

FLATIRON MEADOWS METROPOLITAN DISTRICT

**ANNUAL REPORT
TO
THE TOWN OF ERIE**

FISCAL YEAR ENDING DECEMBER 31, 2023

I. ANNUAL REPORT REQUIREMENT

Pursuant to Section VI of the Flatiron Meadows Metropolitan District (the “**District**”) Service Plan, the District is required to provide an annual report to the Town of Erie within one hundred twenty (120) days after conclusion of the District's fiscal year, commencing with fiscal year 2007. Such annual report shall include information concerning the following matters:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements entered into or proposed.
- C. Changes or proposed changes in the District's policies.
- D. Changes or proposed changes in the District's operations.
- E. Any changes in the financial status of the District including revenue projections or operating costs.
- F. A summary of any litigation involving the District.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of construction of public improvements.
- I. The current assessed valuation in the District.
- J. A list of all facilities which have been constructed or acquired by the District and, if they have been dedicated, the name of the entity to which they have been dedicated.

II. FOR THE YEAR ENDING DECEMBER 31, 2023, THE DISTRICT MAKES THE FOLLOWING REPORT:

- A. Boundary changes made or proposed.

There were no changes made or proposed to the District’s boundaries in 2023.

- B. Intergovernmental Agreements entered into or proposed.

There were no new Intergovernmental Agreements entered into or proposed in 2023.

- C. Changes or proposed changes in the District’s policies.

There were no changes made or proposed to the District’s policies in 2023.

- D. Changes or proposed changes in the District’s operations.

There were no changes made or proposed to the District's operations in 2023.

E. Any changes in the financial status of the District including revenue projections or operating costs.

The current status of the financial condition of the District is reflected in the 2024 budget, attached as **Exhibit A**.

F. A summary of any litigation involving the District.

There is no litigation, of which we are aware, currently pending or anticipated against the District.

G. Proposed plans for the year immediately following the year summarized in the annual report.

Development of the District was complete in 2022.

H. Status of construction of public improvements.

The District has no updates to the status of construction of public improvements.

I. The current assessed valuation in the District.

The District has received a certification of valuation from the Boulder County Assessor that reports a taxable assessed valuation for the District for 2023 of \$48,401,300. The District has certified a mill levy of 59.212 mills assessed against the properties within the District for collection in 2024.

J. A list of all facilities which have been constructed or acquired by the District and, if they have been dedicated, the name of the entity to which they have been dedicated.

The District did not construct or acquire any facilities in 2023.

The following information is provided pursuant to the annual report requirements in § 32-1-207(3)(c), C.R.S.

K. Boundary changes made.

See Section A.

L. Intergovernmental agreements entered into or terminated with other governmental entities.

See Section B.

M. Access information to obtain a copy of the rules and regulations adopted by the Board.

To date, the District has not adopted any rules and regulations.

N. A summary of litigation involving public improvements owed by the special district.

None.

O. The status of the construction of public improvements by the special district.

See Section H.

P. A list of facilities or improvements constructed by the special district that were conveyed or dedicated to the county or municipality.

See Section J.

Q. The final assessed valuation of the special district as of December 31 of the reporting year.

See Section I.

R. A copy of the current year's budget.

See Section E.

S. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2023 audit is in process.

T. Notice of any uncured defaults existing for more than ninety days under any debt instrument of the district.

None.

U. Any inability of the special district to pay its obligations as they come due under any obligation which continues beyond a ninety-day period.

None.

**EXHIBIT A
2024 BUDGET
ATTACHED**

FLATIRON MEADOWS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**FLATIRON MEADOWS METRO DISTRICT
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 782,060	\$ 596,946	\$ 715,310
REVENUES			
Property taxes	1,921,094	2,088,182	2,865,938
Specific ownership taxes	87,719	92,856	114,637
Development Fees	166,500	70,500	-
Interest income	42,529	71,500	25,000
Other revenue	-	-	76,675
Bond issuance proceeds	7,190,000	-	-
Bond Premium	885,465	-	-
Total revenues	<u>10,293,307</u>	<u>2,323,038</u>	<u>3,082,250</u>
TRANSFERS IN	<u>550,000</u>	-	-
Total funds available	<u>11,625,367</u>	<u>2,919,984</u>	<u>3,797,560</u>
EXPENDITURES			
General Fund	71,805	73,514	150,000
Debt Service Fund	10,406,616	2,131,160	3,022,462
Total expenditures	<u>10,478,421</u>	<u>2,204,674</u>	<u>3,172,462</u>
TRANSFERS OUT	<u>550,000</u>	-	-
Total expenditures and transfers out requiring appropriation	<u>11,028,421</u>	<u>2,204,674</u>	<u>3,172,462</u>
ENDING FUND BALANCES	<u>\$ 596,946</u>	<u>\$ 715,310</u>	<u>\$ 625,098</u>
EMERGENCY RESERVE	\$ 4,600	\$ 5,000	\$ 4,900
AVAILABLE FOR OPERATIONS	129,885	167,863	180,703
2022 RESERVE FUND	236,475	236,512	236,475
TOTAL RESERVE	<u>\$ 370,960</u>	<u>\$ 409,375</u>	<u>\$ 422,078</u>

