

**NOTICE AND AGENDA SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF FALLBROOK VILLAS METROPOLITAN DISTRICT**

NOTICE IS HEREBY GIVEN that the Board of Directors (“Board”) of **Fallbrook Villas Metropolitan District** (the “District”), Adams County, Colorado, will hold a special meeting on Thursday, July 11, 2024, at 6:00 p.m., or as soon thereafter as possible, via telephone and videoconference as noted below. The meeting is being held for the purpose of addressing those matters set out in the agenda below as the same may be amended at the meeting, and for the purpose of conducting such other business as may properly come before the Board. The meeting is open to the public.

Date: Thursday, July 11, 2024

Time: 6:00 p.m., *or as soon thereafter as possible*

Zoom: <https://us02web.zoom.us/j/4613815754?pwd=UGlnbHQ0TkF5WkdzVHozL2ZpQzZRUT09&omn=89446463457>

Call-In Number: (669) 444-9171

Meeting ID: 461 381 5754

Passcode: 6743379

AGENDA

BOARD OF DIRECTORS

KimNichelle Rivera, President, (2022-2025)

Jolene Simon, Treasurer, (2023-2027)

Todd Geist, Director, (2023-2025)

Robert Bullion, Director, (2023-2027)

Attendees: whether members of the public or the Board of Directors, will not engage in obscene gestures, shouting, profanity, or other disruptive behavior. If attendees become disruptive, they will be muted, expelled from the meeting and/or fined/sanctioned.

1. Agenda & Administrative Matters
 - a. Call to Order
 - b. Approve Agenda and Meeting Location
 - c. Public Comment (limited to three minutes per person)
 - d. Consider Appointment of New Board Member and Administer Oath of Office
 - e. Consider for Approval the Minutes of a Special Meeting held on March 19, 2024

2. Management & Maintenance Matters
 - a. Review and Consider Approval of Playground Repair Proposal
 - b. Discuss & Consider Appointment of DRC Committee Members
 - c. Discuss Walkthrough and Violation Procedures
 - d. Discuss Backflow Testing
 - e. Review & Discuss EcoShield Exteriors Community Service Fund
 - f. Review & Consider Landscape Enhancement Agreement
 - g. Update on Website Transition
 - h. Discuss New Legal Representation

3. 2023 Budget Amendment
 - a. Conduct Public Hearing on 2023 Budget Amendment
 - b. Review and Consider Approval of Resolution No. 2 to Amend 2023 Budget

4. Audit Presentation
 - a. 2023 Audit Review – Dawn Schilling
 - b. Approve 2023 Audit and District Representation Letter

5. Financial Matters
 - a. Ratify Approval of March 2024 – June 2024 Disbursements
 - b. Approve July 2024 Disbursements
 - c. Approve December 31, 2023 Financial Statements
 - d. Approve May 31, 2024 Financial Statements
 - e. Update on Delinquent Customers and Collecting Fees

6. Other Business

7. Executive Session as Needed Pursuant to C.R.S. Section 24-6-402(4)(b) and (e) (if necessary)

8. Adjournment/Continuation

**RECORD OF PROCEEDINGS
MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
FALLBROOK VILLAS METROPOLITAN DISTRICT**

HELD:

Tuesday, the 19th day of March, 2024 at 7:00 p.m. via telephone and videoconference.

ATTENDANCE:

The special meeting of the Board of Directors (the “Board”) of the Fallbrook Villas Metropolitan District (the “District”), Adams County, State of Colorado, was called and held as shown above and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

KimNichelle Rivera, President, (2022-2025)
Jolene Simon, Treasurer (2023-2027)
Jacqueline Phillips, Secretary (2023-2025)
Todd Geist, Director (2023-2025)

Also in attendance were Melissa Kupferer of Advance HOA, Nicki Simonson, Judy Simonson and Rebecca Hill of Simonson & Associates, Inc.

1. AGENDA & ADMINISTRATIVE MATTERS:

- a. Call to Order: It was noted for the record that a quorum was present of the Board for the purpose of conducting a special meeting and the meeting was called to order.
- b. Agenda and Meeting Location: The meeting location and amended agenda were approved upon motion by Director T. Geist and second by Director K. Rivera.
- c. Public Comment: Ms. N. Simonson reviewed the code of conduct. Director T. Geist’s objection to the code of conduct was duly noted. Ms. N. Simonson then opened the public comment section. A homeowner asked why Ms. N. Simonson was running the meeting and an explanation was provided that the District is saving money by not having the District’s attorney perform that function. Legal counsel is still available on an as needed basis. Another homeowner wanted to pass along kudos for the snow removal efforts and Director K. Rivera said she would pass along the compliments to the landscape company. Ms. N. Simonson closed the public comment section.
- d. Consider New Board Member: Director Richard Vogt submitted a letter of resignation prior to the meeting which opened up a seat on the Board. Mr. Robert Bullion expressed an interest, lives in the District and is a registered voter. Director T. Geist asked why an email wasn’t sent out to everyone in the District. Ms. J. Simonson explained that sending such a notification is not a requirement. Director J. Simon stated that some homeowners

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had previously reached out regarding potential open seats, so she reached back out to them. Director K. Rivera moved to appoint Mr. Robert Bullion to the Board of Directors which was approved upon second by Director J. Phillips. Mr. Bullion's Oath of Office was provided after the meeting.

- e. Amended Minutes, June 29 , 2023: The Board reviewed and discussed the amended minutes of the regular meeting held on June 29, 2023. The amended minutes were approved upon motion by Director K. Rivera and second by Director J. Phillips.
- f. Minutes, November 30, 2023: The Board then reviewed and discussed the minutes of the regular meeting held on November 30, 2023. The minutes were then approved upon motion by Director K. Rivera and second by Director J. Phillips.
- g. 2024 Sunshine Resolution No. 1: The 2024 Sunshine Resolution No. 1, specifying the location where notices of public meetings at which formal action may be taken are to be posted, was approved upon motion by Director J. Simon and second by Director K. Rivera.

2. **MANAGEMENT AND MAINTENANCE MATTERS:**

- a. Landscaping Proposals and Bid Comparisons. Landscaping services proposals were submitted by Environmental Designs, LLC, Indian Summer Landscaping, LMI Landscapes, Branch Landscape Group, and Brightview Landscape Services. After review and discussion, Director K. Rivera moved to accept the proposal submitted by Environmental Designs, LLC. Director J. Simon seconded the motion, and it was approved.
- b. Rocky Mountain Playground Service Contract. The Rocky Mountain Playground Service contract covering two (2) inspections per year, was approved upon motion by Director T. Geist and second by Director K. Rivera subject to confirmation that the Colorado State statutes support it as a requirement.
- c. Advance HOA Management, Inc. Contract Termination. The termination of the Advance HOA Management, Inc. contract was approved upon motion by Director K. Rivera and second by Director J. Simon. Director T. Geist was opposed.
- d. Simonson & Associates, Inc. Management and Accounting Agreement. The Simonson & Associates agreement was approved upon motion by Director K. Rivera and second by Director T. Geist.
- e. Homeowner Shrub Removal Request. The homeowner at 14034 Jackson Street requested removal of a shrub on the district property that is obstructing his view of oncoming traffic when backing out of his garage. He requests it either be trimmed or removed. A motion

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was made by Director J. Simon to authorize removal of the shrub which was then approved upon second by Director J. Phillips. Ms. N. Simonson will reach out to the adjacent homeowners to get their input prior to scheduling removal.

3. FINANCIAL MATTERS:

- a. Approve Ratification of December 2023 through February 2024 Disbursements: The Board reviewed and discussed the two check registers presented. Director J. Simon moved to ratify the approval of the disbursements for the period from December 1, 2023 to February 29, 2024. It was approved upon second by Director K. Rivera.
- b. Approve March 2024 Disbursements: Director J. Simon then moved to approve the check register for the period from March 1, 2024 to March 31, 2024. It was approved upon second by Director K. Rivera.
- c. Review Draft December 31, 2023 Financial Statements: Ms. J. Simonson presented the financial statements and discussed them with the Board. No approval was necessary as these financial statements are in draft form pending audit. Director T. Geist requested to see a breakdown of the Accounts Receivables and Accounts Payables on the financials going forward.
- d. Update on 2024 Mill Levy and Finances: Ms. J. Simonson gave an update of the District's overall financial health and projections for 2024. She reported that UMB Bank, the trustee for the District's bonds agreed that the District no longer needed to fund the Surplus Fund originally required by the bond indenture now that the District's assessed valuation to its bonded indebtedness ratio is less than 50%. This allowed the District to reduce its 2024 debt service mill levy from the 55.664 to 32.014 and the District's overall mill levy for 2024 was 79.519 which was .268 mills lower than last year.
- e. Schilling & Company Audit Engagement Letter: Director K. Rivera moved to approve engaging Schilling & Company to perform the District audit for 2023. The motion was approved upon second by Director J. Simon.

4. OTHER BUSINESS:

- a. Director T. Geist requested the final item from the agenda be removed.

EXECUTIVE SESSION:

Not required.

ADJOURNMENT:

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March 19, 2024

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There being no further business to come before the Board of the District and upon motion duly made, seconded and upon unanimous vote, the meeting was adjourned at 8:15 p.m.

