

FLATIRON MEADOWS METROPOLITAN DISTRICT

**ANNUAL REPORT
TO
THE TOWN OF ERIE**

FISCAL YEAR ENDING DECEMBER 31, 2021

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 2021.

- B. Intergovernmental Agreements entered into or proposed.

There were no new Intergovernmental Agreements entered into or proposed in 2021.

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

There were no changes made or proposed to the District’s policies in 2021.

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

There were no changes made or proposed to the District's operations in 2021.

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 2022 budget, attached as **Exhibit A**. The District established a two-step plan of finance to refinance its outstanding debt. In November, 2021, the Board authorized a refinance of the District's 2016 bonds to take advantage of lower interest rates; the refinance closed in January 2022, and achieved an estimated \$2.1 million in net present value savings, without modifying the original maturity date. Additionally, the District intends to pay off or refinance the 2019 Bonds over the next two years.

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.

The District anticipates development to be complete by 2022. The District plans to pay off its Series 2019B-1 Bonds in 2022, and to consider a refinance of its Series 2019B-2 Bonds in 2023-24, subject to market conditions, to convert all of its debt into a single lien.

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 2021 of \$35,251,144. The District has certified a mill levy of 55.664 mills assessed against the properties within the District for collection in 2022.

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 2021.

**EXHIBIT A
2022 BUDGET
ATTACHED**

FLATIRON MEADOWS METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**FLATIRON MEADOWS METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/21/2021

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 697,190	\$ 993,963	\$ 760,720
REVENUES			
Property taxes	1,362,025	1,568,537	1,962,220
Specific ownership tax	66,157	62,741	78,489
Interest income	7,061	800	800
Development fees	300,020	171,000	30,000
Total revenues	<u>1,735,263</u>	<u>1,803,078</u>	<u>2,071,509</u>
Total funds available	<u>2,432,453</u>	<u>2,797,041</u>	<u>2,832,229</u>
EXPENDITURES			
General Fund	89,997	156,070	190,000
Debt Service Fund	1,348,493	1,880,251	1,998,502
Total expenditures	<u>1,438,490</u>	<u>2,036,321</u>	<u>2,188,502</u>
Total expenditures and transfers out requiring appropriation	<u>1,438,490</u>	<u>2,036,321</u>	<u>2,188,502</u>
ENDING FUND BALANCES	<u>\$ 993,963</u>	<u>\$ 760,720</u>	<u>\$ 643,727</u>
EMERGENCY RESERVE	\$ 4,500	\$ 4,400	\$ 4,400
STORM DRAINAGE RESERVE	50,000	50,000	50,000
AVAILABLE FOR OPERATIONS	646,456	634,179	589,327
TOTAL RESERVE	<u>\$ 700,956</u>	<u>\$ 760,720</u>	<u>\$ 643,727</u>

No assurance provided. See summary of significant assumptions.

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

12/21/2021

ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
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ASSESSED VALUATION

Residential	\$ 20,054,551	\$ 25,469,673	\$ 32,573,988
Commercial	131,467	118,084	38,632
Agricultural	29	29	-
State assessed	316,652	355,684	382,110
Vacant land	3,917,214	2,182,963	2,206,045
Natural resources	696	696	696
Oil and Gas	133,669	51,539	49,673
Certified Assessed Value	\$ 24,554,278	\$ 28,178,668	\$ 35,251,144

MILL LEVY

General	5.560	4.893	3.951
Debt Service 2016 Senior Bonds	19.248	16.795	13.720
Debt Service 2019B-1 Subordinate Bonds	14.410	16.092	18.273
Debt Service 2019B-2 Subordinate Bonds	16.446	17.884	19.720
Total mill levy	55.664	55.664	55.664

PROPERTY TAXES

General	\$ 136,522	\$ 137,878	\$ 139,277
Debt Service 2016 Senior Bonds	472,621	473,261	483,646
Debt Service 2019B-1 Subordinate Bonds	353,827	453,451	644,144
Debt Service 2019B-2 Subordinate Bonds	403,820	503,947	695,153
Refund and abatements	(4,765)	-	-
Levied property taxes	1,362,025	1,568,537	1,962,220
Budgeted property taxes	\$ 1,362,025	\$ 1,568,537	\$ 1,962,220

BUDGETED PROPERTY TAXES

General	\$ 136,046	\$ 137,878	\$ 139,277
Debt Service 2016 Senior Bonds	470,973	473,261	483,646
Debt Service 2019B-1 Subordinate Bonds	352,594	453,451	644,144
Debt Service 2019B-2 Subordinate Bonds	402,412	503,947	695,153
Total	\$ 1,362,025	\$ 1,568,537	\$ 1,962,220

No assurance provided. See summary of significant assumptions.

