

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>
Joshua Bastian	President	2020/May 2020
Steven Slaughter	Treasurer/Assistant Secretary	2022/May 2022
<i>VACANT</i>		2020/May 2020
<i>VACANT</i>		2022/May 2022
<i>VACANT</i>		2020/May 2020

DATE: November 21, 2019 (Thursday)
TIME: 6:30 p.m.
PLACE: Fire Station No. 5
14051 Colorado Boulevard
Thornton, CO 80602

I. ADMINISTRATIVE MATTERS

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

- B. Approve Agenda; confirm location of the meeting and posting of meeting notices.

- C. Review and approve minutes of the July 22, 2019 Regular Meeting (enclosure).

- D. Discuss new legislation regarding posting meeting notices and establishment of a website (enclosure).

- E. Consider Regular Meeting dates for 2020. Review and consider approval of Resolution No. 2019-11-01; Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for 24-Hour Notices (enclosure).

- F. Consider approval of Eligible Governmental Entity Agreement (“EGE”) between the Statewide Internet Portal Authority (“SIPA”) and the District (enclosure).

- G. Discuss update on McGeady Becher P.C. District records retention.
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- H. Discuss §32-1-809, C.R.S., reporting requirements and mode of eligible elector notification (2019 SDA Website).
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II. FINANCIAL MATTERS

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

	Period Ending July 11, 2019	Period Ending Aug. 8, 2019	Period Ending Sept. 9, 2019
General Fund	\$ 2,171.15	\$ 2,472.94	\$ 11,662.39
Debt Service Fund	\$ -0-	\$ 500.00	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 2,171.15	\$ 2,972.94	\$ 11,662.39

	Period Ending Oct, 9, 2019
General Fund	\$ 1,305.22
Debt Service Fund	\$ -0-
Capital Fund	\$ -0-
Total Claims	\$ 1,305.22

- B. Review and approve payment of claims through November 11, 2019 totaling \$1,018.20 (enclosure).
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- C. Review and accept unaudited financial statements for the period ending September 30, 2019 (enclosure).
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- D. Consider engagement of Simmons & Wheeler, P.C. for preparation of 2019 Audit in the amount of \$4,300 (enclosure).
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- E. Conduct Public Hearing to consider Amendment to 2019 Budget (if necessary) and consider adoption of Resolution to Amend the 2019 Budget and Appropriate Expenditures.
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- F. Conduct Public Hearing on the proposed 2020 Budget and consider adoption of Resolution to Adopt the 2020 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 2020 Budget and Resolutions).
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- G. Consider 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.
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III. LEGAL MATTERS

- A. Consider adoption of Resolution No. 2019-11-__; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election (enclosure). Self-Nomination forms are due by February 28, 2020. Discuss the need for ballot issues and/or questions.
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IV. OTHER MATTERS

- A. _____
-

- V. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2019.**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FALLBROOK METROPOLITAN DISTRICT HELD JULY 22, 2019

A Regular Meeting of the Board of Directors of Fallbrook Metropolitan District (referred to hereafter as "Board") was convened on Monday, July 22, 2019, at 6:30 p.m., at Fire Station No. 5, 14051 Colorado Boulevard, Thornton, Colorado 80602. 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.

GiGi Pangindian; CliftonLarsonAllen LLP

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. It was 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.

ADMINISTRATIVE MATTERS

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

RECORD OF PROCEEDINGS

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

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, and upon motion duly made by Director Slaughter, seconded by Director Bastian, and upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of the time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Resignation and Appointment of District Secretary: The Board acknowledged the resignation of Lisa A. Jacoby as Secretary to the Board of Directors and considered the appointment of David Solin for same.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board appointed David Solin as Secretary to the Board of Directors.

HB 19-1087 – Local Public Meeting Notices Posted on Website: Mr. Solin reviewed with the Board new legislation regarding posting meeting notices and establishment of a website.

Proposals Regarding Creation of a District Website: The Board directed Mr. Solin to compare current posting costs to website creation and present the findings at the October regular meeting.

Adoption of Resolution Establishing District Website and Designating Location for Posting of 24-Hour Notices: The Board deferred discussion.

First Amendment to Resolution No. 2018-10-01, Establishing Regular Meeting Dates, Time and Location and Designating Locations for Posting of 72-Hour and 24-Hour Notices: The Board deferred discussion.

Minutes: The Board reviewed the minutes of the October 29, 2018 Regular 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 October 29, 2018 Regular Meeting, as presented.

RECORD OF PROCEEDINGS

2019 SDA Conference in Keystone on September 18, 19, and 20: Mr. Solin discussed with the Board sending Board member(s) (and guest) to the 2019 SDA Conference in Keystone on September 18, 19, and 20.

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board authorized sending Board member(s) (and guest) to the 2019 SDA Conference in Keystone on September 18, 19, and 20.

FINANCIAL MATTERS

2018 Audit: Ms. Pangindian reviewed with the Board the 2018 draft Audited Financial Statements.

Following review and discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board approved the 2018 Audited Financial Statements, subject to legal review and authorized execution of the Representations Letter.

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

	Period Ending Nov. 14, 2018	Period Ending Dec. 12, 2018	Period Ending Jan. 14, 2019
General Fund	\$ 5,286.01	\$ 1,943.75	\$ 1,472.41
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 5,286.01	\$ 1,943.75	\$ 1,472.41
	Period Ending Feb. 15, 2019	Period Ending March 11, 2019	Period Ending April 11, 2019
General Fund	\$ 1,709.19	\$ 4,323.66	\$ 3,068.05
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ -0-	\$ -0-	\$ -0-
Total Claims	\$ 1,709.19	\$ 4,323.66	\$ 3,068.05
	Period Ending May 15, 2019	Period Ending June 11, 2019	
General Fund	\$ 1,059.33	\$ 2,911.60	
Debt Service Fund	\$ -0-	\$ -0-	
Capital Fund	\$ -0-	\$ -0-	
Total Claims	\$ 1,059.33	\$ 2,911.60	

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.

RECORD OF PROCEEDINGS

The Board then considered the approval of the payment of claims through the period ending July 22, 2019, as follows:

General Fund	\$ 2,171.15
Debt Service Fund	<u>-0-</u>
Total	<u>\$ 2,171.15</u>

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending July 22, 2019, as presented.

Financial Statements: Ms. Pangindian reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending May 31, 2019, and the Cash Position as of July 12, 2019.

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 May 31, 2019, and the Cash Position as of July 12, 2019, as presented.

Principal Payment Cap: Mr. Solin discussed with the Board the Principal Payment Cap, and his communications with the Trustee that they would waive the cap.

2020 Budget Preparation: The Board entered into discussion regarding appointing the District Accountant to prepare the 2020 Budget and setting the date for a Public Hearing to adopt the 2020 Budget for October 28, 2019.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2020 Budget and set the date for a Public Hearing to adopt the 2020 Budget for October 28, 2019.

