

FALLBROOK METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Steven Slaughter	Treasurer/Assistant Secretary	2022/May 2022
<i>VACANT</i>		2023/May 2023
<i>VACANT</i>		2023/May 2023
<i>VACANT</i>		2022/May 2022
<i>VACANT</i>		2023/May 2023

DATE: November 18, 2021 (Thursday)

TIME: 6:30 p.m.

PLACE: DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD BY CONFERENCE CALL WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON. IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-877-250-3814 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 5592663.

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest and confirm quorum.

B. Approve Agenda; confirm location of meeting and posting of meeting notices and designate 24-hour posting location.

C. Acknowledge resignation of Joshua Bastian from the Board of Directors, effective as of January 21, 2021 (enclosure).

D. Discuss vacancies on the Board. Consider appointment of Terri Trujillo to the Board of Directors.

E. Consider appointment of Officers:

President _____
 Treasurer _____
 Secretary _____

F. Review and approve minutes of the November 19, 2020 Special Meeting (enclosure).

G. Discuss business to be conducted in 2022 and location (**virtual and/or physical**) of meetings. Review and consider approval of Resolution Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Posting Location for 24-Hour Notices (enclosure).

H. Discuss §32-1-809, C.R.S., reporting requirements and mode of eligible elector notification for 2022.

II. FINANCIAL MATTERS

A. Review and ratify the approval of the payment of claims as follows (enclosures):

	Period Ending Dec.9, 2020	Period Ending Jan. 13, 2021	Period Ending Feb.10 2021
General Fund	\$ 4,193.45	\$ 2,364.13	\$ 1,498.51
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 4,193.45	\$ 2,364.13	\$ 1,498.51

	Period Ending March 23, 2021	Period Ending April 23, 2021	Period Ending May25, 2021
General Fund	\$ 3,107.96	\$ 6,170.08	\$ 1,372.35
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 3,107.96	\$ 6,170.08	\$ 1,372.35

	Period Ending June 22, 2021	Period Ending July 22, 2021	Period Ending Aug. 27, 2021
General Fund	\$ 3,282.18	\$ 1,355.06	\$ 4,652.52
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 3,282.18	\$ 1,355.06	\$ 4,652.52

	Period Ending Sept., 2021	Period Ending Oct., 2021
General Fund	\$	\$
Debt Service Fund	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-
Total Claims	\$	\$

-
- B. Ratify approval and filing of the 2020 Audit and authorization of execution of the Representations Letter (enclosure).
-
- C. Consider engagement of Simmons & Wheeler, P.C. for preparation of 2021 Audit in the amount of \$_____.
-
- D. Discuss and consider approval of Early Optional Redemption Payment, over and above the \$40,000.00 limit.
-
- E. Conduct Public Hearing to consider amendment of the 2021 Budget. if necessary, consider adoption of Resolution to Amend the 2021 Budget and Appropriate Expenditures.
-
- G. Conduct Public Hearing on the proposed 2022 Budget and consider adoption of Resolution to Adopt the 2022 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – Preliminary Assessed Valuation, draft 2022 Budget and Resolutions).
-
- H. Authorize the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
-
- I. Consider appointment of Special District Management Services, Inc. to perform District Accounting Services effective January 1, 2022 (enclosure).
-

- J. Consider appointment of District Accountant to prepare the 2023 Budget and set date for public hearing to adopt the 2023 Budget (_____, 2022).
-

III. LEGAL MATTERS

- A. Review and consider adoption of Resolution Calling May 3, 2022 Election for Directors, appointing Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. Self-Nomination Forms are due by February 25, 2022 (enclosure).
-

IV. OTHER MATTERS

- A. _____
-

- V. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2021.**

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

From: [Karen Steggs](#)
To: [Karen Steggs](#)
Subject: FW: Resignation from Fallbrook Metro District Board
Date: Thursday, November 11, 2021 11:41:42 AM

From: Josh Bastian <jsbastian@gmail.com>
Sent: Wednesday, January 20, 2021 2:26 PM
To: David Solin <dsolin@sdmsi.com>; Steve Slaughter <sjslaughter01@msn.com>
Subject: Resignation from Fallbrook Metro District Board

David and Steve,

Effective 1/21/21 I am submitting my resignation from the Fallbrook Farms Metro District Board. On that date I will no longer be eligible to sit on the board as I will no longer own property within the district.

I do wish you both the best. If you have any questions for me or need to get ahold of me for any reason please feel free to do so.

Thanks,
Josh Bastian

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALLBROOK METROPOLITAN DISTRICT HELD NOVEMBER 19, 2020

A Special Meeting of the Board of Directors of the Fallbrook Metropolitan District (referred to hereafter as “Board”) was convened on Thursday, November 19, 2020, at 6:30 p.m., Due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call without any individuals (neither district representatives nor the general public) attending in person. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Joshua Bastian
Steven Slaughter

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paula Williams, Esq.; McGeady Becher P.C.

Matt Vigil; CliftonLarsonAllen LLP

Terri Trujillo; Resident

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Solin noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting in accordance with the statute. Attorney Williams noted that all Directors’ Disclosure Statements have been filed. It was noted that Director Bastian is a Board Member on the Fallbrook Farms Homeowners Association and the Fallbrook Farms Patio Homes Association.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Mr. Solin distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, the Board noted that due to concerns regarding the spread of COVID-19 and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board meeting was held by conference call. The Board further noted that notice of this meeting and the conference call access was duly posted and that it had not received any objections to the format of the meeting or any requests that the meeting format be changed by taxpaying electors within the District's boundaries.

