

RESOLUTION NO. 2021 - 11 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE FALLBROOK METROPOLITAN DISTRICT
TO ADOPT THE 2021 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Fallbrook Metropolitan District (“District”) has appointed the District Accountant to prepare and submit a proposed 2022 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2021, for its consideration; and

WHEREAS, 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 18, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, 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; 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.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, 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, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fallbrook Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Fallbrook Metropolitan District for the 2022 fiscal year.
2. That the budget, as 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. That 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.

ADOPTED this 18th day of November, 2021.



Secretary

(SEAL)

EXHIBIT A
(Budget)

FALLBROOK METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**FALLBROOK METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 957,059	\$ 1,295,701	\$ 561,738
REVENUES			
Property taxes	982,887	981,935	960,572
Specific ownership taxes	72,136	81,956	67,240
Interest income	9,832	1,720	1,700
Total revenues	<u>1,064,855</u>	<u>1,065,611</u>	<u>1,029,512</u>
Total funds available	<u>2,021,914</u>	<u>2,361,312</u>	<u>1,591,250</u>
EXPENDITURES			
General Fund	40,406	45,196	70,000
Debt Service Fund	685,807	1,754,378	680,000
Total expenditures	<u>726,213</u>	<u>1,799,574</u>	<u>750,000</u>
Total expenditures and transfers out requiring appropriation	<u>726,213</u>	<u>1,799,574</u>	<u>750,000</u>
ENDING FUND BALANCES	<u>\$ 1,295,701</u>	<u>\$ 561,738</u>	<u>\$ 841,250</u>
EMERGENCY RESERVE	\$ 1,800	\$ 1,800	\$ 1,800
DEBT SERVICE RESERVE	1,162,073	414,565	707,333
TOTAL RESERVE	<u>\$ 1,163,873</u>	<u>\$ 416,365</u>	<u>\$ 709,133</u>

**FALLBROOK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Residential	\$ 22,788,270	\$ 22,766,900	\$ 22,218,270
Agricultural	90	90	90
State assessed	1,520	1,510	2,560
Personal property	429,400	465,210	469,940
Certified Assessed Value	\$ 23,219,280	\$ 23,233,710	\$ 22,690,860

MILL LEVY

General	2.333	2.333	2.333
Debt Service	40.000	40.000	40.000
Total mill levy	42.333	42.333	42.333

PROPERTY TAXES

General	\$ 54,171	\$ 54,204	\$ 52,938
Debt Service	928,771	929,348	907,634
Levied property taxes	982,942	983,552	960,572
Adjustments to actual/rounding	(55)	(1,617)	-
Budgeted property taxes	\$ 982,887	\$ 981,935	\$ 960,572

BUDGETED PROPERTY TAXES

General	\$ 54,157	\$ 54,105	\$ 52,938
Debt Service	928,730	927,830	907,634
	\$ 982,887	\$ 981,935	\$ 960,572

**FALLBROOK METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ending December 31,**

1/18/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 114,915	\$ 133,628	\$ 147,173
REVENUES			
Property taxes	54,157	54,105	52,938
Specific ownership taxes	3,975	4,516	3,706
Interest income	987	120	100
Total revenues	<u>59,119</u>	<u>58,741</u>	<u>56,744</u>
Total funds available	<u>174,034</u>	<u>192,369</u>	<u>203,917</u>
EXPENDITURES			
General and administrative			
Accounting	17,948	18,000	19,000
Audit	4,300	4,300	4,700
County Treasurer's fee	809	812	794
Dues	320	305	400
Insurance	709	5,479	6,000
District management	8,103	9,000	10,000
Legal	7,343	7,000	8,000
Miscellaneous	294	300	1,000
Election	580	-	1,500
Contribution to HOA	-	-	10,000
Contingency	-	-	8,606
Total expenditures	<u>40,406</u>	<u>45,196</u>	<u>70,000</u>
Total expenditures requiring appropriation	<u>40,406</u>	<u>45,196</u>	<u>70,000</u>
ENDING FUND BALANCE	<u>\$ 133,628</u>	<u>\$ 147,173</u>	<u>\$ 133,917</u>
EMERGENCY RESERVE	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>
TOTAL RESERVE	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>

**FALLBROOK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 842,144	\$ 1,162,073	\$ 414,565
REVENUES			
Property taxes	928,730	927,830	907,634
Specific ownership taxes	68,161	77,440	63,534
Interest income	8,845	1,600	1,600
Total revenues	1,005,736	1,006,870	972,768
Total funds available	1,847,880	2,168,943	1,387,333
EXPENDITURES			
General and administrative			
County Treasurer's fee	13,870	13,927	13,615
Paying agent fees	500	500	500
Contingency/Emergency Reserve	-	-	7,930
Debt Service			
Loan interest	96,437	82,522	42,955
Loan principal	535,000	550,000	575,000
Optional principal prepayment	40,000	1,085,000	40,000
Yield maintenance fee	-	22,429	-
Total expenditures	685,807	1,754,378	680,000
Total expenditures and transfers out requiring appropriation	685,807	1,754,378	680,000
ENDING FUND BALANCE	\$ 1,162,073	\$ 414,565	\$ 707,333

**FALLBROOK METROPOLITAN DISTRICT
2022 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 7.00% of the property taxes collected by the General Fund and the Debt Service Fund.

**FALLBROOK METROPOLITAN DISTRICT
2022 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 1.50% 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
2022	575,000	40,000	2.42%	42,955	657,955	1,160,000	2022
2023	585,000	40,000	2.42%	28,072	653,072	535,000	2023
2024	535,000	-	2.42%	12,947	547,947	-	2024
	1,695,000	80,000		83,974	1,858,974		

I, David Solin, hereby certify that I am the duly appointed Secretary of the Fallbrook Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a meeting of the Board of Directors of the Fallbrook Metropolitan District held on November 18, 2021.

By: 
_____ Secretary

RESOLUTION NO. 2021 - 11 - 04
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE FALLBROOK METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Fallbrook Metropolitan District (“District”) has adopted the 2022 annual budget in accordance with the Local Government Budget Law on November 18, 2021; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2022 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fallbrook Metropolitan District:

1. That for the purposes of meeting all general fund expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 18th day of November, 2021.



Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ADAMS COUNTY, Colorado.

On behalf of the FALLBROOK METROPOLITAN DISTRICT,
(taxing entity)^A

the BOARD OF DIRECTORS,
(governing body)^B

of the FALLBROOK METROPOLITAN DISTRICT,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 22,690,860 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 22,690,860 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/01/2021 for budget/fiscal year 2022.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	2.333 mills	\$ 52,938
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	2.333 mills	\$ 52,938
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	40.000 mills	\$ 907,634
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	42.333 mills	\$ 960,572

Contact person: Gigi Pangindian Daytime phone: (303) 779-5710
(print)

Signed: Gigi Pangindian Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: Public Improvements/Refund 2006 and 2007 General Obligation Bonds
Title: General Obligation Refunding Loan, Series 2015
Date: July 17, 2015
Principal Amount: \$6,520,000 (loan amount)
Maturity Date: December 1, 2026
Levy: 40.000 mills
Revenue: \$907,634

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.