LEGAL MATTERS

There were no legal matters.

OTHER MATTERS

There were no other matters.

RECORD OF PROCEEDINGS

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting



MEMORANDUM

To: Special District Board of Directors
From: McGeady Becher
Date: August 30, 2019
Re: Legislative Changes to Public Meeting Notice Requirements

Introduction

The Colorado legislature recently passed House Bill 19-1087 ("HB 19-1087") which changes public meeting notice requirements of local public bodies, including counties, municipalities and special districts. The intent of the legislation is for local governments to transition from posting notices of public meetings in physical locations to posting notices online at the local government's website, social media account or other official online presence of the local government.

Historically, under Colorado's Open Meetings Law, a local government has been required to post notices of public meetings at a designated public place within the boundaries of the local government. In addition, Title 32 has required special districts to post notices of regular and special meetings at three designated public places within the boundaries of the district and at the office of the local county clerk and recorder. Title 32 has also required that the notices for special board meetings be posted at least 72 hours prior to the meeting.

New Public Meeting Notice Requirements pursuant to HB 19-1087

With the passage of HB 19-1087, effective as of August 2, 2019, special districts may satisfy the public notice requirements of the Open Meetings Law and Title 32 by posting notices of regular and special meetings, with specific agenda information if available, on a public website of the special district at least 24 hours in advance of the meeting. If a district is unable to post a notice on a public website (for example, if a district is in the process of establishing its website), the district shall continue to post its meeting notices in a physical location within the boundaries of the district. Posting in one physical location within the district will satisfy the public notice requirements; districts no longer have to post in three locations. In addition, districts no longer have to post special board meeting notices 72 hours in advance; posting

notices at least 24 hours prior to the meeting is sufficient. Also, districts will no longer have to post notices at the county clerk and recorder's office.

The online notices must be posted on a public website of the local government. The notices must be accessible to the public at no charge. To the extent feasible, the local government shall make the notices searchable by type of meeting, date of meeting, time of meeting and agenda contents, and shall consider linking the notices to any appropriate social media accounts of the local government.

Establishing a District Website

The legislature recognizes that a number of factors may affect a local government's ability to easily establish a website and post meeting notices online, including the availability of reliable broadband, the lack of cellular telephone and other data services, and fiscal or staffing constraints of local governments. Accordingly, the legislature encourages local governments to avail themselves of existing public resources for creating a website and receiving content management assistance from the Colorado Statewide Internet Portal Authority ("SIPA") or other statewide associations representing local government entities. The SIPA website is at www.colorado.gov/sipa.

A question has arisen as to whether posting public meeting notices on the website of a district management company will satisfy the public notice requirement. Posting meeting notices on the website of a district management company will most likely not satisfy the posting requirements of Colorado's Open Meetings Law, as amended by HB 19-1087. The legislation specifies that a local public body will be deemed to have given full and timely notice when the meeting notice is posted *on a public website of the local public body* (emphasis added). This language is repeated several times throughout the bill. When read in concert with the provision of HB 19-1087 encouraging local governments to avail themselves of free public resources such as SIPA when creating their websites, it is reasonable to conclude that the legislature intends a local government to post meeting notices on its own public website in order to satisfy public notice requirements.

Designate a Physical Posting Location as a Back-Up

A local government, at its discretion, may post a physical notice within its boundaries in addition to posting the online notice but is not required to do so. In the event that the local government is unable to post the notice online due to exigent or emergency circumstances such as a power outage or an interruption in internet service that would prevent the public from accessing the notice online, it must designate a public place within its boundaries at which it may post a physical notice at least 24 hours before a meeting.

Recommended Action

The legislature will be closely monitoring the transition to providing notices of public meetings online over the next two years and, if significant progress is not made, it will enact

legislation mandating the online posting, except in very narrow circumstances that are beyond the control of a local government.

In light of the passage of HB 19-1087, which will be codified as Section 24-6-402(2)(c)(I)-(IV), C.R.S. and will amend Section 32-1-903(2), C.R.S., we recommend our special district clients do the following:

1. Establish a district website if such website does not already exist.

a. Should a district need assistance in creating its website or receiving content management assistance, it is encouraged to avail itself of existing public resources such as SIPA at www.colorado.gov/sipa.

2. Beginning August 2, 2019, post regular and special meeting notices and the meeting agenda on the district website at least 24 hours prior to the meeting.

a. To the extent feasible, the notices shall be searchable by type of meeting, date of meeting, time of meeting and agenda contents and shall be linked to any appropriate social media accounts of the district;

b. Although HB 19-1087 requires posting of specific agenda information *if available* (emphasis added), our special district clients should continue to post the meeting agenda 24 hours prior to meetings because of conflicts requirements.

c. Note: the requirement to file conflict disclosures with the Secretary of State at least 72 hours prior to a regular and special meeting pursuant to Section 32-1-902(3)(b) is not affected by HB 19-1087 and remains the same.

3. Designate a physical posting location within the district's boundaries, should the district be unable to post the meeting notice online at least 24 hours prior to the meeting because the district has not yet established the district website or due to exigent or emergency circumstances.

4. Provide the address of the district's website to the Colorado Department of Local Affairs.

5. Approve a resolution to establish a district website and designate location for 24-hour posting.

Please contact McGeady Becher P.C. with any questions related to HB 19-1087 or this Memorandum.

Fallbrook Meeting Notice Posting

Posting

Expense	\$
1.5 Hours	\$ 112.50
Mileage	30.16
Total	<u>\$ 142.66</u>

Website \$ 700.00 One-Time Fee

Expense \$ 24.00 \$12 x 2 per year

Break-Even would occur after 2.5 years.
(\$713.00)

RESOLUTION NO. 2019-11-____

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, 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 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.

C. 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

D. 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.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which 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 meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place 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), 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 regular and special meetings pursuant to Section 32-1-903(1), 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 2020 shall be held on _____ at _____, at the offices of Fire Station No. 5, 14051 Colorado Boulevard, Thornton, in Adams County, Colorado.

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 location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) 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 regular and special 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 regular and special 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 FOLLOWS]

**[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 21, 2019.

**FALLBROOK METROPOLITAN
DISTRICT**

By: _____
President

Attest:

Secretary



**ELIGIBLE GOVERNMENTAL ENTITY AGREEMENT BETWEEN
THE STATEWIDE INTERNET PORTAL AUTHORITY OF THE STATE OF
COLORADO AND FALLBROOK METROPOLITAN DISTRICT**

This Eligible Governmental Entity Agreement ("Agreement") by and between the Colorado Statewide Internet Portal Authority ("SIPA"), and Fallbrook Metropolitan District ("EGE") (each a "Party" and collectively "Parties"), is made and entered into on this _____ day of _____, 2019.