Vacancies on the Board of Directors: Mr. Solin discussed with the Board the vacancies on the Board of Directors, and that Mr. Terri Trujillo was interested in being appointed to fill one of the vacancies.

Minutes: The Board reviewed the minutes of the July 23, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board approved the minutes of the July 23, 2020 Special Meeting, as presented.

Resolution 2020-11-01 Establishing 2021 Regular Meeting Dates, Times and Location and Designating Location for 24 Hour Notices: The Board discussed the Resolution No. 2020-11-01 Establishing 2021 Regular Meeting Dates, Times and Location and Designating Location for 24 Hour Notices.

Mr. Solin reviewed the business to be conducted in 2021 to meet the statutory compliance requirements. The Board determined to meet on June 17, 2021 and November 18, 2021 at 6:30 p.m. at Fire Station No. 5; 14051 Colorado Boulevard, Thornton, Colorado.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board adopted Resolution No. 2020-11-01 Establishing 2021 Regular Meeting Dates, Times and Location and Designating Location for 24 Hour Notices. A copy of the resolution is attached hereto and incorporated herein.

RECORD OF PROCEEDINGS

§32-1-809, C.R.S. reporting requirements, mode of eligible elector notification: Mr. Solin discussed with the Board §32-1-809, C.R.S.; Transparency Notice reporting requirements and mode of eligible elector notification.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board authorized staff to post the required Transparency Notice on the Special District Association website to meet the statutory requirement.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

	Period Ending Aug.10, 2020	Period Ending Sept 14, 2020	Period Ending Oct 7, 2020
General Fund	\$ 4,558.99	\$ 11,277.46	\$ 1,338.27
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 4,558.99	\$ 11,277.46	\$ 1,338.27

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

Claims: The Board then considered approval of the payment of claims for the period ending November 19, 2020, in the amount of \$3,638.68.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board ratified approval of the payment of claims through November 19, 2020, in the amount of \$3,638.68.

Financial Statements: Mr. Vigil reviewed the unaudited financial statements of the District for the period ending August 31, 2020.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending August 31, 2020, as presented.

Preparation of 2020 Audit: The Board discussed the preparation of the 2020 Audit.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2020 Audit, for an amount not-to-exceed \$5,000.

Prepayment and Possible Loan Modification: Mr. Solin discussed with the Board optional prepayment and possible loan modification to allow for greater optional redemption prepayment amounts.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board directed Mr. Vigil to make the \$40,000 redemption, and authorized Mr. Vigil to deliver notice and any other required documents. The Board further authorized Mr. Solin to continue to work with the Bank and consultants regarding the loan modification.

2020 Budget Amendment Hearing: The Board opened the public hearing to consider the Resolution to Amend the 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2020 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board determined that a 2020 Budget Amendment was unnecessary.

2021 Budget Hearing: The President opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Mr. Vigil reviewed the estimated 2020 expenditures and the proposed 2021 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2020-11-02 to Adopt the 2021 Budget and Appropriate Sums of Money, and Resolution No. 2020-11-03 to Set Mill Levies, (for the General Fund at 2.333 mills and the Debt Service Fund at 40.000 mills), for a total mill levy of 42.333 mills.

RECORD OF PROCEEDINGS

Upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, Resolution No. 2020-11-02, Resolution of the Board of Directors of the Fallbrook Metropolitan District to Adopt the 2021 Budget and Appropriate Sums of Money and Resolution No. 2020-11-03, Resolution of the Board of Directors of the Fallbrook Metropolitan District to Set Mill Levies were adopted, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2020. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Adams County, not later than December 15, 2020. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

LEGAL MATTERS

There were no legal matters.

OTHER MATTERS

There were no other matters.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2021-11-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE FALLBROOK METROPOLITAN DISTRICT
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
ESTABLISHING DISTRICT WEBSITE AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fallbrook Metropolitan District (the “**District**”), Adams County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2022 shall be held on _____ at _____, at _____
[indicate physical location and/or virtual location (telephonically, electronically, or by other means)].

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

9. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) At the northwest corner of the District’s boundary along 144th Avenue and Detroit Street

10. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, ESTABLISHING DISTRICT WEBSITE AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]

RESOLUTION APPROVED AND ADOPTED on November 18, 2021.

FALLBROOK METROPOLITAN DISTRICT

By: _____
President

Attest:

Secretary

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1552						
12/09/2020	CliftonLarsonAllen	2681236	Accounting	1-612	2,168.15	2,168.15
Total 1552:						2,168.15
1553						
12/09/2020	Colorado Community Media	10504	Miscellaneous	1-685	20.04	20.04
Total 1553:						20.04
1554						
12/09/2020	McGeady Becher P.C.	787W 10/2020	Legal	1-675	530.00	530.00
Total 1554:						530.00
1555						
12/09/2020	Special District Management Ser	11/2020	Accounting	1-612	196.00	196.00
12/09/2020	Special District Management Ser	11/2020	Management	1-680	1,218.00	1,218.00
12/09/2020	Special District Management Ser	11/2020	Miscellaneous	1-685	61.26	61.26
Total 1555:						1,475.26
Grand Totals:						4,193.45

Fallbrook Metropolitan District

December-20

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,193.45	\$ -	\$ -	\$ 4,193.45
Total Disbursements from Checking	\$ 4,193.45	\$ -	\$ -	\$ 4,193.45