The foregoing minutes constitute a true and correct copy of the minutes of the above-referenced meeting and have been approved by the Board of Directors of the Fallbrook Villas Metropolitan District.

President to the Board

DRAFT

Annual Playground Inspection

Complete

Score	10 / 15 (66.67%)	Flagged items	5	Actions	0
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What is the location of the playground?

Fallbrook Villas Metro District

Please note the larger playground at 39.952200, -104.942551 will be referred to as playground 1 and the smaller playground at 39.951048, -104.942594 will be referred to as playground 2.

Conducted on

11 Apr 2024 12:31 MDT

Prepared by

kyle Brown

Please include a photo of the playground in the park



Photo 1



Photo 2

Audit

Is the playground structure free of bending, loosening, cracking, breakage, wear, rust/corrosion, entrapments or other safety related issues?

No - High Risk

Cracks on both maroon slides at playground 1. the slides should be taken out of service until repaired.



Photo 3



Photo 4

Audit

Does all the playground hardware meet Standards (check for any hardware that is missing, bent, broken or loose or any other safety issues such as open hooks)?

No - Low Risk

Shelter at Playground 1 has a post with an open hole that could lead to injury.



Photo 5

Audit

Are all footings secure?

No - Low Risk

The ADA ramps at both parks do not have adequate surfacing around them. this creates a trip hazard and should be corrected.



Photo 6



Photo 7

Audit

Is there sufficient softfall in place and is it clear of rubbish and debris?

No - Medium Risk

At playground 1 the surfacing around high traffic areas, around the edges, and below the swings do not have the required 9" of woodchips. At playground 2, the surfacing around the rock structure does not meet the required depth of 9" of woodchips.

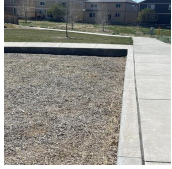


Photo 8



Photo 9



Photo 10

Audit

Is the density of the soft fall within the parameters of the Standards?

See above comment

No - Medium Risk

Audit

5 flagged, 10 / 15 (66.67%)

Is the playground structure free of bending, loosening, cracking, breakage, wear, rust/corrosion, entrapments or other safety related issues?

No - High Risk

Cracks on both maroon slides at playground 1. the slides should be taken out of service until repaired.



Photo 3



Photo 4

Is the area free of trees or other objects which overhang the playground and are potentially creating a safety issue?

Yes

Is the playground surface free of rust/corrosion, cracks, splinters, sharp edges, graffiti or other safety or aesthetic issues?

Yes

Does all the playground hardware meet Standards (check for any hardware that is missing, bent, broken or loose or any other safety issues such as open hooks)?

No - Low Risk

Shelter at Playground 1 has a post with an open hole that could lead to injury.



Photo 5

Is the playground free of sharp edges, protrusions, gaps or other safety related issues?

Yes

Do all guards and hand rails meet Standards (check for missing, bent, broken and loose items and also heights)?

Yes

Do all ladders and steps meet Standards (check for rungs which are missing, loose, broken, worn and slippery)?

Yes

Do all swing seats meet Standards (check for seats which are missing, loose, damaged, perished and also check the height of the seat)?

Yes

Do all See Saws and Springers have smooth movement, secure seats, bumper tyres in place, acceptable painted finish and secure bolts?

Yes

Are all footings secure?

No - Low Risk

The ADA ramps at both parks do not have adequate surfacing around them. this creates a trip hazard and should be corrected.

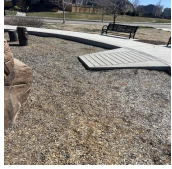


Photo 6



Photo 7

Are concrete footings below ground level?

Yes

What type of soft fall is in place?

Bark

Is there sufficient softfall in place and is it clear of rubbish and debris?

No - Medium Risk

At playground 1 the surfacing around high traffic areas, around the edges, and below the swings do not have the required 9" of woodchips. At playground 2, the surfacing around the rock structure does not meet the required depth of 9" of woodchips.



Photo 8



Photo 9



Photo 10

Is the density of the soft fall within the parameters of the Standards?

No - Medium Risk

See above comment

Is there adequate draining from the soft fall area?

Yes

Are all playground items in working order?

Yes

We discussed adding some signage to the entrance of the parks, I have attached some examples. Also, during the inspection I noticed some of the identification tags of the equipment are faded and almost illegible. I suggest contacting the manufacturer and having those replaced.

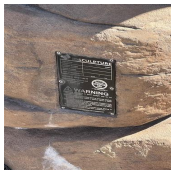


Photo 11



Photo 12



Photo 13



Photo 14



Photo 15

Media summary



Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



Photo 6



Photo 7



Photo 8



Photo 9



Photo 10



Photo 11



Photo 12



Photo 13



Photo 14



Photo 15

PLAYGROUND RULES

HOURS: 06:00 AM TO 10:00 PM

1. PLEASE OBSERVE PLAYGROUND RULES.
2. USE OF PLAYGROUND EQUIPMENT IS AT YOUR OWN RISK.
3. ADULT SUPERVISION IS RECOMMENDED.
4. PLAYGROUND EQUIPMENT IS INTENDED FOR CHILDREN 5-12.
5. NO BICYCLES, SKATEBOARDS, OR ROLLER SKATES PERMITTED IN PLAY AREA.
6. NO GLASS OR PETS PERMITTED IN PLAY AREA.
7. HOT/COLD SURFACE WARNING: CHECK ALL SURFACES BEFORE USE.
8. USE EQUIPMENT AS INTENDED. FAILURE TO DO SO MAY RESULT IN INJURY.
9. ONLY USE EQUIPMENT WHEN PROPER SURFACING IS BENEATH. OTHERWISE AREA MAY BE UNSAFE.
10. REPORT ANY SAFETY CONCERNS AND ISSUES, OR ANY DAMAGED, BROKEN, OR VANDALIZED EQUIPMENT TO OFFICE.

Cherokee Metropolitan District
OFFICE: 713 597 5080

ROCKY MOUNTAIN PLAYGROUND SERVICES



rmplaygroundservices.com

Bill To: Fallbrook Villas Metro District
 PO Box 2830
 Evergreen, CO 80437

Work Site: Jackson St. (Both Playgrounds)
 Thornton, Co 80602

%: Simonson & Associates, Inc.

Estimate

Date:

6/3/2024

Quote #:

540

Quotes are valid for 30 days from quote date

DESCRIPTION OF WORK	QTY/HRS	UNIT PRICE	SUB TOTAL
Parts			74.13
- Warning labels			
- 5-12 Age			
- 2-5 Age			
- Lower Section of Straight Slide (Covered Under Warranty)			
- Double Slide (Covered Under Warranty)			
Labor			2,750.00
- Installation of Parts above & Disposal of Old			
		GRAND TOTAL	\$2,824.13

PAYMENT TERMS

- To be made payable to Rocky Mountain Playground Services
- Additional Charges will be applied for Credit Card Payments
- Due on Receipt
- P.O.:
- Project:

ADDRESS

30980 Highway 72
 Golden, CO 80304

APPROVED BY

NAME _____

FOR _____

DATE _____

SERVICES TO BE PROVIDED BY ROCKY MOUNTAIN PLAYGROUND SERVICES

**(Herein referred to as "RMPS" or "Contractor")*

- The Client hereby agrees to engage the Contractor to provide the Client with the following services (the "Services") that are selected by the Client:
 - Maintenance & Repair
 - Sanitation
 - Amenity Installation
 - Inspections
 - Public Art Installation/De-Installation
 - Playground Installation

The Services will also include any other tasks which the Parties may agree on. The Contractor hereby agrees to provide such Services to the Client

CONTRACT TERMS

- This Service Contract is by and between Rocky Mountain Playground Services, Ltd. and the customer. and is effective when signed and dated by both parties.
 - All sales of parts are final once agreement is signed
 - In consideration of the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Client and the Contractor (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

Term:

The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect until the completion of the Services, subject to earlier termination as provided in this Agreement. The Term may be extended with the written consent of the Parties.

Termination:

Either party may terminate the Service Contract with or without cause upon providing the other party 30 day written notice at the respective address stated herein. In the event of termination of this Service Contract, the Contractor will be compensated for the actual services performed to the Client's reasonable satisfaction as of the date of termination.

Notices:

All notices, requests, demands, waivers, and other communications given as provided in this Service Contract will be in email, and unless otherwise specifically provided in this Service Contract.

Qualifications:

Contractor represents that it is fully qualified and licensed, to the extent necessary, to do business in the vicinity, has the requisite expertise, skill and capability to perform the services in the manner contemplated by this Service Contract, and that it shall maintain the requisite skilled employees and other workers, materials, equipment and tools necessary to perform the Services as and when required under this Service Contract.

Costs and Attorney Fees:

In the event any action, suit or other proceeding is instituted to remedy, prevent or obtain relief from a breach of this agreement, or arising out of a breach of this agreement, the prevailing party shall recover all of such party's attorney fees incurred in each and every such action, suit, or other proceeding, including any and all appeals or petitions.

Governing Law:

The validity, meaning, and effect of this Service Contract will be determined pursuant to the laws of the State of Colorado applicable to agreements made and to be performed in the State of Colorado.