RECITALS

WHEREAS, SIPA and EGE wish to enter into a cooperative agreement under which services can be provided at the discretion of both Parties; and

WHEREAS, pursuant to § 24-37.7-105 C.R.S., SIPA operates to provide electronic access for members of the public, state agencies, and local governments to electronic information, products, and services; and

WHEREAS, pursuant to §§ 24-37.7-102 and 24-37.7-104, C.R.S., SIPA operates as a political subdivision of the State of Colorado; and

WHEREAS, pursuant to § 24-37.7-104, SIPA is authorized to enter into agreements and contracts with state agencies and local governments, and all state agencies and local governments are authorized to enter into and do all things necessary to perform any such arrangements or contracts; and

WHEREAS, § 29-1-203, C.R.S., authorizes local governments to cooperate or contract with each other to provide any function or service lawfully authorized to each other; and

WHEREAS, SIPA provides for the dissemination, sharing, and use of information, products, and services via the internet; and

WHEREAS, neither Party is committing funds or required to perform services as part of this agreement; and

WHEREAS, SIPA has entered into certain contracts with its contractors to operate the Colorado.gov Portal and to provide an array of electronic information, products, and services via the internet (e.g., "Colorado Statewide Internet Portal Authority Portal Integrator Contract with Colorado Interactive, LLC", as may be amended (hereinafter "Master Contract") and "COPE

Master Contract With Implementation Contractor to Support SaaS Collaboration, Office Productivity, & Email Solution" (hereinafter "COPE Contract") and other contracts to expand its array of electronic information, products, and services available to EGE; and

WHEREAS, SIPA will provide applications and services to EGE pursuant to Task Orders, Statements of Work, Work Orders; or any agreed-upon documentation under this Agreement; and

WHEREAS, a Task Order, Statement of Work, Work Order, or other agreed-upon documentation will be prepared for each application or service and mutually signed by SIPA and EGE;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, SIPA and EGE agree as follows:

1. EGE shall make available to SIPA electronic information maintained and owned by EGE as is necessary to complete the agreed-upon work as set forth in a Work Order, Task Order, Statement of Work, or any agreed-upon documentation under this Agreement. As mutually agreed upon in subsequent Work Orders, Task Orders, Statements of Work, or any other agreed-upon documentation under this Agreement, EGE will provide reasonable levels of support in placing online with SIPA certain EGE-owned electronic information, as mutually agreed by EGE and SIPA, with due regard to the workload and priorities of EGE and SIPA.
2. SIPA may, with the authorization of EGE, through the Portal, make public electronic information made available to it available to the general public, including EGE's public electronic information. The Parties agree to use their best efforts to provide adequate and uninterrupted service under the terms of this Agreement. However, neither Party shall be liable for interruption of service when the same shall be due to circumstances beyond the reasonable control of either Party, its agents or employees, including but not limited to unanticipated equipment malfunction, periodic maintenance or update of the computer systems upon which such EGE electronic information reside, or interruption of service due to problems with the Colorado statewide area network or due to problems with any telecommunications provider.
3. SIPA and EGE may enter into Task Orders, Purchase Orders, Statements of Work, or any agreed-upon documentation under this Agreement. Task Orders, Purchase Orders, Statements of Work, or any agreed-upon documentation under this Agreement shall describe specific Services and/or Applications to be provided to EGE. EGE acknowledges that Services and/or Applications are usually offered by SIPA's contractors. Task Orders, Purchase Orders, Statements of Work, or any agreed-upon documentation shall cover the purchase of goods and services from SIPA through the use of EGE funds. All Task Orders, Purchase Orders, Statements of Work, or any agreed-upon documentation involving EGE funds may be approved by the EGE official with authority to execute such agreement. Task Orders, Purchase Orders, Statements of Work, or any agreed-upon documentation shall contain specific time or performance milestones for SIPA's contractor(s), timelines for completion of relevant Task Orders, Purchase Orders, Statements of Work, or any agreed-upon documentation, including design specifications and other criteria relevant to the completion of applicable Task Orders, Purchase Orders, Statements of Work, or any

- agreed-upon documentation, criteria and procedures for acceptance by EGE and remedying incomplete or inaccurate work for each phase of relevant Task Orders, Purchase Orders, Statements of Work, or any agreed-upon documentation.
4. SIPA shall be responsible for the operation of, and all costs and expenses associated with, establishing and maintaining electronic access to EGE electronic information, databases or other software applications, including (but without limitation) the cost of purchasing, developing, and maintaining programs used to interface with EGE software applications that provide access to EGE-owned electronic information, products, and services. EGE acknowledges SIPA may at its discretion use Contractors to perform certain obligations. EGE's maximum financial obligation for establishing and maintaining electronic access to EGE databases or other software applications shall be limited to the amount(s) set forth and appropriated pursuant to each individual Work Order, Task Order, Statement of Work, or any agreed-upon documentation under this Agreement.
 5. Each Party shall have the right to terminate this Agreement by giving the other Party 10 days' written notice. Unless otherwise specified in such notice, this Agreement will terminate at the end of such 10-day period, and the liabilities of the Parties hereunder for further performance of the terms of this Agreement shall thereupon cease, but the Parties shall not be released from any duty to perform up to the date of termination. Work authorized under an individual Work Order, Task Order, Statement of Work or any other agreed-upon documentation under this Agreement, will be subject to the terms and conditions of that document.
 6. None of the terms or conditions of this Agreement gives or allows any claim, benefit, or right of action by any third person not a party hereto. Nothing in this Agreement shall be deemed as any waiver of immunity or liability limits granted to SIPA or EGE by the Colorado Governmental Immunity Act or any similar statutory provision.
 7. This Agreement (and related Task Orders, Work Orders, Statements of Work, and agreed-upon documentation) constitutes the entire agreement of the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended, modified, or changed, in whole or part, only by written agreement approved by each party.
 8. Neither SIPA nor its contractors have responsibility for the accuracy or completeness of the electronic information contained within EGE's databases. SIPA and its contractors shall be responsible only for the accurate and complete transmission of electronic information to and from such EGE databases, in accordance with the specifications of any EGE-owned software. For the purposes of the Colorado Open Records Act, EGE shall at all times be the custodian of records. Neither SIPA nor its contractors shall be deemed to be either the custodian of records or the custodian's agent.
 9. This Agreement and any written amendments thereto may be executed in counterpart, each of which shall constitute an original and together, which shall constitute one and the same agreement. Delivery of an executed signature page of this Agreement by facsimile or email

transmission will constitute effective and binding execution and delivery of this Agreement.