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1556						
01/13/2021	McGeady Becher P.C.	787W 11/2020	Legal	1-675	1,813.00	1,813.00
Total 1556:						1,813.00
1557						
01/13/2021	Special District Management Ser	12/2020	Accounting	1-612	140.00	140.00
01/13/2021	Special District Management Ser	12/2020	Management	1-680	336.00	336.00
01/13/2021	Special District Management Ser	12/2020	Miscellaneous	1-685	75.13	75.13
Total 1557:						551.13
Grand Totals:						2,364.13

Fallbrook Metropolitan District
January-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,364.13		\$ -	\$ 2,364.13
Total Disbursements from Checking	<u>\$ 2,364.13</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,364.13</u>

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1558						
02/10/2021	McGeady Becher P.C.	787W 12/2020	Legal	1-675	333.42	333.42
Total 1558:						333.42
1559						
02/10/2021	Special District Association of C	2021 DUES	Insurance/SDA Dues	1-670	304.69	304.69
Total 1559:						304.69
1560						
02/10/2021	Special District Management Ser	01/2021	Accounting	1-612	392.00	392.00
02/10/2021	Special District Management Ser	01/2021	Insurance/SDA Dues	1-670	14.00	14.00
02/10/2021	Special District Management Ser	01/2021	Management	1-680	434.00	434.00
02/10/2021	Special District Management Ser	01/2021	Miscellaneous	1-685	20.40	20.40
Total 1560:						860.40
Grand Totals:						1,498.51

Fallbrook Metropolitan District
February-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,498.51		\$ -	\$ 1,498.51
Total Disbursements from Checking	\$ 1,498.51	\$ -	\$ -	\$ 1,498.51

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1561						
03/23/2021	CliftonLarsonAllen	2694619	Accounting	1-612	1,384.95	1,384.95
03/23/2021	CliftonLarsonAllen	2755851	Accounting	1-612	662.55	662.55
Total 1561:						<u>2,047.50</u>
1562						
03/23/2021	McGeady Becher P.C.	787W 01/2021	Legal	1-675	540.04	540.04
Total 1562:						<u>540.04</u>
1563						
03/23/2021	Special District Management Ser	02/2021	Miscellaneous	1-685	57.92	57.92
03/23/2021	Special District Management Ser	02/2021	Accounting	1-612	168.00	168.00
03/23/2021	Special District Management Ser	02/2021	Management	1-680	294.50	294.50
Total 1563:						<u>520.42</u>
Grand Totals:						<u><u>3,107.96</u></u>

Fallbrook Metropolitan District

March-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,107.96	\$ -	\$ -	\$ 3,107.96
Total Disbursements from Checking	\$ 3,107.96	\$ -	\$ -	\$ 3,107.96

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1564						
04/23/2021	CliftonLarsonAllen	2800000	Accounting	1-612	2,099.48	2,099.48
Total 1564:						2,099.48
1565						
04/23/2021	Fairways Metropolitan District	2020 INSURANCE	Insurance/SDA Dues	1-670	2,510.00	2,510.00
Total 1565:						2,510.00
1566						
04/23/2021	McGeady Becher P.C.	787W 2/21	Legal	1-675	450.00	450.00
04/23/2021	McGeady Becher P.C.	787W 3/21	Legal	1-675	657.98	657.98
Total 1566:						1,107.98
1567						
04/23/2021	Special District Management Ser	03/2021	Miscellaneous	1-685	4.62	4.62
04/23/2021	Special District Management Ser	03/2021	Accounting	1-612	252.00	252.00
04/23/2021	Special District Management Ser	03/2021	Management	1-680	196.00	196.00
Total 1567:						452.62
Grand Totals:						6,170.08

Fallbrook Metropolitan District

April-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 6,170.08	\$ -	\$ -	\$ 6,170.08
Total Disbursements from Checking	\$ 6,170.08	\$ -	\$ -	\$ 6,170.08

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1568						
05/25/2021	CliftonLarsonAllen	2828869	Accounting	1-612	409.50	409.50
Total 1568:						409.50
1569						
05/25/2021	McGeady Becher P.C.	787W 04/2021	Legal	1-675	266.63	266.63
Total 1569:						266.63
1570						
05/25/2021	Special District Management Ser	04/2021	Miscellaneous	1-685	38.22	38.22
05/25/2021	Special District Management Ser	04/2021	Accounting	1-612	392.00	392.00
05/25/2021	Special District Management Ser	04/2021	Management	1-680	266.00	266.00
Total 1570:						696.22
Grand Totals:						1,372.35

Fallbrook Metropolitan District

May-21

	General	Debt	Capital	Totals
Disbursements	\$ 1,372.35	\$ -	\$ -	\$ 1,372.35
Total Disbursements from Checking	\$ 1,372.35	\$ -	\$ -	\$ 1,372.35

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1571						
06/22/2021	CliftonLarsonAllen	2884296	Accounting	1-612	3,091.46	3,091.46
Total 1571:						3,091.46
1572						
06/22/2021	Special District Management Ser	05/2021	Miscellaneous	1-685	22.72	22.72
06/22/2021	Special District Management Ser	05/2021	Accounting	1-612	154.00	154.00
06/22/2021	Special District Management Ser	05/2021	Management	1-680	14.00	14.00
Total 1572:						190.72
Grand Totals:						3,282.18

