

BUDGET RESOLUTION

(2024)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

At the regular meeting of the Board of Directors of Adams East Metropolitan District, County of Adams, Colorado, held at 11:30 AM on Tuesday, November 28, 2023, at 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111, by videoconference and by teleconference, there were present:

Robert A. Lembke
Ronald E. von Lembke
Andrew R. Damiano
Joshua Shipman
Jason VonLembke

Also present was Michael Davis and Marisa Davis of the Law Office of Michael E. Davis, LLC (“District Counsel”)

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a regular meeting of the Board of Directors of the District and that a notice of the meeting was posted on the District’s public website or at a public place within the boundaries of the District pursuant to applicable statutes and at the Adams County Clerk and Recorder’s Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Shipman introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE ADAMS EAST METROPOLITAN DISTRICT, ADAMS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024 AND ENDING ON THE LAST DAY OF DECEMBER, 2024.

WHEREAS, the Board of Directors (the “Board”) of the Adams East Metropolitan District (the “District”) has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2023; and

WHEREAS, the proposed 2024 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on October 26, 2023 in the Brighton Standard-Blade, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 11:30 AM on Tuesday, November 28, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ADAMS EAST METROPOLITAN DISTRICT, ADAMS COUNTY, COLORADO, AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein (the “Budget”), including without limitation the estimated revenues and expenditures for each fund included therein, is hereby approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor’s Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Appropriations. The amounts set forth as expenditures for each fund in the Budget are hereby appropriated for each such fund.

Section 3. Mill Levy Adjustment. When developing the Budget, consideration was given to any changes in method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines that in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 4. Budget Certification. The Budget shall be certified by a director on the board of directors of the District and shall be made a part of the public records of the District.


Section 5. Certification of Mill Levies. For the purposes of meeting all of the District's general operating expenses, debt service obligations, contractual obligations, and capital expenditure obligations, as well as funding any applicable refunds or abatements during the 2024 budget year, the applicable mill levies set forth in the Budget are hereby adopted and approved. The attorney, accountant or manager for the District is hereby authorized and directed to certify to the Adams County Board of County Commissioners, no later than January 10, 2024, the mill levies for the District as set forth in the Budget. Such certification shall be in compliance with the requirements of Colorado law.

Section 6. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the Budget, and budget message with the Division of Local Government by January 30 of the ensuing year.


The foregoing Resolution was seconded by Director J. VonLembke.

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 28, 2023.

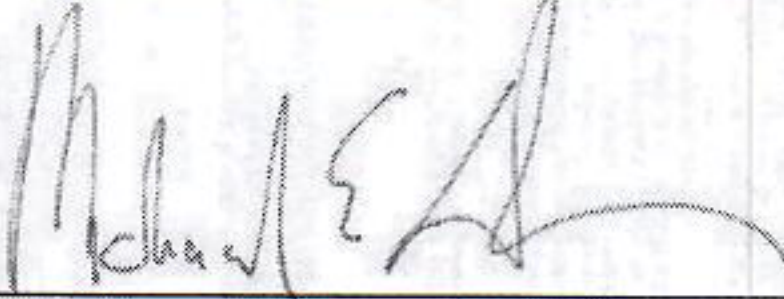
ADAMS EAST METROPOLITAN DISTRICT

By: 
Robert A. Lembke, President

ATTEST:


Ronald E. von Lembke, Secretary/Treasurer

APPROVED AS TO FORM:
LAW OFFICE OF MICHAEL E. DAVIS, LLC
As General Counsel to the District



STATE OF COLORADO
COUNTY OF ADAMS
ADAMS EAST METROPOLITAN DISTRICT

I, Ronald E. von Lembke, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Adams East Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 11:30 AM on Tuesday, November 28, 2023, at 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111, by videoconference at <https://us06web.zoom.us/j/82637555286>, and by teleconference at (720) 707-2699, Meeting ID: 826 3755 5286, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2024; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on November 28, 2023.



