

**KARL'S FARM METROPOLITAN DISTRICT
NOS. 1-3**

2021 CONSOLIDATED ANNUAL REPORT

**KARL'S FARM METROPOLITAN DISTRICT NOS. 1-3
2021 CONSOLIDATED ANNUAL REPORT
TO
THE CITY OF NORTHGLENN**

Pursuant to the Service Plan for Karl's Farm Metropolitan District Nos. 1-3 (the "Districts") dated April 8, 2019, the Districts are required to provide an annual report to the City of Northglenn (the "City") with regard to the following matters:

For the year ending December 31, 2021, the Districts make the following report:

1. Boundary changes made or proposed to the Districts' boundaries as of December 31 of the prior year:

An Order for Exclusion of Property, as Recorded with the Adams County Clerk and Recorder on November 18, 2021, is attached hereto as **Exhibit A**.

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

A list of the Districts' Intergovernmental Agreements is attached hereto as **Exhibit B**.

3. Copies of the Districts' rules and regulations, if any, as of December 31 of the prior year:

As of December 31, 2021, the Districts had not yet adopted rules and regulations.

4. A summary of any litigation which involves the Districts' 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 Districts' Public Improvements as of December 31, 2021.

5. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year:

As of December 31, 2021 none of the public improvements were completed.

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

As of December 31, 2021, no public improvements were dedicated and accepted by the City.

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

District No. 1: \$550.00

District No. 2: \$208,550.00

District No. 3: \$497,790.00

8. Current year budget:

The Districts' 2022 budgets are attached hereto as **Exhibit C**.

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

The Districts' 2021 Applications for Exemption from Audit are not yet available and will be supplemented.

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

There are no uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.

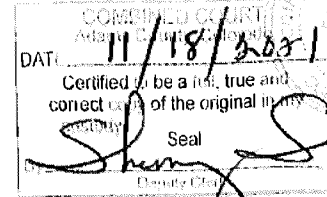
11. Any inability of the Districts to pay their obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period:

None.

EXHIBIT A

Order for Exclusion of Property

~~CERTIFIED RECORDS~~
NOT REMOVE STAPLE*
VOIDS CERTIFICATION*



DATE FILED: November 15, 2021 3:25 PM

DISTRICT COURT, ADAMS COUNTY, COLORADO	
Court Address: 1100 Judicial Center Drive Brighton, CO 80601 Telephone: 303-659-1161	
Petitioner: KARL'S FARM METROPOLITAN DISTRICT NO. 3	
	▲ COURT USE ONLY ▲
By the Court:	Case Number: 2019CV31507 Division: W Courtroom:
ORDER FOR EXCLUSION (Tract A1)	

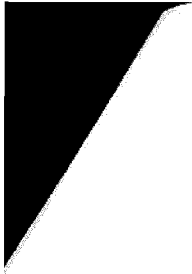
THIS MATTER comes before the Court pursuant to § 32-1-501(1), C.R.S., on Motion for an Order for Exclusion of property from the boundaries of the Karl's Farm Metropolitan District No. 3, City of Northglenn, Adams County, Colorado (the "District"). This Court, being fully advised in the premises, and there being no objection filed by any person, hereby ORDERS:

1. That the real property set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property"), shall be and is hereby excluded from the boundaries of the District.

2. Pursuant to § 32-1-503(1), C.R.S., the Property shall remain obligated for its proportionate share of the principal and interest on the outstanding bonded indebtedness of the District existing immediately prior to the effective date of this Order. As of the date of this Order, there is no outstanding bonded indebtedness of the District for which the Property will be liable.

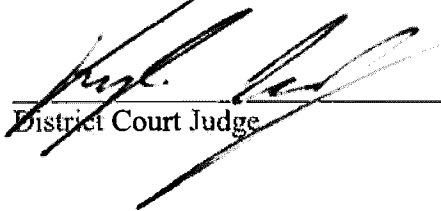
3. In accordance with § 32-1-503(1), C.R.S., the Property shall not become obligated for any property tax levied by the District for operating costs of the District nor for any bonded indebtedness issued after the date of this Order.

4. The District shall file this order in accordance with the provisions of § 32-1-105, C.R.S.



DONE AND EFFECTIVE THIS 15th day of November, 2021.

BY THE COURT:



District Court Judge



EXHIBIT A
(Legal Description of Exclusion Property)

Tract A1, Amendment and Restatement of Karl's Farm Filing No. 1, recorded at Reception No. 2020000067365 on July 17, 2020, City of Northglenn, County of Adams, State of Colorado.