Fallbrook Metropolitan District

June-21

	General	Debt	Capital	Totals
Disbursements	\$ 3,282.18	\$ -	\$ -	\$ 3,282.18
Total Disbursements from Checking	\$ 3,282.18	\$ -	\$ -	\$ 3,282.18

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1573						
07/22/2021	CliftonLarsonAllen	2914867	Accounting	1-612	675.94	675.94
Total 1573:						675.94
1574						
07/22/2021	Special District Management Ser	06/2021	Miscellaneous	1-685	21.12	21.12
07/22/2021	Special District Management Ser	06/2021	Accounting	1-612	224.00	224.00
07/22/2021	Special District Management Ser	06/2021	Management	1-680	434.00	434.00
Total 1574:						679.12
Grand Totals:						1,355.06

Fallbrook Metropolitan District

July-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,355.06	\$ -	\$ -	\$ 1,355.06
Total Disbursements from Checking	\$ 1,355.06	\$ -	\$ -	\$ 1,355.06

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1575						
08/27/2021	CliftonLarsonAllen	2944146	Accounting	1-612	3,006.15	3,006.15
08/27/2021	CliftonLarsonAllen	2969237	Accounting	1-612	714.26	714.26
Total 1575:						<u>3,720.41</u>
1576						
08/27/2021	McGeady Becher P.C.	787W 06/2021	Legal	1-675	345.00	345.00
Total 1576:						<u>345.00</u>
1577						
08/27/2021	Special District Management Ser	07/2021	Miscellaneous	1-685	41.11	41.11
08/27/2021	Special District Management Ser	07/2021	Management	1-680	322.00	322.00
08/27/2021	Special District Management Ser	07/2021	Accounting	1-612	224.00	224.00
Total 1577:						<u>587.11</u>
Grand Totals:						<u><u>4,652.52</u></u>

Fallbrook Metropolitan District

August-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 4,652.52	\$ -	\$ -	\$ 4,652.52
Total Disbursements from Checking	\$ 4,652.52	\$ -	\$ -	\$ 4,652.52

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1578						
09/16/2021	McGeady Becher P.C.	787W 07/2021	Legal	1-675	67.50	67.50
Total 1578:						67.50
1579						
09/16/2021	Special District Management Ser	08/2021	Miscellaneous	1-685	5.71	5.71
09/16/2021	Special District Management Ser	08/2021	Accounting	1-612	210.00	210.00
09/16/2021	Special District Management Ser	08/2021	Management	1-680	224.00	224.00
Total 1579:						439.71
Grand Totals:						507.21

Fallbrook Metropolitan District
September-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 507.21	\$ -	\$ -	\$ 507.21
Total Disbursements from Checking	\$ 507.21	\$ -	\$ -	\$ 507.21

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1580						
10/19/2021	CliftonLarsonAllen	3001475	Accounting	1-612	1,856.93	1,856.93
Total 1580:						1,856.93
1581						
10/19/2021	Colorado Special Districts P&L	POL-0007617	Prepaid Expenses	1-142	450.00	450.00
Total 1581:						450.00
1582						
10/19/2021	McGeady Becher P.C.	787W 08/2021	Legal	1-675	855.03	855.03
Total 1582:						855.03
1583						
10/19/2021	Special District Management Ser	09/2021	Miscellaneous	1-685	37.19	37.19
10/19/2021	Special District Management Ser	09/2021	Accounting	1-612	252.00	252.00
10/19/2021	Special District Management Ser	09/2021	Management	1-680	336.00	336.00
Total 1583:						625.19
Grand Totals:						3,787.15

Fallbrook Metropolitan District
October-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 3,787.15		\$ -	\$ 3,787.15
Total Disbursements from Checking	\$ 3,787.15	\$ -	\$ -	\$ 3,787.15

**FALLBROOK METROPOLITAN DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**FALLBROOK METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
NOTES TO BASIC FINANCIAL STATEMENTS	7
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	17
OTHER INFORMATION	
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	19

Board of Directors
Fallbrook Metropolitan District
Adams County, Colorado

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fallbrook Metropolitan District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Fallbrook Metropolitan District as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

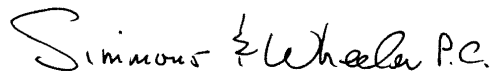
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fallbrook Metropolitan District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure annual financial information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Englewood, CO
September 28, 2021

BASIC FINANCIAL STATEMENTS

**FALLBROOK METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 137,350
Cash and Investments - Restricted	1,156,194
Prepaid Insurance	2,969
Receivable - County Treasurer	8,127
Property Taxes Receivable	983,552
Total Assets	2,288,192
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Cost of Refunding	223,257
Total Deferred Outflows of Resources	223,257
LIABILITIES	
Accounts Payable	8,939
Accrued Interest Payable	6,877
Noncurrent Liabilities:	
Due within One Year	550,000
Due in More Than One Year	2,860,000
Total Liabilities	3,425,816
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	983,552
Total Deferred Inflows of Resources	983,552
NET POSITION	
Restricted:	
Emergency Reserves	1,800
Debt Service	1,155,196
Unrestricted	(3,054,915)
Total Net Position	\$ (1,897,919)

See accompanying Notes to Basic Financial Statements.

