

**RESOLUTION  
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

**(2022)**

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The Board of Directors of Flat Rock Metropolitan District No. 3 (the “**Board**”), City of Aurora, Colorado (the “**District**”) held a regular meeting held via teleconference on October 21, 2021, at the hour of 10:00 A.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

*[Remainder of Page Intentionally Left Blank.]*

NOTICE AS TO PROPOSED 2022 BUDGET

SENTINEL  
PROOF OF PUBLICATION

STATE OF COLORADO  
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated October 14 A.D. 2021 and that the last publication of said notice was in the issue of said newspaper dated October 14 A.D. 2021.

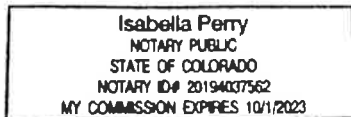
I witness whereof I have hereunto set my hand this 14th day of October A.D. 2021.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 14th day of October A.D. 2021.



Notary Public



NOTICE OF PUBLIC HEARING  
ON THE AMENDED 2022 BUDGET  
AND  
NOTICE OF PUBLIC HEARING  
ON THE PROPOSED 2021 BUDGET

NOTICE IS HEREBY GIVEN that the Boards of Directors (collectively, the "Boards") of the FLAT ROCK METROPOLITAN DISTRICT NOS. 1-4 (collectively, the "Districts"), will hold a meeting via teleconference on Thursday, October 21, 2021 at 10:00 A.M., for the purpose of conducting such business as may come before the Boards including a public hearing on the 2021 amended budgets (the "Amended Budgets") and 2022 proposed budgets (the "Proposed Budgets"). This meeting can be joined using the following teleconference information:  
Link: <https://us06web.zoom.us/j/8251910705?pwd=Z3MxRUdhU2wyV3B1TXFiVVhR0FhUT09>

Meeting ID: 825 1910 1705  
Passcode: 218389  
Call-In Number: 1-720-707-2699

NOTICE IS FURTHER GIVEN that Amended Budgets and Proposed Budgets have been submitted to the Districts. A copy of the Amended Budgets and the Proposed Budgets are on file in the office of CliftonLarsonAllen LLP, 8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111, where the same are open for public inspection.

Any interested elector of the Districts may file any objections to the Amended Budgets and Proposed Budgets at any time prior to final adoption of the Amended Budgets and Proposed Budgets by the Boards. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE  
BOARDS OF DIRECTORS:  
FLAT ROCK METROPOLITAN  
DISTRICT NOS. 1-4  
/s/ WHITE BEAR ANKELE TANAKA &  
WALDRON  
Attorneys at Law

Publication: October 14, 2021  
Sentinel

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 21, 2021, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2022. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 57.958 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2022 budget year, there is hereby levied a tax of

0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

***[Remainder of page intentionally left blank.]***

ADOPTED THIS 11<sup>th</sup> DAY OF NOVEMBER, 2021.

FLAT ROCK METROPOLITAN DISTRICT NO. 3

*Cynthia Myers*  
Cynthia Myers (Jan 10, 2022 08:45 MST)

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Officer of the District

ATTEST:

*Taylor Lilly*

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

*George M Rowley*

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General Counsel to the District

STATE OF COLORADO  
COUNTY OF ARAPAHOE  
FLAT ROCK METROPOLITAN DISTRICT NO. 3

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held on Thursday, October 21, 2021 and November 11, 2021, via teleconference as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11th day of November, 2021.

*Taylor Lilly*

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Signature

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**

**FLAT ROCK METROPOLITAN DISTRICT NO. 3**

**ANNUAL BUDGET**

**FOR YEAR ENDING DECEMBER 31, 2022**



**FLAT ROCK METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	8
Specific ownership taxes	-	-	1
Other revenue	-	-	500
Total revenues	<u>-</u>	<u>-</u>	<u>509</u>
Total funds available	<u>-</u>	<u>-</u>	<u>509</u>
EXPENDITURES			
General and administrative			
Transfer to Flat Rock MD No. 1	-	-	9
Contingency	-	-	500
Total expenditures	<u>-</u>	<u>-</u>	<u>509</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>509</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FLAT ROCK METROPOLITAN DISTRICT NO. 3  
PROPERTY TAX SUMMARY INFORMATION  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

