

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE FALLBROOK METROPOLITAN DISTRICT HELD NOVEMBER 21, 2019

A Special Meeting of the Board of Directors of Fallbrook Metropolitan District (referred to hereafter as "Board") was convened on Thursday, November 21, 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.

Paula Williams, Esq.; McGeady Becher P.C. (vis speakerphone for a portion of the meeting)

Matt Vigil; 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 Special 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 amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. Following discussion, 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 the District 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 the District boundaries.

Minutes: The Board reviewed the minutes of the July 22, 2019 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 July 22, 2019 Regular Meeting, as presented.

New Legislation Regarding Posting Meeting Notices: Mr. Solin reviewed with the Board new legislation regarding posting meeting notices and establishment of a website.

Resolution 2019-11-01 Establishing 2020 Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for 24-Hour Notices: The Board discussed Resolution No. 2019-11-01 Establishing 2020 Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for Posting of 24-Hour Notices.

Mr. Solin reviewed the business to be conducted in 2020 to meet the statutory compliance requirements. The Board determined to meet on June 18, 2020 and November 19, 2020 at 6:30 p.m. at Fire Station No. 5; 14051 Colorado Boulevard, Thornton, Colorado.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-01 Establishing 2020 Regular Meeting Dates, Times and Location, Establishing District Website and Designating Location for Posting of 24-Hour Notices. A copy of the resolution is attached hereto and incorporated herein.

RECORD OF PROCEEDINGS

Eligible Governmental Entity (“EGE”) Agreement Between the Statewide Internet Portal Authority (“SIPA”) and the District: The Board reviewed an EGE Agreement between the District and SIPA for the development of a website for the District.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board approved the EGE Agreement between the District and SIPA.

McGeady Becher P.C. Document Retention Policy: Attorney Williams presented to the Board an update to the McGeady Becher P.C. Document Retention Policy.

Following discussion, the Board acknowledged the update and directed a copy of the approved McGeady Becher P.C. Document Retention Policy be attached hereto and incorporated herein by this reference.

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

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

FINANCIAL MATTERS

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

	Period Ending 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

RECORD OF PROCEEDINGS

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.

The Board then considered the approval of the payment of claims through the period ending November 11, 2019, in the amount of \$1,018.20.

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 November 11, 2019, as presented.

Loan Prepayment Options: Mr. Solin discussed loan prepayment options with the Board. No action was taken.

Financial Statements: Mr. Vigil reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending September 30, 2019, and the schedule of Cash Position updated as of November 6, 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 September 30, 2019, and the schedule of Cash Position updated as of November 6, 2019, as presented.

Preparation of 2019 Audit: The Board discussed the preparation of the 2019 Audit.

Following discussion, upon motion duly made by Director Slaughter, seconded by Director Bastian and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2019 Audit, for an amount not-to-exceed \$4,300.

2019 Budget Amendment Hearing: The Board opened the public hearing to consider the Resolution to Amend the 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, The Board determined that a Budget amendment was not necessary.

RECORD OF PROCEEDINGS

2020 Budget Hearing: The President opened the public hearing to consider the proposed 2020 Budget and discuss related issues.

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

Mr. Vigil reviewed the estimated 2019 expenditures and the proposed 2020 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2019-11-03 to Adopt the 2020 Budget and Appropriate Sums of Money, and Resolution No. 2019-11-04 to Set Mill Levies, (for the General Fund at 2.333 mills and the Debt Service Fund at 40.000 mills), for a total mill levy of 42.333 mills. Upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, Resolution Nos. 2019-11-03 and 2019-11-04 were adopted, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2019. Mr. Solin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Adams County and the Division of Local Government, not later than December 15, 2019. Mr. Solin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2020. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

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

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

LEGAL MATTERS

Election Resolution: The Board discussed Resolution No. 2019-11-05; 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 a mail ballot election.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Bastian, seconded by Director Slaughter and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-11-05; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing David Solin, as the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.


OTHER MATTERS

There were no other matters.

ADJOURNMENT

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

Respectfully submitted,

By: 
Secretary for the Meeting

RESOLUTION NO. 2019-11-01

**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 June 18, 2020 and November 19, 2020 at 6:30 p.m., 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

RESOLUTION NO. 2019 - 11 - 03
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

EXHIBIT A
(Budget)



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 ended 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.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 8, 2020

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

1/8/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 330,058	\$ 663,596	\$ 945,510
REVENUES			
Property taxes	903,947	906,918	982,942
Specific ownership taxes	79,113	69,800	78,636
Interest income	18,858	20,300	7,404
Total revenues	<u>1,001,918</u>	<u>997,018</u>	<u>1,068,982</u>
Total funds available	<u>1,331,976</u>	<u>1,660,614</u>	<u>2,014,492</u>
EXPENDITURES			
General Fund	33,218	42,000	60,000
Debt Service Fund	635,162	673,104	685,869
Total expenditures	<u>668,380</u>	<u>715,104</u>	<u>745,869</u>
Total expenditures and transfers out requiring appropriation	<u>668,380</u>	<u>715,104</u>	<u>745,869</u>
ENDING FUND BALANCES	<u>\$ 663,596</u>	<u>\$ 945,510</u>	<u>\$ 1,268,623</u>
EMERGENCY RESERVE	\$ 1,800	\$ 1,710	\$ 1,800
DEBT SERVICE RESERVE	563,833	831,166	1,155,034
TOTAL RESERVE	<u>\$ 565,633</u>	<u>\$ 832,876</u>	<u>\$ 1,156,834</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,**