**FALLBROOK METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 40,406	\$ -	\$ -	\$ -	\$ (40,406)
Interest and Related Costs on Long-Term Debt	147,381	-	-	-	(147,381)
	\$ 187,787	\$ -	\$ -	\$ -	(187,787)
GENERAL REVENUES					
Property Taxes					982,887
Specific Ownership Taxes					72,136
Interest Income					9,832
Total General Revenues					1,064,855
CHANGE IN NET POSITION					877,068
Net Position - Beginning of Year					(2,774,987)
NET POSITION - END OF YEAR					\$ (1,897,919)

See accompanying Notes to Basic Financial Statements.

**FALLBROOK METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

ASSETS	General	Debit Service	Total Governmental Funds
Cash and Investments	\$ 137,350	\$ -	\$ 137,350
Cash and Investments - Restricted	1,800	1,154,394	1,156,194
Prepaid Insurance	2,969	-	2,969
Receivable - County Treasurer	448	7,679	8,127
Property Taxes Receivable	54,204	929,348	983,552
Total Assets	\$ 196,771	\$ 2,091,421	\$ 2,288,192
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 8,939	\$ -	\$ 8,939
Total Liabilities	8,939	-	8,939
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	54,204	929,348	983,552
Total Deferred Inflows of Resources	54,204	929,348	983,552
FUND BALANCES			
Nonspendable:			
Prepaid Insurance	2,969	-	2,969
Restricted:			
Emergency Reserves	1,800	-	1,800
Debt Service	-	1,162,073	1,162,073
Unrestricted:			
General Government	128,859	-	128,859
Total Fund Balances	133,628	1,162,073	1,295,701
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 196,771	\$ 2,091,421	

Amounts reported for governmental activities in the statement of net position are different because:

Cost of refunding used in governmental activities are not financial resources and, therefore, are not reported in the funds.

223,257

Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Series 2015 Loan Payable

(3,410,000)

Accrued Interest Payable

(6,877)

Net Position of Governmental Activities

\$ (1,897,919)

See accompanying Notes to Basic Financial Statements.

**FALLBROOK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General Fund	Debit Service Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property Taxes	\$ 54,157	\$ 928,730	\$ 982,887
Specific Ownership Taxes	3,975	68,161	72,136
Interest Income	987	8,845	9,832
Total Revenues	<u>59,119</u>	<u>1,005,736</u>	<u>1,064,855</u>
EXPENDITURES			
Accounting	17,948	-	17,948
Audit	4,300	-	4,300
County Treasurer's Fees	809	13,870	14,679
Insurance	709	-	709
District Management	8,103	-	8,103
Legal	7,343	-	7,343
Miscellaneous	294	-	294
Election Expense	580	-	580
Dues	320	-	320
Paying Agent Fee	-	500	500
Loan Interest	-	96,437	96,437
Loan Principal - Optional Prepayment	-	40,000	40,000
Loan Principal - Scheduled Payment	-	535,000	535,000
Total Expenditures	<u>40,406</u>	<u>685,807</u>	<u>726,213</u>
NET CHANGE IN FUND BALANCES	18,713	319,929	338,642
Fund Balances - Beginning of Year	<u>114,915</u>	<u>842,144</u>	<u>957,059</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 133,628</u></u>	<u><u>\$ 1,162,073</u></u>	<u><u>\$ 1,295,701</u></u>

See accompanying Notes to Basic Financial Statements.

**FALLBROOK METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ 338,642

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Principal Payment 575,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Current Year Amortization - Deferred Costs of Refunding (37,733)
Accrued Interest on Loan - Change in Liability 1,159

Change in Net Position of Governmental Activities \$ 877,068

**FALLBROOK METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 54,171	\$ 54,157	\$ (14)
Specific Ownership Taxes	4,334	3,975	(359)
Interest Income	740	987	247
Total Revenues	<u>59,245</u>	<u>59,119</u>	<u>(126)</u>
EXPENDITURES			
Accounting	17,000	17,948	(948)
Audit	6,000	4,300	1,700
County Treasurer's Fee	813	809	4
Insurance	3,500	709	2,791
District Management	9,000	8,103	897
Legal	5,000	7,343	(2,343)
Miscellaneous	3,000	294	2,706
Election	800	580	220
Contingency	14,557	-	14,557
Dues	330	320	10
Total Expenditures	<u>60,000</u>	<u>40,406</u>	<u>19,594</u>
NET CHANGE IN FUND BALANCE	(755)	18,713	19,468
Fund Balance - Beginning of Year	<u>114,344</u>	<u>114,915</u>	<u>571</u>
FUND BALANCE - END OF YEAR	<u>\$ 113,589</u>	<u>\$ 133,628</u>	<u>\$ 20,039</u>

See accompanying Notes to Basic Financial Statements.

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Fallbrook Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court in and for Adams County, Colorado, on December 5, 2005, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). 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's primary revenues are property taxes. The District is governed by an elected Board of Directors.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

The District has no employees and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed. In the government-wide financial statements, fund equity is classified as net position. Net position may be classified into three components: net investment in capital assets, restricted, and unrestricted.

