

FLATIRON MEADOWS METROPOLITAN DISTRICT

**ANNUAL REPORT
TO
THE TOWN OF ERIE**

FISCAL YEAR ENDING DECEMBER 31, 2022

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, 2021, 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 2022.

- B. Intergovernmental Agreements entered into or proposed.

There were no new Intergovernmental Agreements entered into or proposed in 2022.

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

There were no changes made or proposed to the District’s policies in 2022.

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

There were no changes made or proposed to the District's operations in 2022.

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 2023 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 2022 of \$36,637,988. The District has certified a mill levy of 56.995 mills assessed against the properties within the District for collection in 2023.

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 2022.

**EXHIBIT A
2023 BUDGET
ATTACHED**

FLATIRON MEADOWS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**FLATIRON MEADOWS METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 993,963	\$ 782,060	\$ 508,254
REVENUES			
Property taxes	1,568,441	1,957,524	2,088,182
Specific ownership tax	77,689	78,786	83,527
Interest income	1,015	12,146	7,532
Development fees	144,000	126,000	96,000
Bond Issuance	-	7,190,000	-
Bond Premium	-	885,465	-
Total revenues	<u>1,791,145</u>	<u>10,249,921</u>	<u>2,275,241</u>
TRANSFERS IN	<u>-</u>	<u>550,000</u>	<u>-</u>
Total funds available	<u>2,785,108</u>	<u>11,581,981</u>	<u>2,783,495</u>
EXPENDITURES			
General Fund	91,495	83,653	155,000
Debt Service Fund	1,911,553	10,440,074	2,124,976
Total expenditures	<u>2,003,048</u>	<u>10,523,727</u>	<u>2,279,976</u>
TRANSFERS OUT	<u>-</u>	<u>550,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>2,003,048</u>	<u>11,073,727</u>	<u>2,279,976</u>
ENDING FUND BALANCES	<u>\$ 782,060</u>	<u>\$ 508,254</u>	<u>\$ 503,519</u>
EMERGENCY RESERVE	\$ 4,400	\$ 4,600	\$ 4,600
STORM DRAINAGE RESERVE	50,000	151,505	151,505
AVAILABLE FOR OPERATIONS	649,574	115,674	110,964
2022 RESERVE FUND	-	236,475	236,475
TOTAL RESERVE	<u>\$ 703,974</u>	<u>\$ 508,254</u>	<u>\$ 503,544</u>

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	\$ 25,469,673	\$ 32,573,988	\$ 35,271,942
Commercial	118,084	38,632	1,550
Agricultural	29	-	-
State assessed	355,684	382,110	775,337
Vacant land	2,182,963	2,206,045	536,641
Natural resources	696	696	696
Oil and Gas	51,539	49,673	51,822
Certified Assessed Value	<u>\$ 28,178,668</u>	<u>\$ 35,251,144</u>	<u>\$ 36,637,988</u>
MILL LEVY			
General	4.893	3.951	3.839
Debt Service 2022 Senior Bonds	16.795	13.720	10.410
Debt Service 2019B-1 Subordinate Bonds	16.092	18.273	0.000
Debt Service 2019B-2 Subordinate Bonds	17.884	19.720	42.746
Total mill levy	<u>55.664</u>	<u>55.664</u>	<u>56.995</u>
PROPERTY TAXES			
General	\$ 137,878	\$ 139,277	\$ 140,653
Debt Service 2022 Senior Bonds	473,261	483,646	381,401
Debt Service 2019B-1 Subordinate Bonds	453,451	644,144	-
Debt Service 2019B-2 Subordinate Bonds	503,947	695,153	1,566,128
Levied property taxes	1,568,537	1,962,220	2,088,182
Adjustments to actual/rounding	(96)	-	-
Refunds and abatements	-	(4,696)	-
Budgeted property taxes	<u>\$ 1,568,441</u>	<u>\$ 1,957,524</u>	<u>\$ 2,088,182</u>
BUDGETED PROPERTY TAXES			
General	\$ 137,870	\$ 138,944	\$ 140,653
Debt Service 2016 Senior Bonds	473,232	482,488	381,401
Debt Service 2019B-1 Subordinate Bonds	453,423	642,603	-
Debt Service 2019B-2 Subordinate Bonds	503,916	693,489	1,566,128
Total	<u>\$ 1,568,441</u>	<u>\$ 1,957,524</u>	<u>\$ 2,088,182</u>