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METRO DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
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ASSESSED VALUATION

Residential	\$ 32,573,988	\$ 35,271,942	\$ 47,160,873
Commercial	38,632	1,550	5,110
Agricultural	-	-	26
State assessed	382,110	775,337	844,576
Vacant land	2,206,045	536,641	352,369
Natural resources	696	696	696
Oil and Gas	49,673	51,822	37,650
Certified Assessed Value	\$ 35,251,144	\$ 36,637,988	\$ 48,401,300

MILL LEVY

General	3.951	3.839	2.935
Debt Service - 2022 Senior Bonds	13.720	10.410	8.392
Debt Service - 2019B-1 Subordinate Bonds	18.273	0.000	0.000
Debt Service - 2019B-2 Subordinate Bonds	19.720	42.746	47.885
Total mill levy	55.664	56.995	59.212

PROPERTY TAXES

General	\$ 139,277	\$ 140,653	\$ 142,058
Debt Service - 2022 Senior Bonds	483,646	381,401	406,184
Debt Service - 2019B-1 Subordinate Bonds	644,144	-	-
Debt Service - 2019B-2 Subordinate Bonds	695,153	1,566,128	2,317,696
Levied property taxes	1,962,220	2,088,182	2,865,938
Adjustments to actual/rounding	(36,380)	-	-
Refunds and abatements	(4,746)	-	-
Budgeted property taxes	\$ 1,921,094	\$ 2,088,182	\$ 2,865,938

BUDGETED PROPERTY TAXES

General	\$ 136,358	\$ 140,653	\$ 142,058
Debt Service - 2022 Senior Bonds	473,509	381,401	406,184
Debt Service - 2019B-1 Subordinate Bonds	630,644	-	-
Debt Service - 2019B-2 Subordinate Bonds	680,583	1,566,128	2,317,696
Budgeted property taxes	\$ 1,921,094	\$ 2,088,182	\$ 2,865,938

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METRO DISTRICT
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 754,474	\$ 285,990	\$ 375,883
REVENUES			
Property taxes	136,358	140,653	142,058
Specific ownership taxes	6,226	6,254	5,682
Interest income	10,737	16,500	15,000
Total revenues	<u>153,321</u>	<u>163,407</u>	<u>162,740</u>
Total funds available	<u>907,795</u>	<u>449,397</u>	<u>538,623</u>
EXPENDITURES			
General and administrative			
Accounting	31,670	40,000	42,000
Auditing	4,900	5,100	6,000
County Treasurer's fee	2,046	2,110	2,131
Directors' fees	800	800	2,000
Dues and membership	431	398	750
Insurance	3,011	3,025	3,250
Legal	27,732	10,000	30,000
Payroll taxes	61	62	153
Election	1,154	1,669	-
Website	-	350	1,000
Contingency	-	-	686
Operations and maintenance			
Engineering	-	10,000	10,000
Storm drainage	-	-	52,030
Total expenditures	<u>71,805</u>	<u>73,514</u>	<u>150,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>550,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>621,805</u>	<u>73,514</u>	<u>150,000</u>
ENDING FUND BALANCES	<u>\$ 285,990</u>	<u>\$ 375,883</u>	<u>\$ 388,623</u>
EMERGENCY RESERVE	\$ 4,600	\$ 5,000	\$ 4,900
STORM DRAINAGE RESERVE	151,505	203,020	203,020
AVAILABLE FOR OPERATIONS	129,885	167,863	180,703
TOTAL RESERVE	<u>\$ 285,990</u>	<u>\$ 375,883</u>	<u>\$ 388,623</u>