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 137,350
Cash and Investments - Restricted	<u>1,156,194</u>
Total Cash and Investments	<u><u>\$ 1,293,544</u></u>

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 238
Investments	<u>1,293,306</u>
Total Cash and Investments	<u><u>\$ 1,293,544</u></u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2020, the District's cash deposits had a bank balance of \$733 and a carrying balance of \$238.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 1,293,306

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS

All capital assets have been conveyed to the City of Thornton.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Series 2015 Loan	\$ 3,985,000	\$ -	\$ 575,000	\$ 3,410,000	\$ 550,000
Total	<u>\$ 3,985,000</u>	<u>\$ -</u>	<u>\$ 575,000</u>	<u>\$ 3,410,000</u>	<u>\$ 550,000</u>

A description of the long-term obligations as of December 31, 2020, is as follows:

Series 2015 Loan

On July 17, 2015, 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, refunding on a current basis the District's Subordinate Convertible Capital Appreciation General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds Series 2007, and paying 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 Series 2015 Loan is secured by the District's covenant to impose the Mill Levy (as defined in the Loan Agreement).

The District's Series 2015 Loan will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 550,000	\$ 82,522	\$ 632,522
2022	575,000	69,212	644,212
2023	585,000	55,297	640,297
2024	615,000	41,140	656,140
2025	630,000	26,257	656,257
2026	455,000	11,011	466,011
Total	<u>\$ 3,410,000</u>	<u>\$ 285,439</u>	<u>\$ 3,695,439</u>

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At an election held on November 1, 2005, a majority of the qualified electors of the District authorized the issuance of general obligation indebtedness in an amount not to exceed \$8,500,000 for providing public improvements, \$500,000 for intergovernmental agreements, and \$9,000,000 for refunding of previously issued indebtedness. As of December 31, 2020, the District has remaining voted authorization to issue up to \$500,000 for intergovernmental agreements and up to \$9,000,000 for refunding.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing additional public improvements within the District's service area, if needed.

NOTE 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 7 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

**FALLBROOK METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. At December 31, 2020, the District determined its required emergency reserve to be approximately \$1,800.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**FALLBROOK METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 928,771	\$ 928,730	\$ (41)
Specific Ownership Taxes	74,302	68,161	(6,141)
Interest Income	6,664	8,845	2,181
Total Revenues	<u>1,009,737</u>	<u>1,005,736</u>	<u>(4,001)</u>
EXPENDITURES			
County Treasurer's Fee	13,932	13,870	62
Paying Agent Fees	500	500	-
Loan Interest	96,437	96,437	-
Loan Principal - Optional Prepayment	40,000	40,000	-
Loan Principal - Scheduled Payment	535,000	535,000	-
Total Expenditures	<u>685,869</u>	<u>685,807</u>	<u>62</u>
NET CHANGE IN FUND BALANCE	323,868	319,929	(3,939)
Fund Balance - Beginning of Year	<u>831,166</u>	<u>842,144</u>	<u>10,978</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,155,034</u></u>	<u><u>\$ 1,162,073</u></u>	<u><u>\$ 7,039</u></u>

OTHER INFORMATION

**FALLBROOK METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2016	\$ 16,885,500	2.961	40.000	\$ 725,418	\$ 725,418	100.00 %
2017	18,236,640	2.741	40.000	779,452	779,452	100.00
2018	21,348,710	2.342	40.000	903,947	903,947	100.00
2019	21,423,420	2.333	40.000	906,918	906,918	100.00
2020	23,219,280	2.333	40.000	982,942	982,887	99.99
Estimated for the Year Ending <u>December 31,</u>						
2021	\$ 23,233,710	2.333	40.000	\$ 983,552		

Ken Musso
ASSESSOR



Assessor's Office
4430 South Adams County Parkway
2nd Floor, Suite C2100
Brighton, CO 80601-8201
PHONE 720.523.6038
FAX 720.523.6037
www.adcogov.org

August 25, 2021

FALLBROOK METROPOLITAN DISTRICT
SPECIAL DISTRICT MANAGEMENT SERVICES INC
Attn: DAVID SOLIN
141 UNION BLVD STE 150
LAKEWOOD CO 80228-1898

AUG 30 2021

To DAVID SOLIN:

Enclosed is the 2021 preliminary valuation. This valuation along with all other statutory requirements is on the enclosed form. A final certification of value will be sent out on or before December 10, 2021.

This value is subject to change by the County Board of Equalization, Board of Assessment Appeals and the State Board of Equalization as provided by law.

2021 UPDATE: House Bill 21-1312, increase the exemption threshold on personal property accounts from \$7,900 to \$50,000. This means all personal property accounts that have a value of \$7,901 or more, and below \$50,000 that were previously taxable are now exempt. The state will be reimbursing the lost revenue to all taxing entities. The last line of this Certification of Valuation has not been filled in for the preliminary Certification, but the amount will be provided on the December re-Certification.

Sincerely,

A handwritten signature in black ink, appearing to read "KM", with a long horizontal flourish extending to the right.

Ken Musso
Adams County Assessor
KM/rmb

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: 275 - FALLBROOK METROPOLITAN DISTRICT

IN ADAMS COUNTY ON 8/24/2021

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2021 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$23,233,710
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$22,690,860
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$22,690,860
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$50.80

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(B)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2021

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$311,322,235
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: †	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	\$0
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

† Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: ----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2021