12/7/21

ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
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**ASSESSED VALUATION**

Vacant land	145	145	145	
Certified Assessed Value	\$ 145	\$ 145	\$ 145	

**MILL LEVY**

General	0.000	0.000	57.958	
Total mill levy	0.000	0.000	57.958	

**PROPERTY TAXES**

General	\$ -	\$ -	\$ 8	
Budgeted property taxes	\$ -	\$ -	\$ 8	

**BUDGETED PROPERTY TAXES**

General	\$ -	\$ -	\$ 8	
	\$ -	\$ -	\$ 8	

No assurance provided. See summary of significant assumptions.

**FLAT ROCK METROPOLITAN DISTRICT NO. 3  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized under a Service Plan approved by the City of Aurora to provide financing for the design, acquisition, installation, construction, operation and maintenance of public improvements as generally described in the Special District Act, except for fire protection facilities and services, television relay and translation facilities, or a public golf course. The District would have to enter into a separate intergovernmental agreement with the City to provide or install these services that are prohibited under the Service Plan. The District's service area is located in the City of Aurora in Arapahoe County, Colorado. Under the Service Plan, Flat Rock Metropolitan District No. 1 is the Operating District related to Flat Rock Metropolitan District Nos. 2-4 as the Taxing Districts.

The District was formed by District Court Order in February 2008 and held its organizational meeting on February 21, 2008.

On November 6, 2007, the District voters approved authorization to increase property taxes \$15,000,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. The District voters approved authorization of fees up to \$15,000,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. The District voters approved authorization to increase property taxes \$750,000,000 annually to pay obligations pursuant to intergovernmental agreements, its service plan, or contracts with private parties. Debt authorization was approved in the amount of \$2,500,000,000 for the above listed facilities and \$250,000,000 for refunding debt. The voters also authorized debt of \$250,000,000 for the costs of operating and maintaining the District's systems and \$500,000,000 for the repayment of intergovernmental agreements or contracts with private parties. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law. Pursuant to the Service Plan, the Districts are collectively limited to issuing debt in the amount of \$250,000,000. The Districts also have a maximum mill levy of 50 mills that they can levy for debt service purposes or any debt that is in excess of fifty percent (50%) of the District's assessed valuation. The maximum mill levy may be adjusted for changes in the ratio of actual value to assessed value of property within the District. The adjusted maximum debt service mill levy is 57.958.

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.

**FLAT ROCK METROPOLITAN DISTRICT NO. 3  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.

The calculation of the taxes levied is displayed on page 3 at the adopted mill levy of 57.958 mills. Pursuant to the Service Plan, the District is required to levy the Aurora Regional Improvements ("ARI") Mill Levy, in the first year the District imposes a debt service mill levy and for each year thereafter. The ARI Mill Levy will be one mill for each of the first twenty years. The ARI Mill Levy will increase to 5 mills in year twenty-one and will continue at that level until the earlier of year forty or the date when bonds have been repaid. The ARI Mill Levy will then be imposed for ten additional years at the average debt service mill levy imposed by the District for the ten years prior to the date of repayment of the debt. As the District has not yet imposed a debt service mill levy, the ARI Mill Levy has not been levied.

**Specific Ownership Tax**

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 7% of the property taxes collected by the General Fund.

**Expenditures**

**Intergovernmental Transfers**

District No. 1, as the Operating District, will provide all of the administrative and operating expenditures, which include the services necessary to maintain the Districts' administrative viability such as legal, management, accounting, insurance, banking, and meetings expense for the Taxing Districts – Flat Rock Metropolitan District Nos. 2-4. Therefore, per agreement, all net taxes will be transferred to the Operating District.

**Debt and Leases**

The District has neither outstanding debt nor any operating or capital leases.

**FLAT ROCK METROPOLITAN DISTRICT NO. 3  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Emergency Reserves**

District No. 1, as the operating district, will provide for an emergency reserve fund equal to at least 3% of fiscal year spending for Flat Rock Metropolitan District Nos. 1-4, as defined under TABOR.

**This information is an integral part of the accompanying budget.**