Successors and Assigns:

This Service Contract shall insure to the benefit of and be binding upon any permitted successors and assigns of the parties hereto. This Service Contract shall not be assigned without the prior written consent of the other party.

Modification:

This Service Contract and any term as provided in this Service Contract may be modified, amended, discharged, changed, or waived only in writing signed by both parties.

Entire Agreement:

This Service Contract constitutes the entire agreement of the parties and supersedes all previous agreements, written or oral, between parties. No statement, promise, or inducement made by either party, or the agent of a party, either written or oral, which is not provided in this agreement is binding upon that party.

Counterparts:

This Service Contract may be signed in two or more counterparts, each of which will be deemed an original agreement, but all of which together will constitute one and the same document.

Authority to Bind:

Each party signing this contract represents it has full legal power, authority and right to execute, deliver, and perform its obligations under this contract and each party's performance hereunder and the transactions contemplated hereby have been duly authorized by all requisite actions on the part of such party and no remaining action is required to make this contract binding.

Payment No Release:

No payment under this agreement shall be deemed to operate as acceptance of services or admission that Contractor has satisfactorily performed the pertinent services.

Independent Contractor:

Contractor is an independent contractor and, as such, shall be responsible for compliance with the provisions of all applicable State and/or Federal Social Security, Unemployment Compensation, Workmen's Compensation, Sales and Use Tax, Withholding Tax and other tax laws now or hereafter in effect and shall pay all taxes, contributions and premiums required thereunder.

Payment for services:

As consideration for the services outlined in this contract, Client agrees to pay RMPS, within 30 days from the date of invoice for said services. Any payments which are not received by the stated terms will be charged a 2% per month late charge beginning from due date and continuing until paid in full. Any amount which becomes 60 days past due will force collections and the client will be responsible for any legal fees incurred or any other costs incurred in an attempt to collect the debt.

Insurance & Liabilities:

Contractor shall, in a manner satisfactorily to Client, maintain at its own expense insurance coverage including worker's compensation and employer's liability, comprehensive general liability, and any insurance coverage as may be required under Colorado law.

Guarantee:

Contractor agrees to perform all services in a workmanlike manner and will not perform services or act in any way which is illegal or violates any state guidelines or city or county ordinances.

"By signing above, Client agrees to and understands all the terms and conditions outlined in this contract "Description of Work" section and Client's date becomes the mutual execution date of the Service Contract."

ROCKY MOUNTAIN PLAYGROUND SERVICES



rmplaygroundservices.com

Bill To: Fallbrook Villas Metro District
 PO Box 2830
 Evergreen, CO 80437

Work Site: Jackson St. (Both Playgrounds)
 Thornton, Co 80602

%: Simonson & Associates, Inc.

Estimate

Date:

6/3/2024

Quote #:

539

Quotes are valid for 30 days from quote date

DESCRIPTION OF WORK	QTY/HRS	UNIT PRICE	SUB TOTAL
Engineered Wood Fiber			
- North Playground - Delivery/Installation of 3,250sqft of EWF at 9" compacted depth			7,307.82
- South Playground - Delivery/Installation of 1,100sqft of EWF at 9" compacted depth			2,435.94
		GRAND TOTAL	\$9,743.76

PAYMENT TERMS

- To be made payable to Rocky Mountain Playground Services
- Additional Charges will be applied for Credit Card Payments
- Due on Receipt
- P.O.:
- Project:

ADDRESS

30980 Highway 72
 Golden, CO 80304

APPROVED BY

NAME _____

FOR _____

DATE _____

SERVICES TO BE PROVIDED BY ROCKY MOUNTAIN PLAYGROUND SERVICES

**(Herein referred to as "RMPS" or "Contractor")*

- The Client hereby agrees to engage the Contractor to provide the Client with the following services (the "Services") that are selected by the Client:
 - o Maintenance & Repair
 - o Sanitation
 - o Amenity Installation
 - o Inspections
 - o Public Art Installation/De-Installation
 - o Playground Installation
- The Services will also include any other tasks which the Parties may agree on. The Contractor hereby agrees to provide such Services to the Client

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The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect until the completion of the Services, subject to earlier termination as provided in this Agreement. The Term may be extended with the written consent of the Parties.

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Either party may terminate the Service Contract with or without cause upon providing the other party 30 day written notice at the respective address stated herein. In the event of termination of this Service Contract, the Contractor will be compensated for the actual services performed to the Client's reasonable satisfaction as of the date of termination.

Notices:

All notices, requests, demands, waivers, and other communications given as provided in this Service Contract will be in email, and unless otherwise specifically provided in this Service Contract.

Qualifications:

Contractor represents that it is fully qualified and licensed, to the extent necessary, to do business in the vicinity, has the requisite expertise, skill and capability to perform the services in the manner contemplated by this Service Contract, and that it shall maintain the requisite skilled employees and other workers, materials, equipment and tools necessary to perform the Services as and when required under this Service Contract.

Costs and Attorney Fees:

In the event any action, suit or other proceeding is instituted to remedy, prevent or obtain relief from a breach of this agreement, or arising out of a breach of this agreement, the prevailing party shall recover all of such party's attorney fees incurred in each and every such action, suit, or other proceeding, including any and all appeals or petitions.

Governing Law:

The validity, meaning, and effect of this Service Contract will be determined pursuant to the laws of the State of Colorado applicable to agreements made and to be performed in the State of Colorado.

Successors and Assigns:

This Service Contract shall insure to the benefit of and be binding upon any permitted successors and assigns of the parties hereto. This Service Contract shall not be assigned without the prior written consent of the other party.

Modification:

This Service Contract and any term as provided in this Service Contract may be modified, amended, discharged, changed, or waived only in writing signed by both parties.

Entire Agreement:

This Service Contract constitutes the entire agreement of the parties and supersedes all previous agreements, written or oral, between parties. No statement, promise, or inducement made by either party, or the agent of a party, either written or oral, which is not provided in this agreement is binding upon that party.

Counterparts:

This Service Contract may be signed in two or more counterparts, each of which will be deemed an original agreement, but all of which together will constitute one and the same document.

Authority to Bind:

Each party signing this contract represents it has full legal power, authority and right to execute, deliver, and perform its obligations under this contract and each party's performance hereunder and the transactions contemplated hereby have been duly authorized by all requisite actions on the part of such party and no remaining action is required to make this contract binding.

Payment No Release:

No payment under this agreement shall be deemed to operate as acceptance of services or admission that Contractor has satisfactorily performed the pertinent services.

Independent Contractor:

Contractor is an independent contractor and, as such, shall be responsible for compliance with the provisions of all applicable State and/or Federal Social Security, Unemployment Compensation, Workmen's Compensation, Sales and Use Tax, Withholding Tax and other tax laws now or hereafter in effect and shall pay all taxes, contributions and premiums required thereunder.

Payment for services:

As consideration for the services outlined in this contract, Client agrees to pay RMPS, within 30 days from the date of invoice for said services. Any payments which are not received by the stated terms will be charged a 2% per month late charge beginning from due date and continuing until paid in full. Any amount which becomes 60 days past due will force collections and the client will be responsible for any legal fees incurred or any other costs incurred in an attempt to collect the debt.

Insurance & Liabilities:

Contractor shall, in a manner satisfactory to Client, maintain at its own expense insurance coverage including worker's compensation and employer's liability, comprehensive general liability, and any insurance coverage as may be required under Colorado law.

Guarantee:

Contractor agrees to perform all services in a workmanlike manner and will not perform services or act in any way which is illegal or violates any state guidelines or city or county ordinances.

"By signing above, Client agrees to and understands all the terms and conditions outlined in this contract "Description of Work" section and Client's date becomes the mutual execution date of the Service Contract."



Item ID # EDK-101

Eco-Design 20x28 Outdoor Free-Standing Mid-Range Information Center, Single-Sided Faux Wood Bulletin Board Kiosk

 [More Colors](#)





- Frame Finishes
- Black
 - Cedar
 - Brown
 - Evergreen
 - Gray
 - Desert Tan



+ View all 7 photos

Built to Order

Order today and receive it by July 29 - August 9. [?](#)

From \$1791.00

Quantity

1

Choose your size, color, and options when applicable...