Ronald E. von Lembke, Secretary/Treasurer

EXHIBIT A
2024 BUDGET DOCUMENT & BUDGET MESSAGE FOR
ADAMS EAST METROPOLITAN DISTRICT

ADAMS EAST METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**ADAMS EAST METROPOLITAN DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,654,018	\$ 3,699,698	\$ 1,047,724
REVENUES			
Property taxes	316,341	314,182	773,407
Specific ownership taxes	23,084	21,993	54,138
Interest income	11,124	20,272	104,128
Miscellaneous revenue	830,870	-	-
Sales and Use Tax Revenue	865,455	819,866	750,000
Note Proceeds	-	-	5,500,000
Total revenues	<u>2,046,874</u>	<u>1,176,313</u>	<u>7,181,673</u>
TRANSFERS IN	<u>1,437,720</u>	<u>902,131</u>	<u>561,877</u>
Total funds available	<u>6,138,612</u>	<u>5,778,142</u>	<u>8,791,274</u>
EXPENDITURES			
General Fund	279,856	1,171,121	1,515,992
Debt Service Fund	672,251	2,657,165	842,007
Capital Projects Fund	49,086	-	5,596,000
Total expenditures	<u>1,001,193</u>	<u>3,828,286</u>	<u>7,953,999</u>
TRANSFERS OUT	<u>1,437,721</u>	<u>902,131</u>	<u>561,877</u>
Total expenditures and transfers out requiring appropriation	<u>2,438,914</u>	<u>4,730,417</u>	<u>8,515,876</u>
ENDING FUND BALANCES	<u>\$ 3,699,698</u>	<u>\$ 1,047,724</u>	<u>\$ 275,398</u>
EMERGENCY RESERVE	\$ 6,900	\$ 24,800	\$ 47,400
AVAILABLE FOR OPERATIONS	985,634	522,924	-
TOTAL RESERVE	<u>\$ 992,534</u>	<u>\$ 547,724</u>	<u>\$ 47,400</u>

**ADAMS EAST METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Commercial	9,781,900	9,781,900	14,222,580
Agricultural	90	90	90
State assessed	2,720	2,720	2,640
Vacant land	1,495,920	1,495,920	1,596,290
Personal property	1,286,660	1,286,660	1,365,220
	<u>12,567,290</u>	<u>12,567,290</u>	<u>17,186,820</u>
Certified Assessed Value	<u>\$ 12,567,290</u>	<u>\$ 12,567,290</u>	<u>\$ 17,186,820</u>
MILL LEVY			
General	18.000	18.000	45.000
Debt Service	7.000	7.000	0.000
Total mill levy	<u>25.000</u>	<u>25.000</u>	<u>45.000</u>
PROPERTY TAXES			
General	\$ 226,211	\$ 226,211	\$ 773,407
Debt Service	87,971	87,971	-
Levied property taxes	<u>314,182</u>	<u>314,182</u>	<u>773,407</u>
Adjustments to actual/rounding	2,159	-	-
Budgeted property taxes	<u>\$ 316,341</u>	<u>\$ 314,182</u>	<u>\$ 773,407</u>
BUDGETED PROPERTY TAXES			
General	\$ 227,766	\$ 226,211	\$ 773,407
Debt Service	88,575	87,971	-
	<u>\$ 316,341</u>	<u>\$ 314,182</u>	<u>\$ 773,407</u>

**ADAMS EAST METROPOLITAN DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 291,028	\$ 992,534	\$ 547,724
REVENUES			
Property taxes	227,765	256,107	773,407
Specific ownership taxes	-	13,461	54,138
Sales and Use Tax Revenue	-	554,612	750,000
Interest income	453	-	-
Total revenues	<u>228,218</u>	<u>824,180</u>	<u>1,577,545</u>
TRANSFERS IN			
Transfers from other funds	<u>753,144</u>	<u>402,131</u>	<u>-</u>
Total funds available	<u>1,272,390</u>	<u>2,218,845</u>	<u>2,125,269</u>
EXPENDITURES			
General and administrative			
Accounting	41,847	42,152	46,367
Auditing	8,500	9,000	10,000
County Treasurer's fee	3,421	3,855	11,601
Directors' fees	3,800	4,000	4,000
Dues and membership	865	2,200	2,500
Insurance	910	2,608	5,000
District management	1,222	6,000	6,600
Legal	17,209	14,000	15,500
Organization costs	-	40,000	-
Payroll taxes	291	306	306
Repay developer advance - principal	36,400	-	-
Repay developer advance interest	124,729	-	-
Contingency	-	-	8,918
Transfer to SBB	-	1,000,000	750,000
Accounting consulting	33,438	32,000	35,200
Operations and maintenance			
Repairs and maintenance	7,224	15,000	20,000
Capital outlay	-	-	600,000
Total expenditures	<u>279,856</u>	<u>1,171,121</u>	<u>1,515,992</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>500,000</u>	<u>561,877</u>
Total expenditures and transfers out requiring appropriation	<u>279,856</u>	<u>1,671,121</u>	<u>2,077,869</u>
ENDING FUND BALANCES	<u>\$ 992,534</u>	<u>\$ 547,724</u>	<u>\$ 47,400</u>
EMERGENCY RESERVE	\$ 6,900	\$ 24,800	\$ 47,400
AVAILABLE FOR OPERATIONS	985,634	522,924	-
TOTAL RESERVE	<u>\$ 992,534</u>	<u>\$ 547,724</u>	<u>\$ 47,400</u>