Data Date: 8/24/2021

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,**

10/13/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 957,059	\$ 1,290,897	\$ 1,295,701	\$ 1,295,701	\$ 1,635,180
REVENUES					
Property taxes	982,887	983,552	967,331	989,000	960,572
Specific ownership taxes	72,136	68,849	40,430	81,000	67,240
Interest income	9,832	18,000	907	1,720	1,700
Total revenues	<u>1,064,855</u>	<u>1,070,401</u>	<u>1,008,668</u>	<u>1,071,720</u>	<u>1,029,512</u>
Total funds available	<u>2,021,914</u>	<u>2,361,297</u>	<u>2,304,369</u>	<u>2,367,421</u>	<u>2,664,692</u>
EXPENDITURES					
General Fund	40,406	55,000	21,597	45,202	60,000
Debt Service Fund	685,807	686,962	54,977	687,039	705,000
Total expenditures	<u>726,213</u>	<u>741,962</u>	<u>76,574</u>	<u>732,241</u>	<u>765,000</u>
Total expenditures and transfers out requiring appropriation	<u>726,213</u>	<u>741,962</u>	<u>76,574</u>	<u>732,241</u>	<u>765,000</u>
ENDING FUND BALANCES	<u>\$ 1,295,701</u>	<u>\$ 1,619,335</u>	<u>\$ 2,227,795</u>	<u>\$ 1,635,180</u>	<u>\$ 1,899,692</u>
EMERGENCY RESERVE	\$ 1,800	\$ 1,800	\$ 1,700	\$ 1,800	\$ 1,800
DEBT SERVICE RESERVE	1,162,073	1,486,686	2,060,167	1,487,730	1,755,498
TOTAL RESERVE	<u>\$ 1,163,873</u>	<u>\$ 1,488,486</u>	<u>\$ 2,061,867</u>	<u>\$ 1,489,530</u>	<u>\$ 1,757,298</u>

No assurance provided. See summary of significant assumptions.

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

10/13/21

ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
----------------	----------------	---------------------	-------------------	----------------

ASSESSED VALUATION

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

MILL LEVY

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

PROPERTY TAXES

General	\$	54,171	\$	54,204	\$	54,204	\$	54,204	\$	52,938
Debt Service		928,771		929,348		929,348		929,348		907,634
Levied property taxes		982,942		983,552		983,552		983,552		960,572
Adjustments to actual/rounding		(55)		-		(21,669)		-		-
Refunds and abatements		-		-		5,448		5,448		-
Budgeted property taxes		\$ 982,887		\$ 983,552		\$ 967,331		\$ 989,000		\$ 960,572

BUDGETED PROPERTY TAXES

General	\$	54,157	\$	54,204	\$	53,300	\$	54,504	\$	52,938
Debt Service		928,730		929,348		914,031		934,496		907,634
		\$ 982,887		\$ 983,552		\$ 967,331		\$ 989,000		\$ 960,572

No assurance provided. See summary of significant assumptions.

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

10/13/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 114,915	\$ 128,851	\$ 133,628	\$ 133,628	\$ 147,450
REVENUES					
Property taxes	54,157	54,204	53,300	54,504	52,938
Specific ownership taxes	3,975	3,794	2,228	4,400	3,706
Interest income	987	800	69	120	100
Total revenues	<u>59,119</u>	<u>58,798</u>	<u>55,597</u>	<u>59,024</u>	<u>56,744</u>
Total funds available	<u>174,034</u>	<u>187,649</u>	<u>189,225</u>	<u>192,652</u>	<u>204,194</u>
EXPENDITURES					
General and administrative					
Accounting	17,948	18,000	9,283	18,000	19,800
Audit	4,300	4,600	-	4,300	4,700
County Treasurer's fee	809	813	800	818	794
Dues	320	400	305	305	400
Insurance	709	3,800	5,479	5,479	6,000
District management	8,103	9,000	3,400	9,000	10,000
Legal	7,343	7,000	2,260	7,000	8,000
Miscellaneous	294	3,000	70	300	1,000
Election	580	-	-	-	1,500
Contingency	-	8,387	-	-	7,806
Total expenditures	<u>40,406</u>	<u>55,000</u>	<u>21,597</u>	<u>45,202</u>	<u>60,000</u>
Total expenditures requiring appropriation	<u>40,406</u>	<u>55,000</u>	<u>21,597</u>	<u>45,202</u>	<u>60,000</u>
ENDING FUND BALANCE	<u>\$ 133,628</u>	<u>\$ 132,649</u>	<u>\$ 167,628</u>	<u>\$ 147,450</u>	<u>\$ 144,194</u>
EMERGENCY RESERVE	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 1,700</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>
TOTAL RESERVE	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 1,700</u>	<u>\$ 1,800</u>	<u>\$ 1,800</u>

No assurance provided. See summary of significant assumptions.

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

10/13/21

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/2021	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 842,144	\$ 1,162,046	\$ 1,162,073	\$ 1,162,073	\$ 1,487,730
REVENUES					
Property taxes	928,730	929,348	914,031	934,496	907,634
Specific ownership taxes	68,161	65,054	38,202	76,600	63,534
Interest income	8,845	17,200	838	1,600	1,600
Total revenues	<u>1,005,736</u>	<u>1,011,602</u>	<u>953,071</u>	<u>1,012,696</u>	<u>972,768</u>
Total funds available	<u>1,847,880</u>	<u>2,173,648</u>	<u>2,115,144</u>	<u>2,174,769</u>	<u>2,460,498</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	13,870	13,940	13,716	14,017	13,615
Paying agent fees	500	500	-	500	500
Contingency	-	-	-	-	7,641
Debt Service					
Loan interest	96,437	82,522	41,261	82,522	68,244
Loan principal	535,000	550,000	-	550,000	575,000
Optional principal prepayment	40,000	40,000	-	40,000	40,000
Total expenditures	<u>685,807</u>	<u>686,962</u>	<u>54,977</u>	<u>687,039</u>	<u>705,000</u>
Total expenditures and transfers out requiring appropriation	<u>685,807</u>	<u>686,962</u>	<u>54,977</u>	<u>687,039</u>	<u>705,000</u>
ENDING FUND BALANCE	<u>\$ 1,162,073</u>	<u>\$ 1,486,686</u>	<u>\$ 2,060,167</u>	<u>\$ 1,487,730</u>	<u>\$ 1,755,498</u>

No assurance provided. See summary of significant assumptions.

