</u>	<u>\$ 157,618</u>	<u>\$ 44,786</u>
Operations Fee Fund Reserve	\$ 7,400	\$ 7,400	\$ 7,700
25% Reserve Amount (per 2021 Reserve Study)	-	24,250	24,250
Available for Operations	<u>211,850</u>	<u>125,968</u>	<u>12,836</u>
TOTAL RESERVE	<u>\$ 219,250</u>	<u>\$ 157,618</u>	<u>\$ 44,786</u>

No assurance provided. See summary of significant assumptions.

**CUNDALL FARMS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,259,756	\$ 434,302	\$ 444,259
REVENUES			
Property Taxes	751,452	631,659	645,050
Specific Ownership Taxes	66,858	53,600	45,154
Interest Income	569	2,000	6,000
Loan Issuance	13,980,000	-	-
Total revenues	14,798,879	687,259	696,204
Total funds available	16,058,635	1,121,561	1,140,463
EXPENDITURES			
General and Administrative			
County Treasurer's Fees	11,281	9,475	9,676
Repay Developer Advance	350,000	-	-
Paying Agent Fees	8,000	8,000	8,000
Contingency	-	-	3,911
Debt Service			
Series 2017 Bonds:			
Bond Refunding Payment	14,461,187	-	-
2021 Loan:			
Loan Issue Costs	219,373	-	-
Loan Principal 2021A-1	290,000	175,000	280,000
Loan Interest 2021A-1	267,584	467,126	380,915
Loan Principal 2021A-2	11,000	7,000	7,000
Loan Interest 2021A-2	5,908	10,701	10,498
Total expenditures	15,624,333	677,302	700,000
Total expenditures and transfers out requiring appropriation	15,624,333	677,302	700,000
ENDING FUND BALANCE	\$ 434,302	\$ 444,259	\$ 440,463
Debt Service Reserve Fund	\$ 437,333	\$ 437,333	\$ 437,333

**CUNDALL FARMS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court of Adams County, Colorado on December 1, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

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, street, safety protection, park and recreation, transportation, fire protection, security, television relay and translation, and mosquito control. The District is not authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City of Thornton. The District is not authorized to plan for, design acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City of Thornton.

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, 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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

**CUNDALL FARMS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.0% of the property taxes collected.

Operations Fee

The District collects a fee of \$47.00 per month from homeowners and a transfer fee of \$500 from each new homeowner at closing. The fees are used to cover the landscaping and maintenance costs of the District. The District has 362 homes.

Working Capital

The District collects a \$500 working capital fee upon the transfer of each residential unit.

Expenditures

Administrative Expenditures

Administration expenses include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, dues and other administrative expenses.

Maintenance Expenditures

Anticipated maintenance expenditures are shown on the Operations Fee Fund page of the budget. Homeowners contract separately for trash removal.

Debt and Leases

On May 18, 2021, the District entered into a Loan Agreement with BBVA Mortgage Corporation in connection with the issuance of Taxable (Convertible to Tax-Exempt) General Obligation (Limited Tax Convertible To Unlimited Tax) Refunding Loan, Series 2021A-1 (Series 2021A-1 Loan) and General Obligation (Limited Tax Convertible To Unlimited Tax) Improvement Loan, Series 2021A-2 (Series 2021A-2 Loan).

The Series 2021A-1 Loan (\$13,600,000) bears taxable interest rate of 3.67% (through September 21, 2022) and tax-exempt interest rate of 2.90% (after September 21, 2022), with interest payments calculated based on a 360-day year and the actual days elapsed in each period made on June 1 and December 1 of each year, and principal payments on December 1 of each year. Proceeds were used for the purposes of cancelling the District's Series 2017 Bonds, providing an initial deposit to the Reserve Fund, and paying the costs of issuance.

The Series 2021A-2 Loan (\$380,000) bears an interest rate of 2.90%, with interest payments calculated based on a 360-day year and the actual days elapsed in each period made on June 1 and December 1 of each year, and principal payments on December 1 of each year. Proceeds were used for the purposes of repaying the Developer (see below), providing an initial deposit to the Reserve Fund, and paying the costs of issuance.