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 700,956	\$ 754,474	\$ 271,779
REVENUES			
Property taxes	137,870	138,944	140,653
Specific ownership tax	6,829	5,868	5,626
Interest income	314	6,146	4,011
Total revenues	<u>145,013</u>	<u>150,958</u>	<u>150,290</u>
Total funds available	<u>845,969</u>	<u>905,432</u>	<u>422,069</u>
EXPENDITURES			
General and administrative			
Accounting	33,559	35,000	40,000
Audit	4,900	4,900	5,500
County Treasurer's fees	2,069	2,089	2,110
Director fees	1,400	2,000	2,000
Dues and memberships	449	500	750
Insurance and bonds	3,018	3,011	3,100
Legal	38,501	27,500	30,000
Election expense	-	2,000	2,000
Engineering	-	5,000	10,000
Miscellaneous	7,492	-	-
Payroll taxes	107	153	153
Website	-	1,500	1,000
Storm drainage	-	-	51,515
Contingency	-	-	6,872
Total expenditures	<u>91,495</u>	<u>83,653</u>	<u>155,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>550,000</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>91,495</u>	<u>633,653</u>	<u>155,000</u>
ENDING FUND BALANCE	<u>\$ 754,474</u>	<u>\$ 271,779</u>	<u>\$ 267,069</u>
EMERGENCY RESERVE	\$ 4,400	\$ 4,600	\$ 4,600
STORM DRAINAGE RESERVE	100,500	151,505	151,505
AVAILABLE FOR OPERATIONS	649,574	115,674	110,964
TOTAL RESERVE	<u>\$ 754,474</u>	<u>\$ 271,779</u>	<u>\$ 267,069</u>

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/2023

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 293,007	\$ 27,586	\$ 236,475
REVENUES			
Property taxes	1,430,571	1,818,580	1,947,529
Specific ownership tax	70,860	72,918	77,901
Interest income	701	6,000	3,521
Development fees	144,000	126,000	96,000
Bond premium	-	885,465	-
Bond issuance	-	7,190,000	-
Total revenues	<u>1,646,132</u>	<u>10,098,963</u>	<u>2,124,951</u>
TRANSFERS IN			
Transfers from other funds	-	550,000	-
Total funds available	<u>1,939,139</u>	<u>10,676,549</u>	<u>2,361,426</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	21,465	27,344	29,213
Paying agent fees	7,000	7,000	7,000
Debt Service			
Bond issue costs	-	204,143	-
Bond interest Series 2016	380,275	51,132	-
Bond principal Series 2016	90,000	7,549,900	-
Bond principal Series 2022	-	110,000	130,000
Bond interest 2019B-1	66,471	29,110	-
Bond principal 2019B-1	729,000	568,000	-
Bond interest 2019B-2	617,342	1,642,801	1,710,363
Bond interest 2022	-	218,391	248,400
Bond Insurance - Series 2022	-	32,253	-
Total expenditures	<u>1,911,553</u>	<u>10,440,074</u>	<u>2,124,976</u>
Total expenditures and transfers out requiring appropriation	<u>1,911,553</u>	<u>10,440,074</u>	<u>2,124,976</u>
ENDING FUND BALANCE	<u>\$ 27,586</u>	<u>\$ 236,475</u>	<u>\$ 236,450</u>
2022 RESERVE FUND	\$ -	\$ 236,475	\$ 236,450
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 236,475</u>	<u>\$ 236,450</u>

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
2023 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
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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.

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.

County Treasurer's Fees

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

**FLATIRON MEADOWS METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

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 5.125%

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>
2023	\$ 130,000	\$ 248,400	\$ 378,400
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>\$ 7,080,000</u>	<u>\$ 3,713,350</u>	<u>\$ 10,793,350</u>

No assurance provided. See summary of significant assumptions.

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

	Balance - December 31, 2021	Additions*	Retirements/ Reductions*	Balance - December 31, 2022*
Series 2022(B) Bond - Principal	\$ 14,980,000	\$ -	\$ -	\$ 14,980,000
Series 2022(B) Bond - Interest	1,235,938	1,252,690	1,642,801	845,827
Total	<u>\$ 16,215,938</u>	<u>\$ 1,252,690</u>	<u>\$ 1,642,801</u>	<u>\$ 15,825,827</u>
	December 31, 2022*	Additions*	Retirements/ Reductions*	December 31, 2023*
Series 2022(B) Bond - Principal	\$ 14,980,000	\$ -	\$ -	\$ 14,980,000
Series 2022(B) Bond - Interest	845,827	1,222,456	1,710,363	357,920
Total	<u>\$ 15,825,827</u>	<u>\$ 1,222,456</u>	<u>\$ 1,710,363</u>	<u>\$ 15,337,920</u>

* - Estimates