1/8/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
ASSESSED VALUATION			
Residential	\$ -	\$ 21,048,370	\$ 22,788,270
Agricultural	-	90	90
State assessed	-	1,420	1,520
Personal property	-	373,540	429,400
Certified Assessed Value	<u>\$ 21,348,710</u>	<u>\$ 21,423,420</u>	<u>\$ 23,219,280</u>
General	2.342	2.333	2.333
Debt Service	40.000	40.000	40.000
MILL LEVY	<u>42.342</u>	<u>42.333</u>	<u>42.333</u>
PROPERTY TAXES			
General	\$ 49,999	\$ 49,981	\$ 54,171
Debt Service	853,948	856,937	928,771
Levied property taxes	<u>903,947</u>	<u>906,918</u>	<u>982,942</u>
Adjustments to actual/rounding	-	-	-
PROPERTY TAXES	<u>\$ 903,947</u>	<u>\$ 906,918</u>	<u>\$ 982,942</u>
BUDGETED PROPERTY TAXES			
General	\$ 49,999	\$ 49,981	\$ 54,171
Debt Service	853,948	856,937	928,771
BUDGETED PROPERTY TAXES	<u>\$ 903,947</u>	<u>\$ 906,918</u>	<u>\$ 982,942</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,**

1/8/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 76,084	\$ 99,763	\$ 114,344
REVENUES			
Property taxes	49,999	49,981	54,171
Specific ownership taxes	4,376	3,800	4,334
Interest income	2,522	2,800	740
Total revenues	56,897	56,581	59,245
Total funds available	132,981	156,344	173,589
EXPENDITURES			
General and administrative			
Accounting	10,457	17,000	17,000
Audit	6,202	6,000	6,000
County Treasurer's fee	750	750	813
Insurance	3,234	2,858	3,500
District management	7,328	9,000	9,000
Legal	2,945	5,000	5,000
Miscellaneous	1,598	1,072	3,000
Election	704	-	800
Contingency/Emergency Reserve	-	-	14,557
Total expenditures	33,218	42,000	60,000
Total expenditures requiring appropriation	33,218	42,000	60,000
ENDING FUND BALANCE	\$ 99,763	\$ 114,344	\$ 113,589
EMERGENCY RESERVE	\$ 1,800	\$ 1,710	\$ 1,800
TOTAL RESERVE	\$ 1,800	\$ 1,710	\$ 1,800

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,**

1/8/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 253,974	\$ 563,833	\$ 831,166
REVENUES			
Property taxes	853,948	856,937	928,771
Specific ownership taxes	74,737	66,000	74,302
Interest income	16,336	17,500	6,664
Total revenues	<u>945,021</u>	<u>940,437</u>	<u>1,009,737</u>
Total funds available	<u>1,198,995</u>	<u>1,504,270</u>	<u>1,840,903</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	12,815	12,854	13,932
Paying agent fees	500	500	500
Debt Service			
Loan interest	121,847	109,750	96,437
Loan principal	500,000	510,000	535,000
Optional principal prepayment	-	40,000	40,000
Total expenditures	<u>635,162</u>	<u>673,104</u>	<u>685,869</u>
Total expenditures and transfers out requiring appropriation	<u>635,162</u>	<u>673,104</u>	<u>685,869</u>
ENDING FUND BALANCE	<u>\$ 563,833</u>	<u>\$ 831,166</u>	<u>\$ 1,155,034</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.

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 - 04
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE FALLBROOK METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Fallbrook Metropolitan District ("District") has adopted the 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



EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ADAMS COUNTY, Colorado.

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

the BOARD OF DIRECTORS,
(governing body)^B

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

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 23,219,280 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 23,219,280 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/10/2019 for budget/fiscal year 2020.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	2.333 mills	\$ 54,171
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	2.333 mills	\$ 54,171
3. General Obligation Bonds and Interest ^J	40.000 mills	\$ 928,771
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	42.333 mills	\$ 982,942

Contact person: Gigi Pangindian Daytime phone: (303) 779-5710
(print)
Signed: Gigi Pangindian Title: Accountant for the District

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

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

CERTIFICATION OF TAX LEVIES, continued

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

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

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

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

CONTRACTS^K:

- 3. Purpose of Contract: Refund 2006 and 2007 General Obligation Bonds
Title: General Obligation Refunding Loan 2015
Date: July 17, 2015
Principal Amount: \$6,520,000
Maturity Date: December 1, 2026
Levy: 40.000 mills
Revenue: \$928,771

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

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

RESOLUTION NO. 2019-11-05

**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.

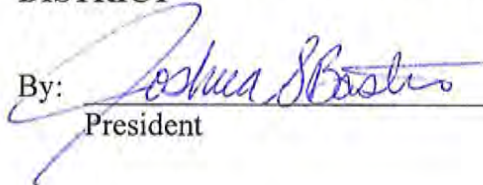
10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of Fallbrook Metropolitan District.

[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

Document Retention Policy

Types of Documents

In representing you we will, or may, take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, and cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the “**Record**”). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District - such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully-executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

Delivery of the Record

Once a matter is concluded, or our representation terminated, we deliver to you or the District's designee the original, printed Record, together with any original documents we have accepted for safekeeping, provided our fees and costs have been paid in full.

If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents for any reason, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days of our concluding that an authorized recipient cannot be readily located.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.