**CUNDALL FARMS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The District and Cundall Farms, LLC (the Developer) entered into an Agreement In the Nature of An Accord Concerning Developer Advance and Infrastructure Agreements. Pursuant to this agreement, the District will pay the Developer, and the Developer accepts, the sum of \$350,000 upon closing of the Series 2021A-1 Loan and Series 2021A-2 Loan as full satisfaction of the District's obligations under certain funding agreements. In May 2021, at loan closing and upon payment of the \$350,000 to the Developer, all outstanding Developer Advances, principal and accrued interest, have been cancelled and funding agreements were terminated and no longer in effect.

Debt service schedules for the Series 2021A-1 Loan and Series 2021A-2 are attached.

The District has no operating or capital leases.

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under the TABOR Amendment. Such Emergency Reserve is an integral part of Ending Fund Balance of the District's operations.

Debt Service Reserve

The Debt Service Reserve Requirement on the 2021A-1 Bonds is \$425,838 and the Debt Service Reserve Requirement on the 2021A-2 Loan is \$11,495.

Operations Fee Fund Reserve

The District has provided a reserve for operating contingencies. This reserve is included as part of the District's Operations Fee Fund Balance.

This information is an integral part of the budget.

**CUNDALL FARMS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$13,600,000

Taxable (Convertible to Tax-Exempt)

General Obligation (Limited Tax Convertible To Unlimited Tax) Refunding Loan

Series 2021A-1

Dated May 18, 2021

Interest Rate of 2.90%

Payable June 1 and December 1

Principal due December 1

Year Ended December 31,	Principal	Interest	Total
2023	\$ 280,000	\$ 380,915	\$ 660,915
2024	265,000	372,795	637,795
2025	270,000	365,110	635,110
2026	295,000	357,280	652,280
2027	300,000	348,725	648,725
2028	325,000	340,025	665,025
2029	335,000	330,600	665,600
2030	355,000	320,885	675,885
2031	365,000	310,590	675,590
2032	390,000	300,005	690,005
2033	405,000	288,695	693,695
2034	430,000	276,950	706,950
2035	440,000	264,480	704,480
2036	400,000	326,175	726,175
2037	345,000	372,600	717,600
2038	375,000	357,075	732,075
2039	390,000	340,200	730,200
2040	425,000	322,650	747,650
2041	445,000	303,525	748,525
2042	480,000	283,500	763,500
2043	500,000	261,900	761,900
2044	545,000	239,400	784,400
2045	565,000	214,875	779,875
2046	610,000	189,450	799,450
2047	635,000	162,000	797,000
2048	680,000	133,425	813,425
2049	710,000	102,825	812,825
2050	760,000	70,875	830,875
2051	815,000	36,675	851,675
	\$ 13,135,000	\$ 7,974,205	\$ 21,109,205

**CUNDALL FARMS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$380,000

General Obligation (Limited Tax Convertible To Unlimited Tax) Improvement Loan

Series 2021A-2

Dated May 18, 2021

Interest Rate of 2.90%

Payable June 1 and December 1

Principal due December 1

Year Ended December 31,	Principal	Interest	Total
2023	\$ 7,000	\$ 10,498	\$ 17,498
2024	7,000	10,295	17,295
2025	8,000	10,092	18,092
2026	8,000	9,860	17,860
2027	8,000	9,628	17,628
2028	9,000	9,396	18,396
2029	9,000	9,135	18,135
2030	10,000	8,874	18,874
2031	10,000	8,584	18,584
2032	11,000	8,294	19,294
2033	11,000	7,975	18,975
2034	12,000	7,656	19,656
2035	12,000	7,308	19,308
2036	11,000	9,019	20,019
2037	10,000	10,305	20,305
2038	10,000	9,855	19,855
2039	11,000	9,405	20,405
2040	12,000	8,910	20,910
2041	12,000	8,370	20,370
2042	13,000	7,830	20,830
2043	14,000	7,245	21,245
2044	15,000	6,615	21,615
2045	16,000	5,940	21,940
2046	17,000	5,220	22,220
2047	17,000	4,455	21,455
2048	19,000	3,690	22,690
2049	20,000	2,835	22,835
2050	21,000	1,935	22,935
2051	22,000	990	22,990
	<u>\$ 362,000</u>	<u>\$ 220,214</u>	<u>\$ 582,214</u>