10. Confidential information for the purpose of this Agreement is information relating to SIPA's or EGE's research, development, trade secrets, business affairs, internal operations, management procedures, and information not disclosable to the public under the Colorado Open Records Act or some other law or privilege. Confidential information does not include information lawfully obtained through third parties, which is in the public domain, or which is developed independently without reference to a Party's confidential information. Neither Party shall use or disclose, directly or indirectly, without prior written authorization, any confidential information of the other. SIPA shall use its reasonable best efforts to ensure that its contractors protect EGE confidential information from unauthorized disclosure. Notwithstanding anything to the contrary herein, each Party acknowledges that given the subject matter of this Agreement, such Party shall not disclose confidential information of the other (whether in written or electronic form) to any third party, except as required by law or as necessary to carry out the specific purpose of this Agreement; provided, however, that if such disclosure is necessary, any third party who receives such confidential information shall also be bound by the nondisclosure provisions of this Section 10. Upon termination of this Agreement, the Parties shall return or destroy (at the other Party's request) all confidential information of the other and if such information is destroyed, each Party shall demonstrate evidence of such destruction to the other.

11. Miscellaneous Provisions

- A. Independent Authority. SIPA shall perform its duties hereunder as an independent authority and not as an employee of EGE. Neither SIPA nor any agent or employee of SIPA shall be deemed to be an agent or employee of EGE. SIPA and its agents shall pay when due all required employment taxes and income tax and local head tax on any monies paid by EGE pursuant to this Agreement. SIPA acknowledges that SIPA and its employees or agents are not entitled to EGE employment or unemployment benefits unless SIPA or a third party provides such benefits and that EGE does not pay for or otherwise provide such benefits. SIPA shall have no authorization, express or implied, to bind EGE to any agreements, liability, or understanding except as expressly authorized by EGE. SIPA and its agents shall provide and keep in force workers' compensation (and provide proof of such insurance when requested by EGE) and unemployment compensation insurance in the Agreement required by law, and shall be solely responsible for the acts of SIPA, its employees and agents.

- B. Non-discrimination. SIPA agrees to comply with the letter and the spirit of all applicable state and federal laws respecting illegal discrimination and unfair employment practices.

- C. Choice of Law. The laws of the State of Colorado (except Colorado laws related to choice of law or conflict of law) and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution, and enforcement of this Agreement. At all times during the performance of this Agreement, SIPA shall strictly adhere to all applicable

federal and state laws, rules, and regulations that have been or may hereafter be established. Any legal action related to this Agreement shall be brought in either a state or federal court within the City and County of Denver, Colorado.

D. Software Piracy Prohibition. No State or other public funds payable under this Agreement shall knowingly be used for the acquisition, operation, or maintenance of computer software in violation of United States copyright laws or applicable licensing restrictions. SIPA hereby certifies that, for the term of this Agreement and any extensions, SIPA has in place appropriate systems and controls to prevent such improper use of public funds. If EGE determines that SIPA is in violation of this paragraph, EGE may exercise any remedy available at law or equity or under this Agreement, including, without limitation, immediate termination of the Agreement and any remedy consistent with United States copyright laws or applicable licensing restrictions.

F. Notices. All notices required or permitted under this Agreement shall be in writing and delivered personally, by facsimile, by email or by first class certified mail, return receipt. If delivered personally, notice shall be deemed given when actually received. If delivered by facsimile or email, notice shall be deemed given upon full transmission of such notice and confirmation of receipt during regular business hours. If delivered by mail, notice shall be deemed given at the date and time indicated on the return receipt. Notices shall be delivered to:

If to SIPA:

Statewide Internet Portal Authority

Attn: EGE Administrator

Street Address: 1300 Broadway, Suite 440

City, State, Zip: Denver, CO 80203

Phone: (720) 409-5634

Fax: (720) 409-5642

Email: sipa@cosipa.gov

If to EGE: Fallbrook Metropolitan District

c/o Special District Management Services, Inc.

Attn: David Solin

Street Address: 141 Union Boulevard, Suite 150

City, State, Zip: Lakewood, Colorado 80228

Phone: 303-987-0835

Fax: 303-987-2032

Email: dsolin@sdmsi.com

And/or

McGeady Becher P.C.

Attn: MaryAnn McGeady, Esq.

Street Address: 450 East 17th Avenue, Suite 400

City, State, Zip: Denver, Colorado 80203

Phone: 303-592-4380

Fax: 303-592-4385

Email: mmcgeady@specialdistrictlaw.com

And to other address or addresses as the parties may designate in writing.

G: Third Party Beneficiary: EGE shall enjoy those rights of a third party as may be set forth expressly in any contract between SIPA and its contractors under which SIPA provides electronic information, products, and services to EGE, including the Master Contract Section 20.M., as may be amended.

H. Disputes. Any failure of either Party to perform in accordance with the terms of this Agreement shall constitute a breach of the Agreement. Any dispute concerning the performance of this Agreement which cannot be resolved at the operational level shall be referred to superior management and staff designated by each Party. Failing resolution at this level, EGE may ask the SIPA Board of Directors to address the dispute. If the dispute is not resolved after reference to the SIPA Board of Directors, the Parties may use whatever procedures may be available, including but not limited to termination of the Agreement.

This Agreement is entered into as of the day and year set forth above.

_____ Date: _____

Name:

Title:

Entity: Statewide Internet Portal Authority

_____ Date: _____

Name: Joshua S. Bastian

Title: President

Entity: Fallbrook Metropolitan District

Address: 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228

Phone: 303-987-0835

Email: dsolin@sdmsi.com -- jsbastian@gmail.com

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1490						
07/11/2019	CliftonLarsonAllen	2172654	Accounting	1-612	1,671.60	1,671.60
Total 1490:						<u>1,671.60</u>
1491						
07/11/2019	McGeady Becher P.C.	787M MAY 19	Legal	1-675	20.00	20.00
Total 1491:						<u>20.00</u>
1492						
07/11/2019	Special District Management Ser	JUNE 2019	Management	1-680	168.00	168.00
07/11/2019	Special District Management Ser	JUNE 2019	Accounting	1-612	252.00	252.00
07/11/2019	Special District Management Ser	JUNE 2019	Audit	1-615	28.00	28.00
07/11/2019	Special District Management Ser	JUNE 2019	Miscellaneous	1-685	31.55	31.55
Total 1492:						<u>479.55</u>
Grand Totals:						<u><u>2,171.15</u></u>

Fallbrook Metropolitan District

July-19

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,171.15	\$ -	\$ -	\$ 2,171.15
Total Disbursements from Checking	\$ 2,171.15	\$ -	\$ -	\$ 2,171.15

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1493						
08/08/2019	BOKF, NA	5112339	Paying Agent Fees	2-668	500.00	500.00
Total 1493:						500.00
1494						
08/08/2019	CliftonLarsonAllen	2200713	Accounting	1-612	540.25	540.25
Total 1494:						540.25
1495						
08/08/2019	Special District Management Ser	JULY 2019	Management	1-680	1,400.50	1,400.50
08/08/2019	Special District Management Ser	JULY 2019	Accounting	1-612	308.00	308.00
08/08/2019	Special District Management Ser	JULY 2019	Audit	1-615	84.00	84.00
08/08/2019	Special District Management Ser	JULY 2019	Miscellaneous	1-685	140.19	140.19
Total 1495:						1,932.69
Grand Totals:						2,972.94

