

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS

(2022)

The Board of Directors of Flat Rock Metropolitan District No. 1 (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.

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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.

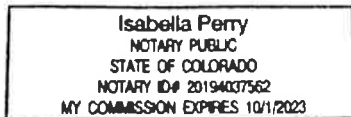
I witness whereof I have hereunto set my hand this 14th day of October A.D. 2021.



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=Z3MxRUdhU2wyV3B1TXFlaVVhR0FhUT09>

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 0.000 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 11th DAY OF NOVEMBER, 2021.

FLAT ROCK METROPOLITAN DISTRICT NO. 1

Cynthia Myers

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

Officer of the District

ATTEST:

Taylor Lilly

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

George M Rowley

General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
FLAT ROCK METROPOLITAN DISTRICT NO. 1

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 Thursday, 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

Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

FLAT ROCK METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2022

**FLAT ROCK METROPOLITAN DISTRICT NO. 1
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	\$ (8,402)	\$ (4,557)	\$ 810
REVENUES			
Interest income	2	-	-
Developer advance	30,000	39,000	32,000
Intergovernmental revenue	703	703	604
Total revenues	30,705	39,703	32,604
Total funds available	22,303	35,146	33,414
EXPENDITURES			
General and administrative			
Accounting	8,851	8,000	8,000
Dues and licenses	637	954	1,000
Insurance and bonds	2,375	2,382	2,500
Legal services	14,035	23,000	14,500
Miscellaneous	-	-	-
Election expense	962	-	1,000
Contingency	-	-	6,000
Total expenditures	26,860	34,336	33,000
Total expenditures and transfers out requiring appropriation	26,860	34,336	33,000
ENDING FUND BALANCE	\$ (4,557)	\$ 810	\$ 414
EMERGENCY RESERVE	\$ 20	\$ 30	\$ 30
TOTAL RESERVE	\$ 20	\$ 30	\$ 30

No assurance is provided. See summary of significant assumptions.

**FLAT ROCK METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/7/21

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

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

MILL LEVY

General	0.000	0.000	0.000
Total mill levy	0.000	0.000	0.000

PROPERTY TAXES

Budgeted property taxes	\$ -	\$ -	\$ -
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BUDGETED PROPERTY TAXES

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

No assurance is provided. See summary of significant assumptions.

**FLAT ROCK METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services

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 55.664.

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

The District did not levy any property taxes for collection in 2022. 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.

**FLAT ROCK METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures for 2022 are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Intergovernmental Revenue

Pursuant to the Service Plan, the Taxing Districts are required to transfer any property tax revenues received to the Operating District to be used for administrative expenditures. The revenue budgeted for 2022 represents amounts to be received from Flat Rock Metropolitan District Nos. 2-4.

Expenditures

Administrative Expenditures

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.

Debt and Leases

The District's only outstanding debt is developer advances in the amount of \$378,619 as of December 31, 2020, plus \$185,751 of accrued interest. It has no operating or capital leases. See below for a summary of the District's anticipated developer advances.

	<u>12/31/2020</u>	<u>Additions*</u>	<u>Deletions</u>	<u>12/31/2021*</u>
Developer Advance				
Principal	\$ 378,619	\$ 39,000	\$ -	\$ 417,619
Accrued interest	185,751	27,876	-	213,627
	<u>\$ 564,370</u>	<u>\$ 66,876</u>	<u>\$ -</u>	<u>\$ 631,246</u>
	<u>12/31/2021*</u>	<u>Additions*</u>	<u>Deletions</u>	<u>12/31/2022*</u>
Developer Advance				
Principal	\$ 417,619	\$ 32,000	\$ -	\$ 449,619
Accrued interest	213,627	31,194	-	244,821
	<u>\$ 631,246</u>	<u>\$ 63,194</u>	<u>\$ -</u>	<u>\$ 694,440</u>

*Estimated

**FLAT ROCK METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

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.