No assurance provided. See summary of significant assumptions.

**ADAMS EAST METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,857,825	\$ 2,707,164	\$ 500,000
REVENUES			
Property taxes	88,576	58,075	-
Specific ownership taxes	23,084	8,532	-
Sales and Use Tax Revenue	865,455	265,254	-
Interest income	9,899	20,272	8,128
Total revenues	<u>987,014</u>	<u>352,133</u>	<u>8,128</u>
TRANSFERS IN			
Transfers from other funds	<u>684,576</u>	<u>500,000</u>	<u>561,877</u>
Total funds available	<u>3,529,415</u>	<u>3,559,297</u>	<u>1,070,005</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,330	868	-
Banking fees	-	16	-
Paying agent fees	1,501	-	5,000
Contingency	-	-	7,007
Debt Service			
Note issuance cost	-	-	-
Note interest	128,992	71,578	330,000
Note principal	540,428	2,584,703	500,000
Total expenditures	<u>672,251</u>	<u>2,657,165</u>	<u>842,007</u>
TRANSFERS OUT			
Transfers to other fund	<u>150,000</u>	<u>402,131</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>822,251</u>	<u>3,059,296</u>	<u>842,007</u>
ENDING FUND BALANCES	<u>\$ 2,707,164</u>	<u>\$ 500,000</u>	<u>\$ 227,998</u>

**ADAMS EAST METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

12/27/23

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 505,165	\$ -	\$ -
REVENUES			
Note Proceeds	-	-	5,500,000
Interest income	772	-	96,000
Miscellaneous revenue	830,870	-	-
Total revenues	<u>831,642</u>	<u>-</u>	<u>5,596,000</u>
Total funds available	<u>1,336,807</u>	<u>-</u>	<u>5,596,000</u>
EXPENDITURES			
General and Administrative			
Capital Projects			
Repay developer advance - principal	49,086	-	-
Note issuance cost	-	-	500,000
Capital outlay	-	-	5,096,000
Total expenditures	<u>49,086</u>	<u>-</u>	<u>5,596,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>1,287,721</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,336,807</u>	<u>-</u>	<u>5,596,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADAMS EAST METRO DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was established principally to coordinate the construction, acquisition, financing and maintenance of public improvements, including streets and safety control, landscaping, water, sewer, storm drainage, television relay and park and recreation improvements and facilities. The District's service area is located in Adams County, Colorado.

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.

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%		

**ADAMS EAST METRO DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (cont)

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.

Sales Tax

The District has entered into an agreement for remittance of sales taxes whereby the District is to receive and administer the sales and use tax revenues from properties within the District's boundaries.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical data

Expenditures

Administrative Expenses

Administrative expenses have been budgeted to include the services traditionally associated with government such as legal, accounting, support services, insurance, maintenance and other administrative expenses.

Capital Outlay

Anticipated capital outlay expenditures are based on potential capital projects the district may construct.

County Treasurer's Fees

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

Debt and Leases

Debt Service

The District is currently anticipating the issuing of new debt in 2024.

Leases

The District has no operating or capital leases.

**ADAMS EAST METRO DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to 3% or more of its fiscal year spending for 2023 (excluding any bonded debt service) pursuant to TABOR.

This information is an integral part of the accompanying budget.