

**FALLBROOK METROPOLITAN  
DISTRICT**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2021**

**FALLBROOK METROPOLITAN DISTRICT  
SUMMARY  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/28/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 663,596	\$ 957,059	\$ 1,290,897
REVENUES			
Property taxes	906,918	982,942	983,552
Specific ownership taxes	73,644	69,900	68,849
Interest income	27,487	11,850	18,000
Total revenues	<u>1,008,049</u>	<u>1,064,692</u>	<u>1,070,401</u>
Total funds available	<u>1,671,645</u>	<u>2,021,751</u>	<u>2,361,298</u>
EXPENDITURES			
General Fund	41,479	44,985	55,000
Debt Service Fund	673,107	685,869	686,962
Total expenditures	<u>714,586</u>	<u>730,854</u>	<u>741,962</u>
Total expenditures and transfers out requiring appropriation	<u>714,586</u>	<u>730,854</u>	<u>741,962</u>
ENDING FUND BALANCES	<u>\$ 957,059</u>	<u>\$ 1,290,897</u>	<u>\$ 1,619,336</u>
EMERGENCY RESERVE	\$ 1,700	\$ 1,800	\$ 1,800
DEBT SERVICE RESERVE	842,144	1,162,046	1,486,686
TOTAL RESERVE	<u>\$ 843,844</u>	<u>\$ 1,163,846</u>	<u>\$ 1,488,486</u>

**FALLBROOK METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/28/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
<b>ASSESSED VALUATION</b>			
Residential	\$ 21,048,370	\$ 22,788,270	\$ 22,766,900
Agricultural	90	90	90
State assessed	1,420	1,520	1,510
Personal property	373,540	429,400	465,210
Certified Assessed Value	<u>\$ 21,423,420</u>	<u>\$ 23,219,280</u>	<u>\$ 23,233,710</u>
General	2.333	2.333	2.333
Debt Service	40.000	40.000	40.000
<b>MILL LEVY</b>	<u>42.333</u>	<u>42.333</u>	<u>42.333</u>
<b>PROPERTY TAXES</b>			
General	\$ 49,981	\$ 54,171	\$ 54,204
Debt Service	856,937	928,771	929,348
Levied property taxes	906,918	982,942	983,552
Adjustments to actual/rounding	-	-	-
<b>PROPERTY TAXES</b>	<u>\$ 906,918</u>	<u>\$ 982,942</u>	<u>\$ 983,552</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 49,971	\$ 54,171	\$ 54,204
Debt Service	856,947	928,771	929,348
<b>BUDGETED PROPERTY TAXES</b>	<u>\$ 906,918</u>	<u>\$ 982,942</u>	<u>\$ 983,552</u>

**FALLBROOK METROPOLITAN DISTRICT  
GENERAL FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ending December 31,**

1/28/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 99,763	\$ 114,915	\$ 128,851
REVENUES			
Property taxes	49,971	54,171	54,204
Specific ownership taxes	4,058	3,900	3,794
Interest income	2,602	850	800
Total revenues	<u>56,631</u>	<u>58,921</u>	<u>58,798</u>
Total funds available	<u>156,394</u>	<u>173,836</u>	<u>187,649</u>
EXPENDITURES			
General and administrative			
Accounting	16,980	18,000	18,000
Audit	4,300	4,300	4,600
County Treasurer's fee	750	813	813
Dues	-	320	400
Insurance	3,108	3,500	3,800
District management	9,867	9,000	9,000
Legal	5,267	7,000	7,000
Miscellaneous	1,207	1,500	3,000
Election	-	552	-
Contingency/Emergency Reserve	-	-	8,387
Total expenditures	<u>41,479</u>	<u>44,985</u>	<u>55,000</u>
Total expenditures requiring appropriation	<u>41,479</u>	<u>44,985</u>	<u>55,000</u>
ENDING FUND BALANCE	<u>\$ 114,915</u>	<u>\$ 128,851</u>	<u>\$ 132,649</u>
EMERGENCY RESERVE	<u>\$ 1,700</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>
TOTAL RESERVE	<u>\$ 1,700</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>