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METRO DISTRICT
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/18/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 27,586	\$ 310,956	\$ 339,427
REVENUES			
Property taxes	1,784,736	1,947,529	2,723,880
Specific ownership taxes	81,493	86,602	108,955
Interest income	31,792	55,000	10,000
Development Fees	166,500	70,500	-
Other revenue	-	-	76,675
Bond Premium	885,465	-	-
Bond issuance proceeds	7,190,000	-	-
Total revenues	10,139,986	2,159,631	2,919,510
TRANSFERS IN			
Transfers from other funds	550,000	-	-
Total funds available	10,717,572	2,470,587	3,258,937
EXPENDITURES			
County Treasurer's fee	26,785	29,213	40,858
Paying agent fees	4,000	7,000	7,000
Miscellaneous	-	-	-
Bond interest - Series 2022	218,391	248,400	243,200
Bond interest - Series 2019B-2	1,612,902	1,716,547	1,769,450
Bond interest - Series 2016	51,132	-	-
Bond interest - Series 2019B-1	29,110	-	-
Bond principal - Series 2022	110,000	130,000	160,000
Bond principal - Series 2019B-2	-	-	801,000
Bond principal - Series 2016	7,549,900	-	-
Bond principal - Series 2019B-1	568,000	-	-
Bond Insurance	32,253	-	-
Bond issue costs	204,143	-	-
Contingency	-	-	954
Total expenditures	10,406,616	2,131,160	3,022,462
Total expenditures and transfers out requiring appropriation	10,406,616	2,131,160	3,022,462
ENDING FUND BALANCES	\$ 310,956	\$ 339,427	\$ 236,475
2022 RESERVE FUND	\$ 236,475	\$ 236,512	\$ 236,475
TOTAL RESERVE	\$ 236,475	\$ 236,512	\$ 236,475

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Order and Decree of the District Court of Boulder County, Colorado on November 28, 2006, to provide financing for design, acquisition, construction and installation of essential public-purpose facilities such as water, streets, traffic and safety controls, parks, open space and recreation, sewer and drainage facilities, public transportation, mosquito control, and television relay and translation equipment, and the operation and maintenance of the District. The District's service area is located entirely within the town of Erie, Boulder County, Colorado.

The budget is in accordance with the TABOR Amendment limitations, which were modified by the voters in an election held on November 7, 2006. The election approved general obligation of \$1,371,000 for the streets, \$1,000,000 for the traffic and safety controls, \$5,212,000 for water, \$10,905,000 for sanitary and storm sewer, \$33,466,000 for park and recreation, \$2,000,000 for public transportation, \$500,000 for mosquito control, \$1,000,000 for operations and maintenance contracts, and \$34,455,000 for bond refunding. Additionally, the election allows the District to collect, spend and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. On November 7, 2006, District voters approved authorization to increase property taxes \$1,000,000 annually to pay for the operation and maintenance expenditure of the District, again allowing the District to collect, spend retain all revenues, other than ad valorem taxes, without regard to the limitation contained in Article X, Section 20 of the Colorado constitution. The service plan dated September 12, 2006, limits the total principal amount of debt that the District may have outstanding in aggregate at any one time to \$24,500,000. The District's mill levy for debt and operation cannot exceed 50.000 mills, provided that in the event the method of calculating assessed valuation is changed after the approved date of the Service Plan, the mill levy may change to reflect adjustments.

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

The District prepares its budget on the modified accrual basis of accounting and prepared 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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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 that the District's share will be equal to approximately 4% of the property taxes collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 1.5%.

Expenditures

Debt Service

Principal and interest payments are provided based upon the debt amortization schedule for the Series 2016 General Obligation Limited Tax Bonds.

Administrative and Operating Expenditures

Administrative and operating expenditures include estimated services necessary to maintain the district's administrative viability such as legal, accounting, insurance, banking, meeting costs, and storm drainage facilities located in Tract B, Flatiron Meadows Filing No. 10, recorded at Reception No. 03588291, and a portion of Tract G, Flatiron Meadows Filing No. 13, a replat of Filing No. 11, recorded at Reception No. 03649281, Boulder County, Colorado.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - (continued)

County Treasurer's Fees

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

Debts and Leases

Series 2022 General Obligation Refunding Senior Bonds. On January 20, 2022, the District issued General Obligation Limited Tax Bonds. The proceeds from the sale of the Bonds were used to (i) finance public improvements related to residential development in the District; and (ii) pay costs of issuing the Bonds. The Series 2022 Bonds bear an interest rate of 4.000% and mature on December 1, 2046. Interest is payable semi-annually on June 1 and December 1, and the principal is payable annually on December 1.