Your selections

Viewable Area: 20.5" Wide x 28.5" High

Orientation: Portrait (Vertical)

Hinge Location: BOTTOM Side (Door Swings Downwards)

Post Options : (2) Surface Mount Posts

Finish: Evergreen

Backer: Standard - Black Rubber Tackboard

LED Lighting: None - NO LIGHTS

Literature Rack: None

EDIT SELECTIONS

ADD TO CART

Request a Quote

Add to wish list

Get help buying. [Chat now](#) or
Call 800-289-1539

PRODUCT HIGHLIGHTS

- Free-Standing Outdoor Message Center Kiosk
- Lockable Information Board with Bulletin Board
- Viewing Area: 20.5" Wide x 28.5" High
- Faux Eco-Friendly Recycled Plastic Construction

[SEE MORE](#)

MULTIPLE OPTIONS

Recycled Plastic Lumber Finishes



[MANY MORE...](#)

QUANTITY DISCOUNTS

QTY	Discount (%)
QTY 1-4	0%
QTY 5-9	5%
QTY 10-24	8%
QTY 25-49	10%
QTY 50-99	0%

SHARE:



[OVERVIEW](#)

[SPECIFICATIONS](#)

[SIZE CHART](#)

[PRODUCT OPTIONS](#)

[WARRANTY & RETURN](#)



Ships to Canada

[Read more](#)



Ships UPS

[Read more](#)

Product Details

- Free-Standing Outdoor Message Center Kiosk
- Lockable Information Board with Bulletin Board
- Viewing Area: 20.5" Wide x 28.5" High
- Faux Eco-Friendly Recycled Plastic Construction

- Overall Size: 33.5" Wide x 7.25" Deep x 77.25" High
- Two Posts 3 1/2" Square Structural-grade Recycled Plastic
- Choose Posts: **In-Ground** or **Surface Mount**
- **Extra Durable Heavy Duty Black Rubber Tackboard**
- **Faux Wood Style: Looks like Real Wood**
- Six Faux Wood Finishes
- Locking Display Case with Two Keys Included
- Single Door - BOTTOM HINGED
- Stainless Steel Door Hinges
- UV-Resistant non-yellowing, break resistant acrylic window
- **Eco-Friendly, Maintenance Free**
- Constructed from high density Recycled Plastic (Polyethylene) Lumber
- Will Not Rot, Splinter or Crack
- Weather Resistant Exterior Cabinet: Not flood or water proof
- Finished back panel adds structural integrity
- Protective Slanted Top Roof Shield
- Optional Literature Rack Brochure Holder
- LED Illuminated display cases Optional
- Call For Outdoor Kiosk Custom Message Center Sizes

Post Options

SURFACE MOUNT POSTS

If you're looking to display your message board on concrete, brick, cement or any other solid surface, this is the best option. Included are (2) Metal Base (sleeves) which accept each post with a secure snug fit. To properly install the freestanding message board, simply use the appropriate screws and anchors for the surface where you are affixing the post.

- Includes (2) 60" High x 3 1/2" Posts
- Base Plates: 8" Wide x 12" Deep" x 8.5" High

IN-GROUND POSTS

When installing your display directly into ground (for example grass or dirt), then this is the option to choose. Posts provided are longer than the surface mount posts, as a portion of the posts will be dug into the ground for added support. The overall height will remain same as surface mounted posts, for an ideal viewing height.

- Includes (2) 96" High x 3 1/2" Posts

Recycled Plastic Construction Benefits

- Maintenance Free Recycled Plastic.
- Eliminate yearly maintenance with high-quality recycled plastic outdoor display boards – no painting or replacing rotting boards.
- Will not crack or decay, split, peel, rot or chip
- Rustproof and graffiti resistant
- Impervious to water, chemicals, and insects
- Finished back panel looks great and adds structural integrity

Ordering Options

3-SLOT LITERATURE RACK

This optional literature holder is ideal when you have pamphlets, brochures, catalogs, maps, advertisements etc.. that you want to display and offer to the public when passing by. Comes included with a top hinged cover and acrylic shield to protect your brochures from inclement weather. The rack will match the color of your message center you select.

- Includes **Three** Slots.
- 2 Slots have a viewing area of 8.75" Wide x 10" High
- 1 Slots have a viewing area of 4.25" Wide x 10" High
- 26" Wide x 5" Deep x 15" High
- 18 LBS

LED LIGHTS - BRIGHTER & LONGER LASTING

Go GREEN with our energy saving LED Lights. Interior LED Lights are positioned on the interior to spotlight your posters, signage, postings, menus, and other printed announcements. LED lights are long lasting, and energy efficient.

INSIDE PERIMETER (ALL 4 SIDES)

For this option we install LED strip lighting along the entire Perimeter of the interior message center. The light will shine from all 4 sides of the interior case, bringing more light intensity to the contents being displayed inside.

- Pre-cut 1/2" dia. LED light roping is factory-installed
- Pre-assembled SJT (Heavy-duty) power cord with rectifier & 2-prong polarized plug requires a power source
- Power cord exits out the bottom of the message center
- 1" vertical LED bulb spacing
- Temperature Rating: -60-∞F - 200-∞F
- Light Color: Warm white
- Brightness: 6500
- Dimmable
- 100,000 hours of burn time
- Energy efficient - only consumes 0.8 watts per foot
- 120 volts (No transformer required)
- Indoor/ outdoor use.

Description

Information Board Kiosk Designed to Attract More Attention

You can install the Eco-Design weather-resistant, free-standing message center cabinet in-ground on two posts or surface mount the posts on hard surfaces. This Outdoor Enclosed Information Center is ideal for numerous active locations, with students, employees, the public—or any passersby nearby the stand.

Mid-Range Message Center with a 20x28 bulletin board is sized to Post Maps, Schedules, Events, Outings, Activities, Directions, Important Notices, and various other Announcements.

Outdoor Free-Standing Information Board Kiosk is Built with Eco-Friendly, Recycled Plastic Lumber

The Height of Visibility

Standing Mid-Range Info Boards come with 4x4 structural-grade recycled plastic lumber posts with the option to choose either;

- **In-Ground Posts** that are **4x4 x 96" tall**.
- **Surface Mount Posts & Bases** that are **4x4 x 60" tall**. These posts are ideal for sidewalks, concrete, and other flat hard surfaces.

Outdoor Message Center-Impervious to Water & Chemicals

Maintenance-Free and Eco-Friendly, the Recycled Plastic is made of Polypropylene. This material is extruded onto high-density plastic lumber and constructed into this Faux Wood. So it looks like real wood, but unlike natural wood, this plastic lumber renders the outdoor information board impervious to Water, Chemicals, and Insects. Also, it will never Rot, Crack, Split or Decay. A protective slanted rooftop helps keep rain and debris from the viewing area.

6 Faux Wood Style Cabinet Finishes

The kiosk has weather-treated Faux Wood finishes. Choose from six popular finishes that best complement your exterior setting: Desert Tan, Gray, Cedar, Evergreen, Black, and Brown.

Outdoor Information Center Lockable and Secure

The cabinet door, with keyed locks, has stainless steel hinges and features a Non-Yellowing, and Break-Resistant Acrylic Glass Viewing Window. This 20x28, single-sided standing mid-range outdoor information board display case keeps the contents of the interior safe from the typical outside elements, weather, tampering, or vandalism.

Outdoor Information Centers Built in the USA and Guaranteed for 50 Years

Options to Further Enhance Your Announcements

Besides the standard high-quality cork bulletin board, you can order a recycled rubber tackboard upgrade. For even more visibility, we can install interior LED lighting. If you have printed handouts, an optional 3-slot Literature Rack with convenient slots for brochures, flyers other materials is available on the mid-range models.

This all-weather lockable, enclosed message center with cork bulletin board can be seen standing in

- University Campuses
- School Grounds
- Hiking Trails, Parks
- Botanical Gardens, Plant nurseries, Zoos
- State and County Fairs
- Camps, Visitor Centers
- Restaurants
- Historic Downtowns and Seaports
- Community and Senior Centers

Browse this store's many collections of Outdoor Message Centers and Information Board Kiosks, including Extreme WeatherPlus Outdoor Enclosed Bulletin Boards, Faux Wood Message Boards, Free-Standing, and Wall Mount.

Downloads



PLAYGROUND RULES

Hours 07:30 AM to 09:00 PM

- Use of playground equipment is at your own risk.
- Play area reserved for residents only.
- Young residents under the age of 12 must be accompanied by an adult.
- No rough playing or yelling permitted.
- Only one person per swing at a time.
- No jumping off sliding board.
- No one over 24 permitted to use equipment.
- No glass or bottles in play area.

Your Organization Name



From: Dan Howard <dan.howard@ecoshieldexteriors.com>
Sent: Tuesday, June 18, 2024 5:49 PM
To: Shawn Williams; Nicki Simonson; Rebecca Hill; KimNichelle Rivera
Subject: RE: Donation Offer

Subject: Donation Opportunity with EcoShield Exteriors for Roof Replacement

Dear Fallbrook Farms Community,

I hope this message finds you well and thank you for the formal introduction.

At EcoShield Exteriors, we are committed not only to providing top-notch roofing services but also to supporting our local community. We are pleased to announce a special initiative to benefit the Community Services Fund for your Metro District.

For every homeowner who chooses EcoShield Exteriors for their roof replacement, we will make a \$150.00 donation to the Community Services Fund. This fund plays a crucial role in supporting various community projects and services, and we are proud to contribute to its ongoing success.

By working with us, you will not only receive high-quality roofing services but also contribute to the betterment of our community. Our team is dedicated to ensuring your satisfaction and delivering exceptional results.

If you are interested in taking advantage of this offer, or if you have any questions about our services, please feel free to contact us directly. We look forward to the opportunity to work with you and support our community together.

Thank you for considering EcoShield Exteriors for your roofing needs.