**FALLBROOK METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2019 ACTUAL AND 2020 ESTIMATED  
For the Years Ended and Ending December 31,**

1/28/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 563,833	\$ 842,144	\$ 1,162,046
REVENUES			
Property taxes	856,947	928,771	929,348
Specific ownership taxes	69,586	66,000	65,054
Interest income	24,885	11,000	17,200
Total revenues	<u>951,418</u>	<u>1,005,771</u>	<u>1,011,602</u>
Total funds available	<u>1,515,251</u>	<u>1,847,915</u>	<u>2,173,648</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	12,860	13,932	13,940
Paying agent fees	500	500	500
Debt Service			
Loan interest	109,747	96,437	82,522
Loan principal	510,000	535,000	550,000
Optional principal prepayment	40,000	40,000	40,000
Total expenditures	<u>673,107</u>	<u>685,869</u>	<u>686,962</u>
Total expenditures and transfers out requiring appropriation	<u>673,107</u>	<u>685,869</u>	<u>686,962</u>
ENDING FUND BALANCE	<u>\$ 842,144</u>	<u>\$ 1,162,046</u>	<u>\$ 1,486,686</u>

**FALLBROOK METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Fallbrook Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized on December 5, 2005 upon recording of the Order and Decree Creating District with Adams County Clerk and Recorder, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the County of Adams, Colorado.

The District was established to finance and construct certain public infrastructure improvements including sanitary and storm sewers, streets, water, safety protection, and other improvements that benefit the citizens of the District.

The District has no employees and all operations and 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.

The calculation of the taxes levied is displayed on Property Tax Summary page of the budget at the adopted total mill levy of 42.333 mills, of which 2.333 mills is for operations and maintenance and 40.000 mills is for debt service.

**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 the District's share will be equal to approximately 7.0% of the property taxes collected by the General Fund and the Debt Service Fund.

**FALLBROOK METROPOLITAN DISTRICT  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 and audit, insurance, banking, meeting expense and other administrative expenses.

**County Treasurer's Fees**

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

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2015 Loan. The District's current debt service schedule is attached.

**Debt and Leases**

The District issued its \$6,520,000 General Obligation Refunding Loan, Series 2015 dated July 17, 2015 ("Series 2015 Loan") for the purpose of advance-refunding all of the District's outstanding Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds, Series 2006, refund on a current basis the District's Subordinate Convertible Capital Appreciation General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2007, and pay the cost of issuance of the Loan. The Series 2015 Loan bears interest at a fixed rate of 2.42% per annum, payable semiannually on each June 1 and December 1, commencing on December 1, 2015. The Series 2015 Loan is due December 1, 2026. The District may, at its option, prepay the Loan, in part, on December 1 of each year commencing on December 1, 2015 in the maximum principal amount of up to \$40,000 each December 1, at a prepayment price equal to the sum of the principal so prepaid together with accrued and unpaid interest thereon to the date of prepayment

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.

**This information is an integral part of the accompanying budget.**

**FALLBROOK METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**2015 Loan**

**Loan Issued: July 17, 2015** **\$6,520,000**  
**Loan Dated: July 17, 2015**  
**Interest Rate: 2.42%**

Interest Payments on June 1 and December 1.  
 Principal Payments Due December 1.

Year	Principal	Optional Prepayment Principal	Coupon	Interest	Total Annual Debt Service	Principal Outstanding	Year
2021	550,000	40,000	2.42%	82,522	672,522	2,820,000	2021
2022	575,000	40,000	2.42%	68,244	683,244	2,205,000	2022
2023	585,000	40,000	2.42%	53,361	678,361	1,580,000	2023
2024	615,000	40,000	2.42%	38,236	693,236	925,000	2024
2025	630,000	40,000	2.42%	22,385	692,385	255,000	2025
2026	255,000	-	2.42%	6,171	261,171	-	2026
	3,210,000	200,000		270,919	3,680,919		