EXHIBIT B

List of Intergovernmental Agreements

- 1. Intergovernmental Agreement Regarding Facilities Funding and Construction between Karl's Farm Metropolitan District No. 1, Karl's Farm Metropolitan District No. 2 and Karl's Farm Metropolitan District No. 3, dated December 9, 2021.**
- 2. Development Agreement between the City of Northglenn, KF Developers, Inc. and Karl's Farm Metropolitan District No. 2 for Karl's Farm filing No. 1, and No. 1 final plat public infrastructure improvements, dated February 24, 2020.**
- 3. Agreement between the City of Northglenn and Karl's Farm Metropolitan District No. 2 regarding the design and constructions of improvements to 120th Avenue, dated February 24, 2020.**

EXHIBIT C

2022 Budgets

KARL'S FARM METROPOLITAN DISTRICT NO. 1
2022
BUDGET MESSAGE

Attached please find a copy of the adopted 2022 budget for the Karl's Farm Metropolitan District No. 1.

The Karl's Farm Metropolitan District No. 1 has adopted budgets for one fund, a General Fund to provide for operating and maintenance expenditures.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2022 will be transfers from Karl's Farm Metropolitan District Nos. 2 and 3. The District does not intend to impose a mill levy on property within the district for 2022.

Karls Farms Metropolitan District No. 1
Adopted Budget
General Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Transfer from District 2 & 3	42,557	103,312	-	-	103,312
Developer advances	<u>64,017</u>	<u>-</u>	<u>40,665</u>	<u>77,982</u>	<u>-</u>
Total revenues	<u>106,574</u>	<u>103,312</u>	<u>40,665</u>	<u>77,982</u>	<u>103,312</u>
Total funds available	<u>106,574</u>	<u>103,312</u>	<u>40,665</u>	<u>77,982</u>	<u>103,312</u>
Expenditures:					
Accounting / audit	6,246	15,000	5,005	15,015	15,000
Election	-	-	-	-	5,000
Engineering	20,064	15,000	14,508	29,016	15,000
Insurance/ SDA Dues	1,897	3,500	8,353	8,353	3,500
Legal	78,309	25,000	12,799	25,598	25,000
Management	-	1,500	-	-	1,500
Miscellaneous	58	5,000	-	-	5,000
Contingency	-	34,882	-	-	33,312
Emergency Reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>106,574</u>	<u>99,882</u>	<u>40,665</u>	<u>77,982</u>	<u>103,312</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 3,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 162,150</u>			<u>\$ 550</u>
Mill Levy		<u>-</u>			<u>-</u>

KARL'S FARM METROPOLITAN DISTRICT NO. 2
2022
BUDGET MESSAGE

Attached please find a copy of the adopted 2022 budget for the Karl's Farm Metropolitan District No. 2.

The Karl's Farm Metropolitan District No. 2 has adopted budgets for three funds, a General Fund to provide for transfer to Karl's Farm Metropolitan District No. 1; a Capital Projects Fund to provide for the improvements that are to be built for the benefit of the District and a Debt Service Fund to account for the repayment of principal and interest on the outstanding general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2022 will be property taxes and developer advances. The district intends to impose a 65.664 mill levy on property within the district for 2022, of which 10.000 mills are dedicated to the General Fund and the balance of 55.664 mills will be allocated to the Debt Service Fund.

Karls Farms Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2022

	Actual <u>2019</u>	Adopted Budget <u>2020</u>	Actual <u>6/30/2020</u>	Estimate <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	1,877	-	1,877	2,085
Specific ownership taxes	-	94	-	94	105
Developer advances	-	48,029	-	-	51,290
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>1,971</u>	<u>53,480</u>
Total revenues	-	50,000	-	1,971	53,480
Total funds available	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>1,971</u>	<u>53,480</u>
Expenditures:					
Treasurer's Fees	-	28	-	28	31
Transfer to District 1	-	49,941	-	1,943	53,371
Contingency	-	30	-	-	77
Emergency Reserve	-	1	-	-	1
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>1,971</u>	<u>53,480</u>
Total expenditures	-	50,000	-	1,971	53,480
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 385,580</u>			<u>\$ 208,550</u>
Mill Levy		<u>10.000</u>			<u>10.000</u>

Karls Farms Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ 3,412,669	\$ 4,167,014	\$ 4,167,014	\$ 755,345
Revenues:					
Facility fees	490,000	-	-	-	-
Interest income	2,392	-	916	1,000	500
Developer advances	1,050,898	-	-	-	-
Reimbursements	2,608,777	-	-	-	-
Bond proceeds	<u>15,920,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>20,072,067</u>	<u>-</u>	<u>916</u>	<u>1,000</u>	<u>500</u>
Total funds available	<u>20,072,067</u>	<u>3,412,669</u>	<u>4,167,930</u>	<u>4,168,014</u>	<u>755,845</u>
Expenditures:					
Cost of issuance	689,327	-	-	-	-
Capital outlay	9,900,771	3,412,669	2,407,555	3,412,669	755,845
Repay developer advances	1,050,898	-	-	-	-
Transfer to District 1	42,557	-	-	-	-
Transfer to debt service	<u>4,221,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>15,905,053</u>	<u>3,412,669</u>	<u>2,407,555</u>	<u>3,412,669</u>	<u>755,845</u>
Ending fund balance	<u>\$ 4,167,014</u>	<u>\$ -</u>	<u>\$ 1,760,375</u>	<u>\$ 755,345</u>	<u>\$ -</u>