Best regards,

Dan Howard
Business Development
303.520.3819
EcoShieldExteriors.com
1490 W Canal Ct, Ste 1000
Littleton, CO 80120



LANDSCAPE ENHANCEMENT AGREEMENT

EDLLC Contact: Zair Hoyos
Project Name: Fallbrook Villas MD
Project Description: 2024 Enhancement
Project Address: 14103 Jackson St
Thornton, CO 80602

Agreement #: 116897
Date of Agreement: 5/1/2024
Client Phone Number: 720-256-4238
Client Email: Nicki@jsimonson.com

THIS LANDSCAPE CONSTRUCTION AGREEMENT (the "Agreement") is made and entered into as of 5/1/2024 (the "Effective Date") by and between Environmental Designs, LLC (the "Contractor") and Fallbrook Villas MD (the "Client"). The Client and Contractor, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, agree as follows:

1. SCOPE OF WORK

A. The Contractor agrees to perform the work and services under this Agreement at its sole expense for all labor, materials, services, equipment, tools, and taxes required to fulfill its obligations and to properly execute and complete the work as described more particularly on the attachment (the "Work") identified as Exhibit A.

2. SCHEDULE

A. The Client acknowledges that the Contractor cannot guarantee the date upon which commencement of the Work shall begin (the "Commencement Date") and that any date that is given is approximate and only a target date.

3. GENERAL PROVISIONS

A. Client shall be solely responsible to establish and provide property line locations at the Property. ["Rough Grade" shall mean the establishment of the initial grade, slope, soil composition and drainage of the Property, to +/- 1" of final grade.] Rough Grade establishment is the responsibility of the Client, unless otherwise outlined in "EXHIBIT A – Scope of Services (the "Work")". Contractor shall not be responsible for any cracking, buckling, marking or breaking of any concrete or paved surfaces or existing plant material on the Property. Contractor shall not be responsible for any damage to or moving of materials, equipment, or furniture that is not explicitly part of this Agreement, including but not limited to, BBQ appliances, patio furniture, statuary, garden art, play structures, etc. Does not include engineering unless otherwise outlined in "EXHIBIT A – Scope of Services (the "Work")".

B. This agreement shall supersede all prior agreements between the Parties, whether verbal or written. Any changes to this Agreement must be made in writing and evidenced by a Change Order (each a "Change Order" and collectively "Change Orders") executed by both the Client and the Contractor. All Change Orders shall be attached hereto and shall become part of this Agreement. Upon execution of each Change Order, Owner shall make payments as outlined within the Change Order. The charges for work covered by Change Orders shall be generated using then current pricing which may differ from the pricing of the original Work or other Change Orders.

C. Unless otherwise outlined in "EXHIBIT A – Scope of Services (the "Work")", any pricing and charges for permits, material changes to Work, underground obstructions, and erosion control are not included in the original pricing and must be addressed with the generation of a Change Order.

D. Consultation with Subcontractors or Other Contractors performing Work is not included in the pricing under this Agreement and shall be billed to the Client at \$150.00 per hour with a two-hour minimum: unless said Subcontractor or Other Contractor is hired directly by Contractor to perform the Work.

E. Unless accepted in writing, by Client and an authorized agent of Contractor, as evidenced by their signatures below, and the Contractor receives notice of acceptance within ten (10) calendar days of the date of the Agreement, Contractor reserves the right to withdraw or modify the proposal. If accepted this document shall become a binding Agreement between the Client and the Contractor.

F. Client agrees that they will not directly contract with, hire, or otherwise employ any employee or subcontractor of Contractor or Contractor's subcontractors for a period of one year after the completion of the project as outlined within this agreement and any subsequent change orders. Client further agrees that if Client were to directly contract with, hire, or otherwise employ any employee or subcontractor of Contractor or Contractor's subcontractors that Contractor will suffer damages and Client shall be liable to Contractor for said damages.

4. TERMINATION

A. Either party may terminate this Agreement by written notice by certified mail to the other party. Notice to be given at least thirty (30) days prior to the effective date of such termination. Alternately this Agreement may be terminated by mutual agreement on a mutually agreed upon timeframe.

B. In the event that the Contractor cannot secure an adequate labor force to perform the work as outlined within this agreement, at the sole discretion of the Contractor, the Contractor may cancel this Agreement without penalty from Client subject to notification as outlined above.

5. INSURANCE

A. The Contractor shall at all times be covered by adequate liability and workers compensation insurance. Upon the Client's request, the Contractor shall provide proof of coverage.

6. WARRANTY

A. With the exception of the excluded plants listed below and unless otherwise outlined in "EXHIBIT A – Scope of Services (the "Work")", plant material #5 and greater in size, sod, irrigation and hardscapes installed by Contractor (collectively "installations") will carry a one year, one time replacement, warranty, provided they are properly maintained. The warranty period shall begin upon substantial completion of the Work. All warranties on sod, which is planted between September and April, and all warranties on plant material will be considered waived, voided, and null unless the Client agrees to have the Contractor perform winter watering services as needed during the winter months while irrigation systems are winterized, as outlined in "EXHIBIT A – Scope of Services (the "Work")". Deciduous trees more than three inches (3") caliper and evergreen trees in excess of nine feet (9') in height shall not be warranted unless access by machine is available, which access shall be determined by Contractor, in its sole discretion. If no access is available trees of this size may be replaced with a smaller tree. Reprogramming of irrigation controllers, Seed installation, night lighting bulbs, finished concrete, weeds, truck-spaded trees and reapplication of groundcover mulches (including rock) are not warranted. Weeds in your landscape areas are a natural occurrence and are considered a maintenance issue and Contractor does not guarantee a weed free landscape. Warranties on work performed by Subcontractors shall be passed through directly from the Subcontractor and no additional warranty or guaranty shall be made by Contractor. Any parts of the work that are damaged or die because of acts of God, fire, hail, flood, abuse, neglect, animal damage, insect damage, disease or fungal damage and freezing are not warranted. Excluded plant varieties include Redbuds, Arborvitaes, Rhododendrons, Japanese Maples, Boxwoods, and Agave. All Warranties are non-transferable.

B. All warranties are void if all Payments are not made as outlined in this Agreement.

C. Client acknowledges that, if native seed is part of this agreement as outlined in EXHIBIT A, they have received and understand the information and limitations set forth in the Seed Installation Addendum.

7. PRICE AND TERMS

A. The Client shall pay the Contractor **\$4,789.83** for the Work as outlined in the EXHIBIT A - Scope of Services (the "Work")

B. This price is valid for ten (10) days from the date of this Agreement.

C. A surcharge fee of not less than 2% and not more than the fee paid by the Contractor to the Processor or Service Provider will be applied to all credit card payments. This fee may be charged as a separate transaction once these costs are known.

D. If the Contractor's Vendors charge additional freight or add fuel surcharges, these fees will be passed on to the client. Additionally, utilizing data from eia, the U.S. Energy Information Administration, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPMRU_PTE_YDEN_DPG&f=W, for every \$0.50 increase in average fuel price, from the Weekly Denver, CO Regular Conventional Retail Gasoline Prices (Dollars per Gallon) correlating with the date of signing this agreement ("Benchmark Price"), a fuel surcharge of 0.5% will be applied to each invoice.

E. If the Contractor is unable to commence all or some parts of the work prior to 6 months from the date of this agreement, due to forces outside of Contractor's control, the Contractor reserves the right to re-price all or part of the work and present a new Agreement or Change Order for approval before moving forward. Additionally, if Contractor is required to leave the site, for reasons outside of the Contractor's control, once the Work has commenced and remobilize at a later date to complete the Work, Client will be responsible for additional mobilization fees.

F. Substantial Completion shall be defined as the moment the project is complete, including punch list items, and can be used for its intended purpose. Warranty items are not punch list items and shall not hold up final payment of all monies due. Any delay in making the final payment upon Substantial Completion shall result in all warranties being voided.

G. If any Payment is not made as required by this Agreement, a mechanic's lien may be placed on the Property for the entire balance due. Upon Final Payment, provided that all other Payments have been made, Contractor shall release any liens that Contractor has placed on the Property and, upon Client's written request, shall issue waivers of lien for all Work performed.

H. Payments thirty (30) days past due shall incur finance charge of 1.5% per month (18% per annum). Contractor and/or its assignee shall be entitled to collect all reasonable costs of collection, including but not limited to, collection agency fees and attorney fees.

8. ADDITIONAL SERVICES AVAILABLE

A. The Contractor offers the following services to complete their Landscape Maintenance & Construction Package:

1. Full Landscape Maintenance Services on Commercial and Residential Properties.
2. Landscape Design Services by in house Architects and Designers.
3. All sizes of landscape construction projects, both residential and commercial.
4. Irrigation system design, installation, and service.
5. Annual Floral Color design, installation, and maintenance including beds, pots, hanging pots, decks, etc.
6. Replacement of or addition of trees, shrubs, ornamental grasses, and perennial flowers.
7. Full Plant Health Care (PHC) including pest control, fertilization, and deep root watering.
8. Full Arbor Services including tree pruning, tree removal, and stump grinding.
9. Native Grass and Field Mowing
10. Holiday Lighting and Decoration

EXHIBIT A Scope of Services (the "Work")

The Client and the Contractor agree that the scope for the "Work" included in this Agreement is as follows:

24 plants

Replace 24 plants at the front entrance of 141st and colorado blvd.

Description	Quantity	Unit
Sumac- Gro-Low #5	10.00	EA
Labor to remove dead plants	2.00	HR
Delivery / Disposal / Mobilization	0.50	EA
Ninebark #5	14.00	EA
Group Total		\$3,454.24

_____ By initialing here, the Client agrees to have the services in this group performed as part of this Agreement. If all groups are not accepted by the Client, then the final price of this Agreement shall be adjusted accordingly.