**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%	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	415,000	-	2.42%	6,171	461,171	-	2026
	2,820,000	160,000		188,397	3,208,397		

RESOLUTION NO. 2021 - 11 - __
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)

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 - __
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)

SECOND ADDENDUM TO MANAGEMENT AGREEMENT

This SECOND ADDENDUM TO MANAGEMENT AGREEMENT (this “Addendum”) is made and entered into as of the ____ day of _____, 2021, by and between FALLBROOK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and SPECIAL DISTRICT MANAGEMENT SERVICES, INC., (the “Company”), collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, the Parties entered into a Management Agreement on May 24, 2012 which was amended in the First Addendum to Management Agreement dated October 29, 2018 collectively (the “Agreement”);

WHEREAS, the Agreement set forth the duties and obligations of the Parties regarding the Services contemplated under the Agreement; and

WHEREAS, the Parties desire to amend and clarify certain terms and conditions of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

TERMS AND CONDITIONS

1. **SPECIFIC DUTIES AND AUTHORITY.** The Parties hereby agree to revise the Agreement by including certain duties to the scope of services set forth in the Agreement dated October 29, 2018 as defined on Exhibit A, attached hereto and incorporated herein by this reference.
2. **PRIOR PROVISIONS EFFECTIVE.** Except as specifically clarified and amended hereby, all the terms and provisions of the Original Agreement shall remain in full force and effect.
3. **COUNTERPART EXECUTION.** This Addendum may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Addendum to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

DISTRICT: FALLBROOK METROPOLITAN
DISTRICT a quasi municipal
corporation and political subdivision
of the State of Colorado

By: _____
Its: President

ATTEST:

Secretary

SPECIAL DISTRICT MANAGEMENT
SERVICES, INC.:

By: _____
Name: _____
Title: _____

[Signature page to Second Addendum to Management Agreement]

EXHIBIT A
INCLUSION OF CERTAIN DUTIES EFFECTIVE
JANUARY 1, 2022

FINANCIAL MATTERS, BUDGETING, AUDITS

1. Accounting:
 - Prepare monthly, quarterly and annual financial statements.
 - Reconcile monthly bank statements and trustee statements.
 - Track property tax collection and reporting.
 - Coordinate bank account setup and maintenance of signature cards.
 - Prepare and file Continuing Disclosure Notices with the Trustee.
 - Coordinate capital project draws and draw requests.
 - Reconcile bonds and other debt service payment obligations for accuracy and timely paid.
 - Respond to bondholder and other interested parties requests for financial information.
 - Review all payment of claims prior to release to ensure funds are available.
2. Financial Projections:
 - Upon request, provide multi-year forecasting and mill levy projections.
 - Upon request, provide utility consumption and water rate analysis.
 - Upon request, provide commercial billing analysis and rate structure.
3. Budgets:
 - Draft all budget documents for approval by the Board, including TABOR tracking.
 - Prepare or assist in the preparation of supplemental and/or amended budgets and accompanying documents, if required.
 - Prepare annual budget, budget message and certification of mill levies and present same to the District Manager and Board.
4. Audits/Exemption from Audit:
 - Coordinate audit bids, engagements, fieldwork and audit draft review.
 - Assist the auditor in performing the annual audit, to accomplish timely completion and filing.
 - Prepare Application for Exemption From Audit if applicable. Circulate for signature and file with State Auditor.

RESOLUTION NO. 2021-11-____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
FALLBROOK METROPOLITAN DISTRICT
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 3, 2022**

A. The term of the office of Director Steven J. Slaughter shall expire upon the election of his successor at the regular election, to be held on May 3, 2022 (“**Election**”), and upon such successor taking office.

B. The term of the office to which Director Terri Trujillo has previously been appointed expires upon her re-election, or the election of her successor at the Election, and upon such successor taking office.

C. Three vacancies currently exist on the Board of Directors of the District.

D. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect three (3) Directors to serve until the next regular election, to occur May 2, 2023, and two (2) Directors to serve until the second regular election, to occur May 6, 2025.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fallbrook Metropolitan District (the “**District**”) of the City of Thornton, County of Adams, Colorado:

1. Date and Time of Election. The Election shall be held on May 3, 2022, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, three (3) Directors shall be elected to serve until the next regular election, to occur May 2, 2023, and two (2) Directors shall be elected to serve until the second regular election, to occur May 6, 2025.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. David Solin shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, David Solin, Special District Management Services, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 26, 2022).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from David Solin, the Designated Election Official for the Fallbrook Metropolitan District, c/o David Solin, Special District Management Services, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, (303) 987-0835.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on March 1, 2022, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 3, 2022]**

RESOLUTION APPROVED AND ADOPTED on November 18, 2021.

**FALLBROOK METROPOLITAN
DISTRICT**

By: _____
President

Attest:

Secretary



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: August 31, 2021

RE: Notice of 2022 Rate Increase

A handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (5.28%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.