Karls Farms Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2020</u>	Adopted Budget <u>2021</u>
Beginning fund balance	\$ -	\$ 3,918,612	\$ 3,918,613	\$ 3,918,613	\$ 3,039,401
Revenues:					
Interest income	3,265	-	933	1,000	-
Property taxes	-	10,445	-	10,445	11,609
Specific ownership taxes	-	522	-	1,000	580
Transfer from capital projects	4,221,500	-	-	-	-
Total revenues	<u>4,221,500</u>	<u>10,967</u>	<u>-</u>	<u>11,445</u>	<u>12,189</u>
Total funds available	<u>4,221,500</u>	<u>3,929,579</u>	<u>3,918,613</u>	<u>3,930,058</u>	<u>3,051,590</u>
Expenditures:					
Bond interest payment	302,887	896,500	-	886,500	886,500
Bond principal payment	-	-	-	-	-
Trustee fees	-	4,000	-	4,000	4,000
Treasurer's Fees	-	157	-	157	174
Total expenditures	<u>302,887</u>	<u>900,657</u>	<u>-</u>	<u>890,657</u>	<u>890,674</u>
Ending fund balance	<u>\$ 3,918,613</u>	<u>\$ 3,028,922</u>	<u>\$ 3,918,613</u>	<u>\$ 3,039,401</u>	<u>\$ 2,160,916</u>
Assessed valuation		<u>\$ 385,580</u>			<u>\$ 208,550</u>
Mill Levy		<u>55.664</u>			<u>55.664</u>
Total Mill Levy		<u>65.664</u>			<u>65.664</u>

KARL'S FARM METROPOLITAN DISTRICT NO. 3
2022
BUDGET MESSAGE

Attached please find a copy of the adopted 2022 budget for the Karl's Farm Metropolitan District No. 3.

The Karl's Farm Metropolitan District No. 3 has adopted budgets for three funds, a General Fund to provide for transfer to Karl's Farm Metropolitan District No. 1; a Capital Projects Fund to provide for the improvements that are to be built for the benefit of the District and a Debt Service Fund to account for the repayment of principal and interest on the outstanding general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2022 will be property taxes and developer advances. The district intends to impose a 45.000 mill levy on property within the district for 2022, of which 10.000 mills are dedicated to the General Fund and the balance of 35.000 mills will be allocated to the Debt Service Fund.

Karls Farms Metropolitan District No. 3
Adopted Budget
General Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 3,601
Revenues:					
Property taxes	-	3,601	-	3,601	4,978
Specific ownership taxes	-	180	-	-	249
Developer advances	-	46,219	-	-	41,221
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>3,601</u>	<u>46,448</u>
Total revenues	-	50,000	-	3,601	46,448
Total funds available	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>3,601</u>	<u>50,049</u>
Expenditures:					
Treasurer's Fees	-	54	-	-	75
Transfer to District 1	-	49,941	-	-	49,941
Contingency	-	4	-	-	32
Emergency Reserve	-	1	-	-	1
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,049</u>
Total expenditures	-	50,000	-	-	50,049
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,601</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 385,580</u>			<u>\$ 497,790</u>
Mill Levy		<u>10.000</u>			<u>10.000</u>

Karls Farms Metropolitan District No. 3
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Amended <u>2021</u>	Adopted Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Bond proceeds	-	-	-	10,000,000	-
Developer advances	-	-	-	-	-
Total revenues	-	-	-	10,000,000	-
Total funds available	-	-	-	10,000,000	-
Expenditures:					
Cost of issuance	-	-	-	1,000,000	-
Capital outlay	-	-	-	5,500,000	-
Transfer to Debt Service Fund	-	-	-	3,500,000	-
Total expenditures	-	-	-	10,000,000	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Karls Farms Metropolitan District No. 3
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2022

	<u>Actual</u> <u>2020</u>	<u>Adopted</u> <u>Budget</u> <u>2021</u>	<u>Actual</u> <u>6/30/2021</u>	<u>Amended</u> <u>2021</u>	<u>Adopted</u> <u>Budget</u> <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000
Revenues:					
Property taxes					17,423
Specific qwnership taxes	-	-	-	-	871
Transfer from Capital Projects	-	-	-	3,500,000	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,294</u>
Total funds available	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,518,294</u>
Expenditures:					
Bond interest payment	-	-	-	-	550,000
Bond prinicipal payment	-	-	-	-	-
Trustee fees	-	-	-	-	10,000
Treasurer's Fees	-	-	-	-	261
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,261</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,500,000</u>	<u>\$ 2,958,033</u>
Assessed valuation		<u>\$ 385,580</u>			<u>\$ 497,790</u>
Mill Levy		<u>0.000</u>			<u>35.000</u>
Total Mill Levy		<u>10.000</u>			<u>45.000</u>