Rock

Island: Switch the mulch to rock at the front entrance for 141st and colorado blvd

Description	Quantity	Unit
Granite - Mountain Granite 1-1.5	330.00	SF
Group Total		\$1,335.59

_____ By initialing here, the Client agrees to have the services in this group performed as part of this Agreement. If all groups are not accepted by the Client, then the final price of this Agreement shall be adjusted accordingly.

WINTER WATERING

Evidenced by checking the appropriate box and signature below, the Client agrees to have the Contractor Winter Water all plant material and sod included in this agreement. Winter Watering services will be invoiced at \$85.00 per hour plus one way travel to the site with a one hour minimum each visit. The Client has been informed that if Winter Watering services are declined then all warranties on plant material and sod will be considered waived, voided, and null.

- By Checking this box, Client Declines having Winter Watering Services Performed by the Contractor.
- By Checking this box and Signing Below, Client Agrees to have Winter Watering Services performed by the Contractor.

Client: _____ Date: _____

TREE WRAP

Evidenced by checking the appropriate box and signature below, the Client agrees to have the Contractor wrap all soft-bark trees included in this agreement. Tree wrapping services will include application of tree wrap in the fall and removal in the spring. The first tree is \$150, each additional tree is \$25.

- By Checking this box, Client Declines having Tree Wrapping Services Performed by the Contractor.
- By Checking this box and Signing Below, Client Agrees to have Tree Wrapping Services performed by the Contractor.

Client: _____ Date: _____

FALLBROOK VILLAS METROPOLITAN DISTRICT

RESOLUTION TO AMEND 2023 BUDGET

2024 Resolution No. 2

WHEREAS, the Board of Directors of the Fallbrook Villas Metropolitan District (the “District”) appropriated funds for the fiscal year 2023 as follows:

General Fund	\$ 179,815
--------------	------------

; and

WHEREAS, the necessity has arisen for additional expenditures or appropriations requiring the expenditure of funds in excess of those appropriated for the fiscal year 2023; and

WHEREAS, the expenditures are a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, the necessity has arisen for additional appropriations and expenditures of funds as reflected by satisfactory evidence presented to and accepted by the Board of Directors at this meeting and set out in the amended budget attached hereto as **Exhibit A**; and

WHEREAS, funds are available for such expenditures from reserve funds available to the District; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget amendment was available for inspection by the public at a designated public office, a public hearing was held on July 11, 2024, and interested electors were given the opportunity to file or register any objections to said proposed budget amendment.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Fallbrook Villas Metropolitan District shall and hereby does amend the budget for the fiscal year 2023 as follows:

General Fund	\$ 185,477
--------------	------------

BE IT FURTHER RESOLVED that such sums are hereby appropriated from the revenues of the District to the above-referenced Fund for the purposes stated in **Exhibit A** and, if applicable, that such action of the Board is hereby ratified and approved *nunc pro tunc* as of the date of the actual expenditures.

[remainder of page intentionally left blank; signature page follows]

ADOPTED this 11th day of July 2024.

FALLBROOK VILLAS METROPOLITAN
DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

**FALLBROOK VILLAS METROPOLITAN DISTRICT
2023 FINAL SUPPLEMENTARY BUDGET
GENERAL FUND**

	APPROVED 2023 BUDGET	APPROVED SUPPLEMENTARY 2023 BUDGET	FINAL APPROVED SUPPLEMENTARY 2023 BUDGET
REVENUES			
Property Taxes	101,162	101,162	101,162
Specific Ownership Taxes	7,081	6,700	6,700
Special Assessments	-	54,000	54,000
Interest Income		1,250	1,250
Late Fees/Misc. Income	1,000	1,500	1,500
TOTAL REVENUES	\$ 109,243	\$ 164,612	\$ 164,612
EXPENDITURES			
Administration			
Administrative/Office Expenses	500	5,600	5,600
Election Expenses	5,000	1,860	1,860
Insurance	4,200	3,055	3,055
Professional Services			
Accounting	7,000	25,000	30,662
Audit	5,100	10,000	10,000
Legal	8,000	32,000	32,000
Management	12,500	12,000	12,000
Other Professional Serv.	-	-	-
County Treasurer Fees	1,517	1,800	1,800
Grounds Maintenance			
Landscape Maintenance	25,000	47,000	47,000
Landscape Improvements	3,000	-	-
Other Maintenance	2,500	1,500	1,500
Utilities	2,500	20,000	20,000
Snow Removal	15,000	20,000	20,000
Miscellaneous	-	-	-
Emergency Reserve	2,755	-	-
TOTAL EXPENDITURES	\$ 94,572	\$ 179,815	\$ 185,477
Contingency/Emergency Reserve	6,333	-	-
TOTAL EXPENDITURES	\$ 100,905	\$ 179,815	\$ 185,477
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 8,338	\$ (15,203)	\$ (20,865)
FUNDS AVAILABLE			
BEGINNING OF YEAR:	\$ (8,338)	\$ (59,182)	\$ (59,182)
FUNDS AVAILABLE			
END OF YEAR:	\$ -	\$ (74,385)	\$ (80,047)



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

July 11, 2024

To the Board of Directors
Fallbrook Villas Metropolitan District
Adams County, Colorado

We have audited the financial statements of the governmental activities and the major funds of Fallbrook Villas Metropolitan District (District) for the year ended December 31, 2023 and have issued our report thereon dated July 11, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated to such information in our engagement letter dated January 11, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There were no accounting estimates that are considered particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that there were no such disagreements during the course of the audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated July 11, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

General Fund Deficit Fund Balance

As of December 31, 2023, the District’s General Fund had a fund balance deficit of \$78,209 and owed the Debt Service Fund \$127,505. The deficit was a result of actual expenditures exceeding the budgeted expenditures in 2021, 2022 and 2023. The original budget for General Fund expenditures for 2023 was \$100,905 and actual expenditures were \$185,477. Expenditures such as accounting, audit, legal, utilities, landscape maintenance, and landscape improvements were significantly more than budgeted expenditures.

In order to fund operations of the General Fund in 2022 and 2023, it has borrowed from the restricted Debt Service Funds to cover these costs. This may be in violation of certain debt requirements on the bonds and is not a good business practice. We recommend that the District repay the Debt Service Funds as soon as possible and establish policies and procedures going forward so this doesn’t occur in the future.

The Board took action and approved an Operations and Maintenance Fee on April 1, 2023 to assist the District in paying for operating and maintenance expenses. While this was an important action to take, it has not eliminated the deficit in the General Fund. I also understand that the Board increased its general operating mill levy for 2024 collection in order to rectify the deficit. I encourage the Board to continue on this path to be able to fully repay the debt service funds borrowed in 2023 and prior years.

Other Matters

We were engaged to report on supplementary information (as listed in the table of contents to the basic financial statements), which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information (as listed in the table of contents to the basic financial statements), which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

SCHILLING & COMPANY, INC.

Schilling & Company, Inc.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DRAFT 07/02/2024

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SCHILLING & COMPANY, INC.

Certified Public Accountants

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HIGHLANDS RANCH, CO 80163

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Independent Auditor's Report

Board of Directors
Fallbrook Villas Metropolitan District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fallbrook Villas Metropolitan District (District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fallbrook Villas Metropolitan District, as of December 31, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Management has omitted the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
 , 2024

BASIC FINANCIAL STATEMENTS

DRAFT 07/02/2024

**FALLBROOK VILLAS METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2023**

ASSETS

Cash deposits and investments - unrestricted	\$ 71,301
Cash deposits and investments - restricted	396,050
Receivable from County Treasurer	1,876
Property taxes receivable	385,000
Accounts receivable - fees	8,390
Capital assets, net of accumulated depreciation	1,349,068
Total assets	2,214,766

LIABILITIES

Accounts payable	34,043
Accrued interest payable	10,384
Noncurrent liabilities:	
Due within one year	25,000
Due in more than one year	5,021,148
Total liabilities	5,090,575

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	385,000
Total deferred inflows of resources	385,000

NET POSITION

Restricted for emergencies	5,000
Restricted for debt service	514,480
Unrestricted	(3,780,289)
Total net position	\$ (3,260,809)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General government	\$ 260,374	\$ 54,000	\$ -	\$ -	\$ (206,374)
Interest and fiscal charges	174,245	-	-	-	(174,245)
	<u>\$ 434,619</u>	<u>\$ 54,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(380,619)</u>

General revenues:

Property taxes	334,611
Specific ownership taxes	22,923
Miscellaneous/reimbursements	1,331
Net investment income	25,942
Total general revenues	<u>384,807</u>

Loss on disposition of assets

(2,951,329)

Change in net position

(2,947,141)

Net position - Beginning

(313,668)

Net position - Ending

\$ (3,260,809)