Series 2019B-1 Subordinate General Obligation Limited Tax Bonds. On November 15, 2019, the District issued General Obligation Limited Tax Bonds. The proceeds from the sale of the Bonds were used to (i) finance public improvements related to residential development in the District; and (ii) pay costs of issuing the Bonds. The Series 2019B-1 Bonds bear an interest rate of 5.125% (yield 5.0615%) and mature on December 1, 2049. Principal and interest is payable annually on December 15. It is expected that the 2019B-1 Bonds will be paid in full on December 15, 2022.

Series 2019B-2 Subordinate General Obligation Limited Tax Bonds. On August 1, 2019, the District issued General Obligation Limited Tax Bonds. The proceeds from the sale of the Bonds were used to (i) finance public improvements related to residential development in the District; and (ii) pay costs of issuing the Bonds. The Series 2019B-2 Bonds bear an interest rate of 7.750% (yield 7.6106%) and mature on December 1, 2056. Principal and interest is payable annually on December 15.

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) Property Tax Revenues, 2) Specific Ownership Tax Revenues, 3) Development Fees, and 4) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Funds.

Pledged Revenues are to be allocated as follows:

- 1) Senior Operations Deduction not in excess of \$51,515 for collection year 2020 and an additional 1% for each year thereafter
- 2) Series 2016 Senior Bonds
- 3) Subordinate Operations Deduction not in excess of \$35,000 for collection year 2020 and an additional 1% for each year thereafter
- 4) 50% of the remaining funds to Series 2019B-2 Subordinate Bonds;

And the remaining 50% of the funds:

- 5) Storm Drainage Deduction not in excess of \$50,000 for collection year 2020 and an additional 1% each year thereafter
- 6) Series 2019B-1 Subordinate Bonds

The District has no operating or capital leases.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

FLATIRON MEADOWS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2023

\$7,190,000

General Obligation Limited Tax Refunding Bonds
Series 2022

Dated January 20, 2022

Interest Rate 4.000%

Interest Payable

June 1, December 1

Principal Due December 1

Bonds and Interest
Maturing in the Year
Ending December 31,

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 160,000	\$ 243,200	\$ 403,200
2025	165,000	236,800	401,800
2026	180,000	230,200	410,200
2027	185,000	223,000	408,000
2028	200,000	215,600	415,600
2029	210,000	207,600	417,600
2030	225,000	199,200	424,200
2031	235,000	190,200	425,200
2032	255,000	180,800	435,800
2033	260,000	173,150	433,150
2034	280,000	165,350	445,350
2035	285,000	156,950	441,950
2036	305,000	148,400	453,400
2037	310,000	139,250	449,250
2038	330,000	129,950	459,950
2039	340,000	120,050	460,050
2040	360,000	109,850	469,850
2041	370,000	99,050	469,050
2042	385,000	87,950	472,950
2043	395,000	76,400	471,400
2044	410,000	60,600	470,600
2045	425,000	44,200	469,200
2046	680,000	27,200	707,200
	<u>\$ 6,950,000</u>	<u>\$ 3,464,950</u>	<u>\$ 10,414,950</u>

No assurance provided. See summary of significant assumptions.

**Flatiron Meadows Metropolitan District
Schedule of Subordinate Debt**

	Balance - December 31, 2022	Additions*	Retirements/ Reductions*	Balance - December 31, 2023*
Series 2019(B-2) Bond - Principal	\$ 14,980,000	\$ -	\$ -	\$ 14,980,000
Series 2019(B-2) Bond - Interest	874,562	1,224,774	1,716,547	382,789
Total	<u>\$ 15,854,562</u>	<u>\$ 1,224,774</u>	<u>\$ 1,716,547</u>	<u>\$ 15,362,789</u>
	December 31, 2023*	Additions*	Retirements/ Reductions*	December 31, 2024*
Series 2019(B-2) Bond - Principal	\$ 14,980,000	\$ -	\$ 801,000	\$ 14,179,000
Series 2019(B-2) Bond - Interest	382,789	1,386,661	1,769,450	-
Total	<u>\$ 15,362,789</u>	<u>\$ 1,386,661</u>	<u>\$ 2,570,450</u>	<u>\$ 14,179,000</u>

* - Estimates

No assurance provided. See summary of significant assumptions.