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

12/21/2021

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$643,319	\$ 700,956	\$ 688,579
REVENUES			
Property taxes	136,046	137,878	139,277
Specific ownership tax	6,608	5,515	5,571
Interest income	4,980	300	300
Total revenues	<u>147,634</u>	<u>143,693</u>	<u>145,148</u>
Total funds available	<u>790,953</u>	<u>844,649</u>	<u>833,727</u>
EXPENDITURES			
General and administrative			
Accounting	47,617	45,000	55,000
Audit	4,700	4,900	5,500
County Treasurer's fees	2,041	2,068	2,089
Director fees	300	2,000	2,000
Dues and memberships	488	449	1,500
Insurance and bonds	2,974	6,000	6,000
Legal	25,057	30,000	45,000
Election expense	1,997	-	2,000
Engineering	-	10,000	10,000
Miscellaneous	4,800	5,000	7,500
Payroll taxes	23	153	153
Storm drainage	-	50,500	51,005
Contingency	-	-	2,253
Total expenditures	<u>89,997</u>	<u>156,070</u>	<u>190,000</u>
Total expenditures and transfers out requiring appropriation	<u>89,997</u>	<u>156,070</u>	<u>190,000</u>
ENDING FUND BALANCE	<u>\$700,956</u>	<u>\$ 688,579</u>	<u>\$ 643,727</u>
EMERGENCY RESERVE	\$ 4,500	\$ 4,400	\$ 4,400
STORM DRAINAGE RESERVE	50,000	50,000	50,000
AVAILABLE FOR OPERATIONS	<u>646,456</u>	<u>634,179</u>	<u>589,327</u>
TOTAL RESERVE	<u>\$700,956</u>	<u>\$ 688,579</u>	<u>\$ 643,727</u>

No assurance provided. See summary of significant assumptions.

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

12/21/2021

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 53,871	\$ 293,007	\$ 72,141
REVENUES			
Property taxes	1,225,979	1,430,659	1,822,943
Specific ownership tax	59,549	57,226	72,918
Interest income	2,081	500	500
Development fees	300,020	171,000	30,000
Total revenues	<u>1,587,629</u>	<u>1,659,385</u>	<u>1,926,361</u>
Total funds available	<u>1,641,500</u>	<u>1,952,392</u>	<u>1,998,502</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	18,394	21,460	27,344
Paying agent fees	7,000	7,000	7,000
Debt Service	-		
Bond interest Series 2016	384,631	380,275	375,663
Bond principal Series 2016	85,000	90,000	105,000
Bond interest 2019B-1	83,610	66,470	29,930
Bond principal 2019B-1	203,000	713,000	584,000
Bond interest 2019B-2	566,858	602,046	869,565
Total expenditures	<u>1,348,493</u>	<u>1,880,251</u>	<u>1,998,502</u>
Total expenditures and transfers out requiring appropriation	<u>1,348,493</u>	<u>1,880,251</u>	<u>1,998,502</u>
ENDING FUND BALANCE	<u>\$ 293,007</u>	<u>\$ 72,141</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
2022 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
2022 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.

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 .25%.

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.

Debts and Leases

Series 2016 General Obligation Senior Bonds. On April 19, 2016, 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 2016 Bonds bear an interest rate of 5.125% 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.

**FLATIRON MEADOWS METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debts and Leases - (continued)

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.

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 method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20%. Accordingly, the mill levy cap has been adjusted upward to 55.664.

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, 2021**

\$7,760,000

General Obligation Limited Tax Bonds

Series 2016

Dated April 19, 2016

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>
2022	\$ 105,000	\$ 375,663	\$ 480,663
2023	110,000	370,281	480,281
2024	125,000	364,644	489,644
2025	130,000	358,238	488,238
2026	150,000	351,575	501,575
2027	155,000	343,888	498,888
2028	175,000	335,944	510,944
2029	180,000	326,975	506,975
2030	205,000	317,750	522,750
2031	215,000	307,244	522,244
2032	235,000	296,225	531,225
2033	245,000	284,181	529,181
2034	270,000	271,625	541,625
2035	285,000	257,787	542,787
2036	310,000	243,181	553,181
2037	325,000	227,294	552,294
2038	355,000	210,637	565,637
2039	370,000	192,444	562,444
2040	400,000	173,481	573,481
2041	420,000	152,981	572,981
2042	455,000	131,456	586,456
2043	475,000	108,137	583,137
2044	515,000	83,794	598,794
2045	540,000	57,400	597,400
2046	580,000	29,725	609,725
	<u>\$ 7,330,000</u>	<u>\$ 6,172,550</u>	<u>\$ 13,502,550</u>

No assurance provided. See summary of significant assumptions.