DRAFT 07/02/2024

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash deposits and investments - unrestricted	\$ 71,301	\$ -	\$ 71,301
Cash deposits and investments - restricted	-	396,050	396,050
Receivable from County Treasurer	567	1,309	1,876
Property tax receivable	230,000	155,000	385,000
Accounts receivable - fees	8,390	-	8,390
Due from other funds	-	127,505	127,505
Prepaid expense	3,081	-	3,081
TOTAL ASSETS	\$ 313,339	\$ 679,864	\$ 993,203
LIABILITIES			
Accounts payable	\$ 34,043	\$ -	\$ 34,043
Due to other funds	127,505	-	127,505
Total liabilities	161,548	-	161,548
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	230,000	155,000	385,000
Total deferred inflows of resources	230,000	155,000	385,000
FUND BALANCES			
Nonspendable for prepaid items	3,081	-	3,081
Spendable:			
Restricted for emergencies	5,000	-	5,000
Restricted for debt service	-	524,864	524,864
Unassigned	(86,290)	-	(86,290)
Total fund balances	(78,209)	524,864	446,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 313,339	\$ 679,864	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Capital assets, net of accumulated depreciation	1,349,068
	1,349,068

Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Bonds payable - 2019A & 2019B Bonds - principal	(2,763,000)
Accrued interest payable - 2019A Bonds	(10,384)
Unpaid accrued interest payable - 2019B Bonds	(175,335)
Developer advances - principal	(2,107,813)
	(5,056,532)

Net position of governmental activities	\$ (3,260,809)
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
Year Ended December 31, 2023**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property tax	\$ 101,167	\$ 233,444	\$ 334,611
Specific ownership tax	6,931	15,992	22,923
Service fees	54,000	-	54,000
Other	1,331	-	1,331
Net investment income	3,021	22,921	25,942
Total revenues	<u>166,450</u>	<u>272,357</u>	<u>438,807</u>
EXPENDITURES			
Current			
Accounting and audit	43,530	-	43,530
Legal	35,055	-	35,055
Management fees	12,000	-	12,000
Insurance	3,054	-	3,054
Election	1,856	-	1,856
Administrative/office expenses	5,414	-	5,414
Website maintenance	1,125	-	1,125
Landscape maintenance	48,862	-	48,862
Utilities	17,596	-	17,596
Snowplowing	14,772	-	14,772
Miscellaneous	452	-	452
County Treasurer's fees	1,761	3,504	5,265
Debt service			
Bond principal	-	20,000	20,000
Bond interest	-	125,213	125,213
Paying agent fees	-	7,937	7,937
Total expenditures	<u>185,477</u>	<u>156,654</u>	<u>342,131</u>
NET CHANGE IN FUND BALANCES	(19,027)	115,703	96,676
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	(59,182)	409,161	349,979
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (78,209)</u>	<u>\$ 524,864</u>	<u>\$ 446,655</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ 96,676</u>
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Depreciation	(71,393)
Loss on disposition of assets	<u>(2,951,329)</u>
	<u>(3,022,722)</u>
<p>Long-term debt (e.g. bonds, advances) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and gains/losses on refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Principal payments	<u>20,000</u>
	<u>20,000</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in accrued interest on 2019A Bonds	50
Change in unpaid accrued interest on 2019B Bonds	<u>(41,145)</u>
	<u>(41,095)</u>
Change in net position - Governmental activities	<u><u>\$ (2,947,141)</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES				
Property tax	\$ 101,162	\$ 101,162	\$ 101,167	\$ 5
Specific ownership taxes	7,081	6,700	6,931	231
Net investment income	-	1,250	3,021	1,771
Service fees	-	54,000	54,000	-
Other	1,000	1,500	1,331	(169)
Total Revenues	<u>109,243</u>	<u>164,612</u>	<u>166,450</u>	<u>1,838</u>
EXPENDITURES				
Accounting	7,000	30,662	29,600	1,062
Audit	5,100	10,000	13,930	(3,930)
Legal	8,000	32,000	35,055	(3,055)
Management fees	12,500	12,000	12,000	-
Insurance	4,200	3,055	3,054	1
Election	5,000	1,860	1,856	4
Administrative/office expenses	-	5,600	5,414	186
Website maintenance	-	-	1,125	(1,125)
Landscape maintenance	25,000	47,000	38,783	8,217
Landscape improvements	3,000	-	8,887	(8,887)
Other maintenance	2,500	1,500	1,192	308
Snow removal	15,000	20,000	14,772	5,228
Miscellaneous	500	-	452	(452)
Utilities	2,500	20,000	17,596	2,404
County Treasurer's fees	1,517	1,800	1,761	39
Contingency	6,333	-	-	-
Emergency reserve	2,755	-	-	-
Total Expenditures	<u>100,905</u>	<u>185,477</u>	<u>185,477</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	8,338	(20,865)	(19,027)	1,838
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(8,338)	(59,182)	(59,182)	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ (80,047)</u>	<u>\$ (78,209)</u>	<u>\$ 1,838</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Fallbrook Villas Metropolitan District (District) was organized on November 3, 2015 as a quasi-municipal corporation and political subdivision of the State of Colorado and is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in the City of Thornton (the City) in Adams County, Colorado. The District operates pursuant to a service plan approved by the City on August 11, 2015. The District was established to provide for the design, acquisition, construction, installation and financing of public improvements for the use and benefit of the residents and property owners within the service area. The District is governed by an elected Board of Directors.

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and assessment revenues.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the District being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and special assessments. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

For the year ended December 31, 2023, the District approved supplemental appropriations for the General Fund and Debt Service Fund.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each funds' average equity balance in total cash.

Capital Assets

Capital assets, which include construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Park and landscape improvements	15-30 years
Irrigation systems	10-25 years
Fencing	15 years
Retaining walls	30 years
Concrete alleys	30 years

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 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 30 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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Service Fees

For 2023, the District implemented an annual \$500 service fee per residential unit to add to and supplement the District's revenue to pay for services provided by the District including operations and administration fees, district maintenance fees including landscape maintenance, irrigation, snow removal and trash removal service, HOA-type costs and other expenses permitted by statute to be performed by the District.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Debt Issue Costs and Original Issue Discount/Premium

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the issue using the percentage of current principal payments to total debt issue. Debt issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates

The preparation of financial statements in conformity with generally accepted account principles in the United States requires the District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaid items) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District's Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Cash deposits and investments - Unrestricted	\$ 71,301
Cash deposits and investments - Restricted	396,050
	\$ 467,351

Cash deposits and investments as of December 31, 2023 consist of the following:

Deposits with financial institutions	\$ 10,660
Investments	456,691
Total cash and investments	\$ 467,351

Cash Deposits – Custodial Credit Risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District's cash deposits had a bank balance of \$21,148 and carrying balance of \$10,660, respectively, which were fully insured by federal depository insurance.

Investments

The District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rate by a nationally recognized statistical rating organization.

COLOTRUST

As of December 31, 2023, the District invested \$456,691 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

certain U.S. government agencies or instrumentalities. COLOTRUST Plus+ and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAM by Standard and Poor's and the EDGE portfolio is rated AAAs/S1 by Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotruster.com. The District is invested in the COLOTRUST Plus+ portfolio as of December 31, 2023.

Investment Valuation

Certain investments that are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Certain investments held by the District are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments such as COLOTRUST.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

Restricted Cash and Investments

At December 31, 2023, cash deposits and investments in the amount of \$396,050 are restricted for debt service as required under the General Obligation Bonds, Series 2019A and 2019B (Note 5).

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**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2023:

	<u>Balance at December 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2023</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 4,371,790	\$ -	\$ (4,371,790)	\$ -
Total capital assets, not being depreciated	<u>\$ 4,371,790</u>	<u>\$ -</u>	<u>\$ (4,371,790)</u>	<u>\$ -</u>
Capital assets, being depreciated:				
Park and landscape improvements	-	309,156	-	309,156
Irrigation system	-	251,291	-	251,291
Fencing	-	175,389	-	175,389
Retaining walls	-	290,069	-	290,069
Concrete Alleys	-	394,556	-	394,556
Total capital assets, being depreciated	<u>-</u>	<u>1,420,461</u>	<u>-</u>	<u>1,420,461</u>
Less accumulated depreciation for:				
Park and landscape improvements	-	(16,827)	-	(16,827)
Irrigation system	-	(20,052)	-	(20,052)
Fencing	-	(11,693)	-	(11,693)
Retaining walls	-	(9,669)	-	(9,669)
Concrete Alleys	-	(13,152)	-	(13,152)
	<u>-</u>	<u>(71,393)</u>	<u>-</u>	<u>(71,393)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>1,349,068</u>	<u>-</u>	<u>1,349,068</u>
Capital assets, net	<u>\$ 4,371,790</u>	<u>\$ 1,349,068</u>	<u>\$ (4,371,790)</u>	<u>\$ 1,349,068</u>

Depreciation expense is charged to the general government function.

Pursuant to the Service Plan, all public improvements are to be owned and maintained by the City upon their completion and acceptance by the City, except for park and recreation improvements, which the District is obligated to continue to own and operate.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2023.