Fallbrook Metropolitan District
August-19

	<u>General</u>		<u>Debt</u>		<u>Capital</u>		<u>Totals</u>
Disbursements	\$ 2,472.94	\$	500.00	\$	-	\$	2,972.94
Total Disbursements from Checking	\$ 2,472.94	\$	500.00	\$	-	\$	2,972.94

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1496						
09/09/2019	CliftonLarsonAllen	2229237	Accounting	1-612	4,839.45	4,839.45
Total 1496:						4,839.45
1497						
09/09/2019	McGeady Becher P.C.	787M 7/2019	Legal	1-675	2,003.50	2,003.50
Total 1497:						2,003.50
1498						
09/09/2019	Simmons & Wheeler, PC	24869	Audit	1-615	4,300.00	4,300.00
Total 1498:						4,300.00
1499						
09/09/2019	Special District Management Ser	56743 /2019	Management	1-680	196.00	196.00
09/09/2019	Special District Management Ser	56743 /2019	Insurance/SDA Dues	1-670	42.00	42.00
09/09/2019	Special District Management Ser	56743 /2019	Accounting	1-612	266.00	266.00
09/09/2019	Special District Management Ser	56743 /2019	Miscellaneous	1-685	15.44	15.44
Total 1499:						519.44
Grand Totals:						11,662.39

Fallbrook Metropolitan District

September-19

	General	Debt	Capital	Totals
Disbursements	\$ 11,662.39		\$ -	\$ 11,662.39
Total Disbursements from Checking	\$ 11,662.39	\$ -	\$ -	\$ 11,662.39

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1500						
10/09/2019	CliftonLarsonAllen	2245283	Accounting	1-612	145.20	145.20
Total 1500:						145.20
1501						
10/09/2019	McGeady Becher P.C.	787M 8/19	Legal	1-675	660.52	660.52
Total 1501:						660.52
1502						
10/09/2019	RLI	LSM0936192 10/19	Insurance/SDA Dues	1-670	250.00	250.00
Total 1502:						250.00
1503						
10/09/2019	Special District Management Ser	58141 9/19	Management	1-680	28.00	28.00
10/09/2019	Special District Management Ser	58141 9/19	Accounting	1-612	210.00	210.00
10/09/2019	Special District Management Ser	58141 9/19	Miscellaneous	1-685	11.50	11.50
Total 1503:						249.50
Grand Totals:						1,305.22

Fallbrook Metropolitan District

October-19

	General	Debt	Capital	Totals
Disbursements	\$ 1,305.22	\$ -	\$ -	\$ 1,305.22
Total Disbursements from Checking	\$ 1,305.22	\$ -	\$ -	\$ 1,305.22

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1504						
11/11/2019	Colorado Special Districts P&L	POL-0000274 2020	Prepaid Expenses	1-142	400.00	400.00
Total 1504:						400.00
1505						
11/11/2019	McGeady Becher P.C.	787M 9/19	Legal	1-675	70.00	70.00
Total 1505:						70.00
1506						
11/11/2019	Special District Management Ser	59542	Management	1-680	406.00	406.00
11/11/2019	Special District Management Ser	59542	Accounting	1-612	126.00	126.00
11/11/2019	Special District Management Ser	59542	Miscellaneous	1-685	16.20	16.20
Total 1506:						548.20
Grand Totals:						1,018.20

Fallbrook Metropolitan District

November-19

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,018.20	\$ -	\$ -	\$ 1,018.20
Total Disbursements from Checking	\$ 1,018.20	\$ -	\$ -	\$ 1,018.20

FALLBROOK METROPOLITAN DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

FALLBROOK METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General	Debt Service	Total
ASSETS			
First Bank - Checking	\$ 10,718	\$ -	\$ 10,718
Colotrust	112,669	1,413,882	1,526,551
BOK Financial - Loan Payment Fund	-	439	439
Receivable from County Treasurer	476	8,159	8,635
TOTAL ASSETS	\$ 123,863	\$ 1,422,480	\$ 1,546,343
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	\$ 2,156	\$ -	\$ 2,156
Total Liabilities	2,156	-	2,156
FUND BALANCES			
Total Fund Balances	121,707	1,422,480	1,544,187
TOTAL LIABILITIES AND FUND BALANCES	\$ 123,863	\$ 1,422,480	\$ 1,546,343

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

FALLBROOK METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	\$ 49,981	\$ 49,911	\$ (70)
Specific ownership taxes	2,999	3,015	16
Interest income	500	2,051	1,551
TOTAL REVENUES	<u>53,480</u>	<u>54,977</u>	<u>1,497</u>
EXPENDITURES			
Accounting	9,180	13,289	(4,109)
Audit	6,000	4,300	1,700
County Treasurer's fee	750	749	1
Dues	-	320	(320)
Insurance	3,798	2,858	940
District management	7,140	6,229	911
Legal	8,670	4,184	4,486
Contingency/Emergency Reserve	32,817	-	32,817
Miscellaneous	3,000	604	2,396
TOTAL EXPENDITURES	<u>71,355</u>	<u>32,533</u>	<u>38,822</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,875)	22,444	40,319
OTHER FINANCING SOURCES (USES)			
Transfers to other fund	-	(500)	(500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(500)</u>	<u>(500)</u>
NET CHANGE IN FUND BALANCES	(17,875)	21,944	39,819
FUND BALANCES - BEGINNING	<u>18,827</u>	<u>99,763</u>	<u>80,936</u>
FUND BALANCES - ENDING	<u>\$ 952</u>	<u>\$ 121,707</u>	<u>\$ 120,755</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

FALLBROOK METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	\$ 856,937	\$ 855,906	\$ (1,031)
Specific ownership taxes	51,416	51,712	296
Interest income	1,000	18,746	17,746
TOTAL REVENUES	<u>909,353</u>	<u>926,364</u>	<u>17,011</u>
EXPENDITURES			
County Treasurer's fee	12,860	12,843	17
Optional principal prepayment	40,000	-	40,000
Loan interest	110,715	54,874	55,841
Loan principal	510,000	-	510,000
Paying agent fees	2,500	500	2,000
TOTAL EXPENDITURES	<u>676,075</u>	<u>68,217</u>	<u>607,858</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	233,278	858,147	624,869
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	500	500
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>500</u>	<u>500</u>
NET CHANGE IN FUND BALANCES	233,278	858,647	625,369
FUND BALANCES - BEGINNING	<u>485,317</u>	<u>563,833</u>	<u>78,516</u>
FUND BALANCES - ENDING	<u>\$ 718,595</u>	<u>\$ 1,422,480</u>	<u>\$ 703,885</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

