RESOLUTION NO. 2025-11-02

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY RESOLUTION OF THE BOARD OF DIRECTORS OF SHAKLEE CENTRE METROPOLITAN DISTRICT NO. 1, WELD COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2026

A. The Board of Directors of Shaklee Centre Metropolitan District No. 1 (the "**District**") has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 11, 2025, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("**TABOR**") and other laws or obligations which are applicable to or binding upon the District.

E. 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.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SHAKLEE CENTRE METROPOLITAN DISTRICT NO. 1, WELD COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY]

RESOLUTION APPROVED AND ADOPTED on November 11, 2025.

SHAKLEE CENTRE METROPOLITAN DISTRICT NO. 1

By: ______________________
President

Attest:

By: ______________________
Secretary

EXHIBIT A

Budget

SHAKLEE CENTRE METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2026

SHAKLEE CENTRE METROPOLITAN DISTRICT NO.1
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/2/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 5,630,173	$ 6,584,510	$ 7,201,254
REVENUES			
Property taxes	1,528,555	870,882	537,052
Specific ownership taxes	55,232	32,779	26,853
Interest Income	331,567	304,310	310,758
Total revenues	1,915,354	1,207,971	874,663
TRANSFERS IN	1,600,000	800,000	600,000
Total funds available	9,145,527	8,592,481	8,675,917
EXPENDITURES			
General Fund	122,389	119,687	120,000
Capital Projects Fund	838,628	471,540	7,912,078
Total expenditures	961,017	591,227	8,032,078
TRANSFERS OUT	1,600,000	800,000	600,000
Total expenditures and transfers out requiring appropriation	2,561,017	1,391,227	8,632,078
ENDING FUND BALANCES	$ 6,584,510	$ 7,201,254	$ 43,839
EMERGENCY RESERVE	$ 48,100	$ 27,400	$ 17,100
AVAILABLE FOR OPERATIONS	154,600	168,034	26,739
TOTAL RESERVE	$ 202,700	$ 195,434	$ 43,839

See summary of significant assumptions.

SHAKLEE CENTRE METROPOLITAN DISTRICT NO.1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/2/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	$ 27,590	$ 27,590	$ 29,030
Agricultural	49,650	49,650	47,400
State assessed	74,400	74,980	93,190
Oil and gas	30,361,220	14,617,110	10,571,420
Certified Assessed Value	$ 30,512,860	$ 14,769,330	$ 10,741,040
MILL LEVY			
General	50.000	50.000	50.000
Total mill levy	50.000	50.000	50.000
PROPERTY TAXES			
General	$ 1,525,643	$ 738,467	$ 537,052
Levied property taxes	1,525,643	738,467	537,052
Adjustments to actual/rounding	2,912	132,415	-
Budgeted property taxes	$ 1,528,555	$ 870,882	$ 537,052
BUDGETED PROPERTY TAXES			
General	**$ 1,528,555**	**$ 870,882**	**$ 537,052**
	$ 1,528,555	**$ 870,882**	**$ 537,052**

See summary of significant assumptions.

SHAKLEE CENTRE METROPOLITAN DISTRICT NO.1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/2/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 322,927	$ 202,700	$ 195,434
REVENUES			
Property taxes	1,528,555	870,882	537,052
Specific ownership taxes	55,232	32,779	26,853
Interest Income	18,375	8,760	4,500
Total revenues	1,602,162	912,421	568,405
Total funds available	1,925,089	1,115,121	763,839
EXPENDITURES			
General and administrative			
Accounting	30,235	33,750	34,000
Auditing	5,950	6,300	7,000
County Treasurer's Fee	22,928	11,077	8,056
Dues and Membership	374	367	500
Insurance	3,121	3,605	4,000
District management	6,738	10,000	10,000
Legal	52,902	43,100	50,000
Miscellaneous	96	1,413	1,000
Election	45	10,075	-
Contingency	-	-	5,444
Total expenditures	122,389	119,687	120,000
TRANSFERS OUT			
Transfers to other fund	1,600,000	800,000	600,000
Total expenditures and transfers out requiring appropriation	1,722,389	919,687	720,000
ENDING FUND BALANCES	$ 202,700	$ 195,434	$ 43,839
EMERGENCY RESERVE	$ 48,100	$ 27,400	$ 17,100
AVAILABLE FOR OPERATIONS	154,600	168,034	26,739
TOTAL RESERVE	$ 202,700	$ 195,434	$ 43,839

See summary of significant assumptions.

SHAKLEE CENTRE METROPOLITAN DISTRICT NO.1
CAPITAL PROJECTS FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/2/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	$ 5,307,246	$ 6,381,810	$ 7,005,820
REVENUES			
Interest Income	313,192	295,550	306,258
Total revenues	313,192	295,550	306,258
TRANSFERS IN			
Transfers from other funds	1,600,000	800,000	600,000
Total funds available	7,220,438	7,477,360	7,912,078
EXPENDITURES			
General and Administrative			
Legal	2,939	-	3,000
Capital Projects			
Engineering	25,793	65,164	50,000
Capital outlay	809,896	406,376	7,859,078
Total expenditures	838,628	471,540	7,912,078
Total expenditures and transfers out requiring appropriation	838,628	471,540	7,912,078
ENDING FUND BALANCES	$ 6,381,810	$ 7,005,820	$ -

See summary of significant assumptions.

Services Provided

The District was organized by Order and Decree of the District Court of Weld County, Colorado on June 7, 2016, to provide financing for design, acquisition, construction and installation of essential public-purpose facilities such as water, sanitation, streets, traffic and safety controls, mosquito control, covenant enforcement, and the operation and maintenance of the District. The District's service area is located north of Weld County Road 16, south of Weld County Road 18 ½, east of Weld County Road 45 ½, and west of Weld County Road 49, in the town of Hudson, in the County of Weld, State of Colorado.

On May 3, 2016, the Electors of the District authorized 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. Additionally, the District voters approved authorization to increase property taxes up to $325,000,000 annually to pay for the administration, operations, maintenance, and capital expenditures of the District, and to issue debt in the amount of $325,000,000 to fund each of the following items: street improvements, water improvements, sanitation improvements, park and recreation improvements, fire protection improvements, transportation improvements, mosquito control improvements, television relay and translation improvements, security improvements, intergovernmental agreements, refunding, incremental directional drilling improvements, and non- residential telephone service.

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 Statute 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 District's service plan sets a mill levy cap for payment of general obligation debt of 50.000 mills, as adjusted for changes in the method of calculating assessed valuation occurring after January 1, 2016.

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.

Revenues (continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate
Single-Family Residential	6.25%
Multi-Family Residential	6.25%
Commercial	27.00%
Industrial	27.00%
Lodging	27.00%

Category	Rate
Agricultural Land	27.00%
Renewable Energy Land	27.00%
Vacant Land	27.00%
Personal Property	27.00%
State Assessed	27.00%
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 5% 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 approximately 4%.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the 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.

Debt and Leases

The District has no debt or operating or capital leases.

Reserve Funds

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

This information is an integral part of the accompanying budget.

I, Catherine V. Will, hereby certify that I am the duly appointed Secretary of the Shaklee Centre Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2026, duly adopted at a meeting of the Board of Directors of the Shaklee Centre Metropolitan District No. 1 held on November 11, 2025.

Catherine V. Will

Secretary