FALLBROOK METROPOLITAN DISTRICT
Schedule of Cash Position
September 30, 2019

Updated as of November 6, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>First Bank Checking</u>			
Balance as of 09/30/2019	\$ 10,718.32	\$ -	\$ 10,718.32
Subsequent activities:			
10/09/19 - Checks #1500 - #1503	(1,305.22)	-	(1,305.22)
10/31/19 - Activity Charge	(35.00)	-	(35.00)
<i>Anticipated Balance</i>	<u>9,378.10</u>	<u>-</u>	<u>9,378.10</u>
<u>ColoTrust</u>			
Balance as of 09/30/2019	\$ 112,669.03	\$ 1,413,881.69	\$ 1,526,550.72
Subsequent activities:			
10/10/19 - Tax Deposit	475.79	8,159.29	8,635.08
10/31/19 - Interest Income	198.68	2,493.41	2,692.09
<i>Anticipated Balance</i>	<u>113,343.50</u>	<u>1,424,534.39</u>	<u>1,537,877.89</u>
<u>BOK Financial Loan Payment Fund</u>			
Balance as of 09/30/2019	\$ -	\$ 439.42	\$ 439.42
<i>Anticipated Balance</i>	<u>-</u>	<u>439.42</u>	<u>439.42</u>
<i>Anticipated Balances</i>	<u>\$ 122,721.60</u>	<u>\$ 1,424,973.81</u>	<u>\$ 1,547,695.41</u>

Yield information (as of 09/31/19):

Colotruster - 2.19%

FALLBROOK METROPOLITAN DISTRICT
Property Taxes Reconciliation
2019

	Current Year						Prior Year						
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Due from County	Net Amount Received	% of Total Property Taxes Received				
									Monthly	Y-T-D	Monthly	Y-T-D	
January	\$ 5,368.41	\$ -	\$ 6,583.81	\$ -	\$ (80.53)	\$ -	\$ -	\$ 11,871.69	0.59%	0.59%	\$ 22,056.74	2.44%	2.44%
February	400,713.47	-	6,364.35	-	(6,010.70)	-	-	401,067.12	44.18%	44.78%	410,440.30	45.41%	47.85%
March	30,812.29	-	5,411.81	-	(462.19)	-	-	35,761.91	3.40%	48.17%	21,161.90	2.34%	50.19%
April	46,997.03	-	5,059.06	-	(704.95)	-	-	51,351.14	5.18%	53.36%	32,502.93	3.60%	53.78%
May	35,302.37	-	5,516.93	43.75	(530.20)	-	-	40,332.85	3.89%	57.25%	914.59	0.10%	53.88%
June	379,668.41	-	5,940.44	29.06	(5,695.47)	-	-	379,942.44	41.86%	99.11%	34,539.74	3.82%	57.70%
July	3,792.56	-	5,718.78	105.47	(58.47)	-	-	9,558.34	0.42%	99.53%	372,686.26	41.23%	98.93%
August	1,444.62	-	7,273.12	57.78	(22.54)	-	-	8,752.98	0.16%	99.69%	4,019.52	0.44%	99.38%
September	1,717.45	-	6,858.81	85.87	(27.05)	-	-	8,635.08	0.19%	99.88%	3,162.53	0.35%	99.73%
October	-	-	-	-	-	-	-	-	0.00%	99.88%	-	0.00%	99.73%
November	-	-	-	-	-	-	-	-	0.00%	99.88%	1,630.59	0.18%	99.91%
December (Accrued)	-	-	-	-	-	-	-	-	0.00%	99.88%	832.02	0.09%	100.00%
	\$ 905,816.61	\$ -	\$ 54,727.11	\$ 321.93	\$ (13,592.10)	\$ -	\$ -	\$ 947,273.55	99.88%	99.88%	\$ 903,947.12	100.00%	100.00%

483,891.20

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax			
General Fund	\$ 49,981.00	5.51%	\$ 49,910.50
Debt Service Fund	\$ 856,937.00	94.49%	\$ 855,906.11
	\$ 906,918.00	100.00%	\$ 905,816.61

Specific Ownership Tax			
General Fund	\$ 2,999.00	5.51%	\$ 3,015.46
Debt Service Fund	\$ 51,416.00	94.49%	\$ 51,711.65
	\$ 54,415.00	100.00%	\$ 54,727.11

Treasurer's Fees			
General Fund	\$ 750.00	5.51%	\$ 748.92
Debt Service Fund	\$ 12,860.00	94.49%	\$ 12,843.18
	\$ 13,610.00	100.00%	\$ 13,592.10

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances -- governmental funds have been omitted.

The following narrative was included in the District's 2019 Budget as adopted by the Board of Directors.

FALLBROOK METROPOLITAN DISTRICT

2019 Budget Message

Introduction

The District was formed in 2005 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements including water, streets, sanitary sewer, and safety protection. When appropriate, these improvements have been dedicated to the City of Thornton and Adams County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

The 2019 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2019 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District.

The District's 2018 assessed value increased to \$21,423,420. The District assessed a total of 42.333 mills for taxes to be collected in the fiscal year 2019 with 2.333 mills dedicated to the General Fund and 40.000 mills dedicated to the Debt Service Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds comprise the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within 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. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for revenue traditionally associated with government such as property taxes, and specific ownership tax. Expenditures include district administration, legal services, and other expenses related to statutory operations of a local government. The primary source of revenue comes from property taxes and specific ownership taxes.

The **Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt obligations. In 2015 the District refunded the Series 2006 & 2007 General Obligation Bonds with a General Obligation Refunding Loan at a fixed rate of 2.42%. Below is a consolidated summary of the District's General Obligation long-term debt.

Summary of Debt Outstanding

Bonds Principal and
Interest Maturing in the
Year Ending December
31,

\$6,520,000
General Obligation Refunding Loan 2015

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	510,000	110,715	620,715
2020	535,000	98,373	633,373
2021	550,000	85,426	635,426
2022	575,000	72,116	647,116
2023 - 2026	2,405,000	145,321	2,550,321
	<u>\$ 4,575,000</u>	<u>511,951</u>	<u>5,086,951</u>

Emergency Reserve

As required by Section 20 of Article X of the Colorado Constitution (“TABOR”), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

November 1, 2019

Board of Directors
Fallbrook Metropolitan District
c/o Special District Management
141 Union Boulevard, Suite #150
Lakewood, CO 80228

We are pleased to confirm our understanding of the services we are to provide Fallbrook Metropolitan District for the year ended December 31, 2019. We will audit the financial statements of the governmental activities, the business-type activities (if applicable), each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Fallbrook Metropolitan District as of and for the year ended December 31, 2019. If applicable, the accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Fallbrook Metropolitan District's basic financial statements. Such 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. As part of our engagement, we will apply certain limited procedures to Fallbrook Metropolitan District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The document will also include management's discussion and analysis (as prepared by management) if applicable. We will apply certain limited procedures, which will consist principally of inquiries of management regarding methods of measurement and presentation, to management's discussion and analysis. However, we will not audit management's discussion and analysis and will express no opinion on it.

If applicable, we have also been engaged to report on supplementary information other than RSI that accompanies Fallbrook Metropolitan District's financial statements. We will subject the supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

If applicable, the document will include other information accompanying the financial statements that will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You agree to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. We will perform non-attest services which include the preparation of the financial statements listed in the table of contents.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fallbrook Metropolitan District and the respective changes in financial position and where applicable, cash flows, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct or material effect on the financial statements. However, we will inform you of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Fallbrook Metropolitan District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

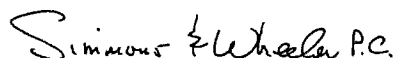
Audit Administration, Fees and Other

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$ 4,300. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. We will contact you to schedule an appropriate time to commence our field work.

We certify that we will comply with the provisions of C.R.S. §8-17.5-101, *et seq.* We will not knowingly employ or contract with an illegal alien to perform work under this contract. We represent, warrant, and agree that we have verified that we do not employ any illegal aliens, through participation in the Electronic Employment Verification Program administered by the Social Security Administration and the Department of Homeland Security. We have not used the Electronic Employment Verification Program to undertake pre-employment screening of job applicants. We shall use no subcontractor in the performance of our services under this engagement letter. We will comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation the department is undertaking pursuant to the law. If we violate any provision of C.R.S. §8-17.5-101, *et seq.* the District may terminate this contract for breach of contract and we shall be liable for actual and consequential damages to the District.

We appreciate the opportunity to be of service to Fallbrook Metropolitan District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Simmons & Wheeler, P.C.

RESPONSE

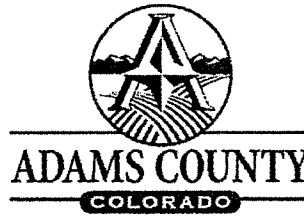
This letter correctly sets forth the understanding of Fallbrook Metropolitan District:

By: _____

Title _____

Date _____

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, 2019

FALLBROOK METROPOLITAN DISTRICT
Attn: LISA A JACOBY
141 UNION BLVD STE 150
LAKEWOOD CO 80228-1898

To LISA A JACOBY:

Enclosed is the 2019 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, 2019.

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.

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/cjw

CERTIFICATION OF VALUATION BY ADAMS COUNTY ASSESSOR

Name of Jurisdiction: **275 - FALLBROOK METROPOLITAN DISTRICT**

IN ADAMS COUNTY ON 8/23/2019

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 2019 IN ADAMS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$21,423,420
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$23,240,470
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$23,240,470
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.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(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 2019 IN ADAMS COUNTY, COLORADO ON AUGUST 25, 2019

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$319,009,513
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:	\$0

(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.)

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
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2019

Data Date: 8/23/2019



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

Accountant's Compilation Report

Board of Directors
Fallbrook Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Fallbrook Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved, as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions, which describe that the budget is presented in accordance with the requirements of C.R.S 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Fallbrook Metropolitan District.

Greenwood Village, Colorado
_____ 2019

**FALLBROOK METROPOLITAN DISTRICT
SUMMARY
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

10/7/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 5/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 330,058	\$ 504,144	\$ 663,596	\$ 663,596	\$ 945,510
REVENUES					
Property taxes	903,947	906,918	519,194	906,918	983,839
Specific ownership taxes	79,113	54,415	28,936	69,800	78,708
Interest income	18,858	1,500	9,648	20,300	7,404
Total revenues	<u>1,001,918</u>	<u>962,833</u>	<u>557,778</u>	<u>997,018</u>	<u>1,069,951</u>
Total funds available	<u>1,331,976</u>	<u>1,466,977</u>	<u>1,221,374</u>	<u>1,660,614</u>	<u>2,015,461</u>
EXPENDITURES					
General Fund	33,218	71,355	15,302	42,000	60,000
Debt Service Fund	635,162	676,075	62,233	673,104	685,881
Total expenditures	<u>668,380</u>	<u>747,430</u>	<u>77,535</u>	<u>715,104</u>	<u>745,881</u>
Total expenditures and transfers out requiring appropriation	<u>668,380</u>	<u>747,430</u>	<u>77,535</u>	<u>715,104</u>	<u>745,881</u>
ENDING FUND BALANCES	<u>\$ 663,596</u>	<u>\$ 719,547</u>	<u>\$ 1,143,839</u>	<u>\$ 945,510</u>	<u>\$ 1,269,580</u>
EMERGENCY RESERVE	\$ 1,800	\$ 1,610	\$ 940	\$ 1,710	\$ 1,800
DEBT SERVICE RESERVE	563,833	718,595	1,028,054	831,166	1,155,938
TOTAL RESERVE	<u>\$ 565,633</u>	<u>\$ 720,205</u>	<u>\$ 1,028,994</u>	<u>\$ 832,876</u>	<u>\$ 1,157,738</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**FALLBROOK METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

10/7/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 5/31/2019	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION					
Residential	\$ -	\$ 21,048,370	\$ 21,048,370	\$ 21,048,370	\$ 22,809,460
Agricultural	-	90	90	90	90
State assessed	-	1,420	1,420	1,420	1,520
Personal property	-	373,540	373,540	373,540	429,400
Certified Assessed Value	<u>\$ 21,348,710</u>	<u>\$ 21,423,420</u>	<u>\$ 21,423,420</u>	<u>\$ 21,423,420</u>	<u>\$ 23,240,470</u>
General	2.342	2.333	2.333	2.333	2.333
Debt Service	40.000	40.000	40.000	40.000	40.000
MILL LEVY	<u>42.342</u>	<u>42.333</u>	<u>42.333</u>	<u>42.333</u>	<u>42.333</u>
PROPERTY TAXES					
General	\$ 49,999	\$ 49,981	\$ 49,981	\$ 49,981	\$ 54,220
Debt Service	853,948	856,937	856,937	856,937	929,619
Levied property taxes	903,947	906,918	906,918	906,918	983,839
Adjustments to actual/rounding	-	-	(387,724)	-	-
PROPERTY TAXES	<u>\$ 903,947</u>	<u>\$ 906,918</u>	<u>\$ 519,194</u>	<u>\$ 906,918</u>	<u>\$ 983,839</u>
BUDGETED PROPERTY TAXES					
General	\$ 49,999	\$ 49,981	\$ 28,608	\$ 49,981	\$ 54,220
Debt Service	853,948	856,937	490,586	856,937	929,619
BUDGETED PROPERTY TAXES	<u>\$ 903,947</u>	<u>\$ 906,918</u>	<u>\$ 519,194</u>	<u>\$ 906,918</u>	<u>\$ 983,839</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**FALLBROOK METROPOLITAN DISTRICT
GENERAL FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ending December 31,**

10/7/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 5/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 76,084	\$ 18,827	\$ 99,763	\$ 99,763	\$ 114,344
REVENUES					
Property taxes	49,999	49,981	28,608	49,981	54,220
Specific ownership taxes	4,376	2,999	1,594	3,800	4,338
Interest income	2,522	500	1,122	2,800	740
Total revenues	<u>56,897</u>	<u>53,480</u>	<u>31,324</u>	<u>56,581</u>	<u>59,298</u>
Total funds available	<u>132,981</u>	<u>72,307</u>	<u>131,087</u>	<u>156,344</u>	<u>173,642</u>
EXPENDITURES					
General and administrative					
Accounting	10,457	9,180	6,733	17,000	17,000
Audit	6,202	6,000	-	6,000	6,000
County Treasurer's fee	750	750	429	750	813
Insurance	3,234	3,798	2,858	2,858	3,500
District management	7,328	7,140	3,235	9,000	9,000
Legal	2,945	8,670	1,450	5,000	5,000
Miscellaneous	1,598	3,000	277	1,072	3,000
Election	704	-	-	-	800
Contingency/Emergency Reserve	-	32,817	-	-	14,557
Total expenditures	<u>33,218</u>	<u>71,355</u>	<u>15,302</u>	<u>42,000</u>	<u>60,000</u>
Total expenditures requiring appropriation	<u>33,218</u>	<u>71,355</u>	<u>15,302</u>	<u>42,000</u>	<u>60,000</u>
ENDING FUND BALANCE	<u>\$ 99,763</u>	<u>\$ 952</u>	<u>\$ 115,785</u>	<u>\$ 114,344</u>	<u>\$ 113,642</u>
EMERGENCY RESERVE	<u>\$ 1,800</u>	<u>\$ 1,610</u>	<u>\$ 940</u>	<u>\$ 1,710</u>	<u>\$ 1,800</u>
TOTAL RESERVE	<u>\$ 1,800</u>	<u>\$ 1,610</u>	<u>\$ 940</u>	<u>\$ 1,710</u>	<u>\$ 1,800</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**FALLBROOK METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020 BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED
For the Years Ended and Ending December 31,**

10/7/19

	ACTUAL 2018	BUDGET 2019	ACTUAL 5/31/2019	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 253,974	\$ 485,317	\$ 563,833	\$ 563,833	\$ 831,166
REVENUES					
Property taxes	853,948	856,937	490,586	856,937	929,619
Specific ownership taxes	74,737	51,416	27,342	66,000	74,370
Interest income	16,336	1,000	8,526	17,500	6,664
Total revenues	<u>945,021</u>	<u>909,353</u>	<u>526,454</u>	<u>940,437</u>	<u>1,010,653</u>
Total funds available	<u>1,198,995</u>	<u>1,394,670</u>	<u>1,090,287</u>	<u>1,504,270</u>	<u>1,841,819</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	12,815	12,860	7,359	12,854	13,944
Paying agent fees	500	2,500	-	500	500
Debt Service					
Loan interest	121,847	110,715	54,874	109,750	96,437
Loan principal	500,000	510,000	-	510,000	535,000
Optional principal prepayment	-	40,000	-	40,000	40,000
Total expenditures	<u>635,162</u>	<u>676,075</u>	<u>62,233</u>	<u>673,104</u>	<u>685,881</u>
Total expenditures and transfers out requiring appropriation	<u>635,162</u>	<u>676,075</u>	<u>62,233</u>	<u>673,104</u>	<u>685,881</u>
ENDING FUND BALANCE	<u>\$ 563,833</u>	<u>\$ 718,595</u>	<u>\$ 1,028,054</u>	<u>\$ 831,166</u>	<u>\$ 1,155,938</u>

This financial information should be read only in connection with the accompanying accountant's
compilation report and summary of significant assumptions.

**FALLBROOK METROPOLITAN DISTRICT
2020 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 8.0% of the property taxes collected by the General Fund and the Debt Service Fund.

**FALLBROOK METROPOLITAN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting and audit, insurance, banking, meeting expense and other administrative expenses.

County Treasurer's Fees

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

Debt Service

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

Debt and Leases

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.

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
2020	535,000	40,000	2.42%	96,437	671,437	3,410,000	2020
2021	550,000	40,000	2.42%	82,522	672,522	2,820,000	2021
2022	575,000	40,000	2.42%	68,244	683,244	2,205,000	2022
2023	585,000	40,000	2.42%	53,361	678,361	1,580,000	2023
2024	615,000	40,000	2.42%	38,236	693,236	925,000	2024
2025	630,000	40,000	2.42%	22,385	692,385	255,000	2025
2026	255,000	-	2.42%	6,171	261,171	-	2026
	3,745,000	240,000		367,356	4,352,356		

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

RESOLUTION NO. 2019 - 11 - ____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE FALLBROOK METROPOLITAN DISTRICT
TO ADOPT THE 2020 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 2020 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, 2019, 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 21, 2019 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 2020 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 21st day of November, 2019.

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 2020, duly adopted at a meeting of the Board of Directors of the Fallbrook Metropolitan District held on November 21, 2019.

By: _____
Secretary

RESOLUTION NO. 2019 - 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 2020 annual budget in accordance with the Local Government Budget Law on November 21, 2019; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2020 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 2020 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 2020 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 21st day of November, 2019.

Secretary

(SEAL)

EXHIBIT A
(Certification of Tax Levies)

RESOLUTION NO. 2019-11-_____

A RESOLUTION OF THE BOARD OF DIRECTORS OF
FALLBROOK METROPOLITAN DISTRICT
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 5, 2020

A. The term of the office of Director Joshua S. Bastian shall expire upon the election of his successor at the regular election, to be held on May 5, 2020 (“**Election**”), and upon such successor taking office.

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

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect one (1) Director to serve until the next regular election, to occur May 3, 2022, and three (3) Directors to serve until the second regular election, to occur May 2, 2023.

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

1. Date and Time of Election. The Election shall be held on May 5, 2020, 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, one (1) Director shall be elected to serve until the next regular election, to occur May 3, 2022, and three (3) Directors shall be elected to serve until the second regular election, to occur May 2, 2023.

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. 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, c/o Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, CO 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 28, 2020).

6. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms are available at the office of the Designated Election Official located at the above address. All candidates must file a self-nomination and acceptance form with the Designated Election Official no later than 3:00 P.M. on February 28, 2020.

7. 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 3, 2020, 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.

8. 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.

9. 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.

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

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 5, 2020]**

RESOLUTION APPROVED AND ADOPTED on November 21, 2019.

**FALLBROOK METROPOLITAN
DISTRICT**

By: _____
President

Attest:

Secretary