	Balance at December 31,			Balance at December 31,		Due Within
	2022	New Issues	Retirements	2023	One Year	
<u>General Obligation Bonds:</u>						
Limited Tax G.O. Bonds, 2019A	\$ 2,385,000	\$ -	\$ 20,000	\$ 2,365,000	\$ 25,000	
Limited Tax G.O. Bonds, 2019B	398,000	-	-	398,000	-	
Unpaid accrued interest, 2019B	134,190	41,145	-	175,335	-	
<u>Direct borrowing:</u>						
Developer Advances - Capital	2,107,813	-	-	2,107,813	-	
	<u>\$ 5,025,003</u>	<u>\$ 41,145</u>	<u>\$ 20,000</u>	<u>\$ 5,046,148</u>	<u>\$ 25,000</u>	

General Obligation (Limited Tax Convertible to Unlimited Tax) Bond, Series 2019A and \$398,000 Subordinate General Obligation Limited Tax Bonds, Series 2019B

On February 7, 2019, the District issued \$2,405,000 General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2019A (“Series 2019A Bonds”) and \$398,000 Subordinate General Obligation Limited Tax Bonds, Series 2019B (“Series 2019B Bonds”). The Series 2019A Bonds were issued for the purpose of financing public improvements related to a residential development in the City of Thornton, Colorado, (“the Development”) paying capitalized interest on the 2019A Bonds, funding a deposit to the Senior Reserve Fund and paying other costs in connection with the issuance of the Series 2019A Bonds. The Series 2019B Bonds were issued for the purpose of funding additional public improvements related to the Development and paying other costs in connection with the issuance of the Series 2019B Bonds. The Series 2019A Bonds bear interest at the rate of 5.250%, payable semiannually on each June 1 and December 1, commencing on June 1, 2019, and mature on December 1, 2049. The Series 2019B Bonds bear interest at the rate of 7.750%, payable annually on December 15, commencing on December 15, 2019, to the extent that Subordinate Pledged Revenue is available, and mature on December 15, 2049. The Series 2019A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2022 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2023, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

The Series 2019A Bonds are secured by the Senior Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Senior Required Mill Levy, Capital Fees, and any other legally available moneys as determined by the District. The Series 2019A Bonds are also secured by the Senior Reserve Fund in the initial amount of \$192,825. The Series 2019B Bonds are secured by the Subordinate Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Subordinate Required Mill Levy, the amount in the Senior Surplus Fund after the termination of such fund pursuant to the Senior Indenture, Subordinate Capital Fee Revenue, and any other legally available moneys as determined by the District.

Prior to the Conversion Date from Limited Tax to Unlimited Tax, an ad valorem mill levy is to be imposed each year in an amount necessary to generate revenues sufficient to pay the principal

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

and interest on the Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund) and to replenish the Reserve Fund to \$192,825, but not in excess of 50.000 mills however, for so long as the Surplus Fund is required to be maintained and the amount on deposit is less than the \$240,500 Maximum Surplus Amount, the Senior Required Mill Levy is to be equal to 50.000 mills and is subject to adjustment in the event that the method of calculating assessed valuation is changed after January 1, 2015. The District has levied 55.664 mills for debt service which is the 50.000 maximum as adjusted for changes in the method of calculating assessed valuations for collection in 2023. The District is in compliance with the mill levy requirement.

The 2019B bonds are “cash flow” bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest not paid will accrue and compound until there is sufficient Subordinate Pledged Revenue for payment. In the event any amounts due and owing on the 2019B Bonds remain outstanding on December 15, 2057, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The District’s long-term obligations will mature as follows:

	Principal	Interest	Total
2024	\$ 25,000	\$ 124,163	\$ 149,163
2025	30,000	122,850	152,850
2026	30,000	121,275	151,275
2027	35,000	119,700	154,700
2028	40,000	117,862	157,862
2029-2033	245,000	555,187	800,187
2034-2038	365,000	478,800	843,800
2039-2043	510,000	368,550	878,550
2044-2048	720,000	214,200	934,200
2049	365,000	19,162	384,162
	<u>\$ 2,365,000</u>	<u>\$ 2,241,749</u>	<u>\$ 4,606,749</u>

Advance, Acquisition and Reimbursement Agreement

On January 1, 2019, the District entered into an Advance, Acquisition and Reimbursement Agreement with Calatlantic Group, Inc., a Colorado limited liability company (the “Developer”) (the “Reimbursement Agreement”). The Reimbursement Agreement replaces a terminated Funding and Reimbursement Agreement dated June 1, 2016. The Reimbursement Agreement requires the Developer to construct and install all Public Improvements in accordance with City standards and specifications and warranty such improvements for the period required by the City upon the transfer to the District, the City or other applicable jurisdiction. The reimbursable cost of any Public Improvement transferred to the District, the City or other applicable jurisdiction is required to be determined based upon actual costs verified by the Developer, which costs may be verified by an independent public accountant, professional engineer or valuation consultant reasonably acceptable to the District based upon “as built” drawings and other construction documentation available and applicable to such Public Improvements. Reimbursements for Public Improvements may be made from appropriated legally available revenue not otherwise appropriated, obligated, pledged or reserved for any current or future purpose in any year. Reimbursements may also be made from the proceeds of tax-exempt bonds, subject to applicable law. The Reimbursement Agreement does not provide for interest

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

to be paid or accrued. At December 31, 2023, the District has \$2,107,813 of principal due under the Reimbursement Agreement.

Debt Authorization

On November 3, 2015 a majority of the qualified electors of the District authorized the issuance of indebtedness in the amount not to exceed \$50,000,000. As of December 31, 2023, \$45,089,187 of this authorization remains unissued. The Service Plan provides that the District shall not issue bonds or other debt in excess of \$5,000,000. At December 31, 2023, \$89,187 of this authorization remains unissued.

NOTE 6 – AGREEMENTS

On January 7, 2016, the District and the City entered into an Intergovernmental Agreement Regarding the Service Plan for the District (“the IGA”) which requires the District to convey all Public Improvements to the City or other appropriate jurisdiction except for park and recreation improvements, which the District is obligated to continue to own and operate. The IGA, with minor exceptions, also generally prohibits the District from constructing, acquiring or operating any fire protection, television relay and television and telecommunication facilities. The IGA further requires all Public Improvements to generally be constructed in accordance with City standards and specifications and be subject to City zoning and land use requirements. Finally, the IGA limited any District debt to \$5,000,000, prohibits the imposition of any fee for debt that is payable by an end user of taxable property subsequent to the issuance of a certificate of occupancy, imposes a maximum debt service mill levy that is consistent with the District’s definitions of Senior Required Mill Levy and Subordinate Required Mill Levy contained in the Indentures, and imposes a maximum debt service mill levy imposition term that is consistent with the discharge dates described herein.

NOTE 7 - FUND EQUITY

At December 31, 2023, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$3,081 is comprised of prepaid amounts which are not in spendable form.

Deficit Fund Balance

The District reported a fund balance deficit of \$78,209 in the General Fund. The District anticipates that taxes and service fees will eliminate the deficit fund balance in future years.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$5,000 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (NOTE 10).

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

The restricted fund balance in the Debt Service Fund in the amount of \$524,864 is to be used exclusively for debt service requirements (NOTE 5).

NOTE 8 - NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023 as follows:

Restricted net position:

Emergency reserves (see Note 10)	\$	5,000
Debt Service		514,480
		\$ 519,480
		\$ 519,480

The District's unrestricted net position at December 31, 2023 of (\$3,780,289). This deficit amount was a result of the District being responsible for repayment of debt issued for public improvements conveyed to other governmental entities.

NOTE 9 – CONTINGENCIES

Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S. the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 3, 2015, a majority of the District's electors approved the following ballot questions:

TABOR Exemption for Ad Valorem Tax Revenues

Shall the Fallbrook Villas Metropolitan District be authorized to collect, retain and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, grants or any other fee, rate, toll, penalty, or charge authorized by law or contract to be imposed, collected or received by the District during 2015 and each fiscal year thereafter, such amounts to constitute a voter-approved revenue change and be collected, retained and spent by the District without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any subsequent year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

TABOR Exemption for Non-Ad Valorem Tax Revenues

Shall the Fallbrook Villas Metropolitan District be authorized to collect, retain and spend any and all amounts annually from any revenue sources whatsoever other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, inspection charges, administrative charges, grants, or any other fee, rate, toll, penalty, income, or charge imposed, collected, or authorized by law to be imposed or collected by the District, and shall such revenues be collected and spent by the District as a voter-approved revenue change without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any subsequent year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, and without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

**FALLBROOK VILLAS METROPOLITAN DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

Operations and Maintenance Mill Levy – Ad Valorem Taxes

Shall Fallbrook Villas Metropolitan District taxes be increased \$500,000, annually, or by such lesser annual amount as may be necessary to pay the District's administration, operations, maintenance, and other expenses; such taxes to consist of an ad valorem mill levy imposed on all taxable property of the District without limitation of rate or with such limitations as may be determined by the District Board of Directors, and in amounts sufficient to produce the annual increase set forth above or such lesser amount as may be necessary, to be used for the purpose of paying the District's operations, maintenance, and other expenses, and shall the proceeds of such taxes and investment income thereon be collected and spent by the District as a voter-approved revenue change in 2015 and in each year thereafter, without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301 Colorado Revised Statutes, or any other law which purports to limit the District's revenues or expenditures, as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

Operations and Maintenance Mill Levy – Fees

Shall Fallbrook Villas Metropolitan District taxes be increased \$500,000, annually, or by such lesser annual amount as may be necessary to pay the District's administration, operations, maintenance, and other expenses; by the imposition of a fee or fees imposed, without limitation as to rate or amount or any other condition to pay such expense and shall the proceeds of such fees and any investment income thereon be collected, retained and spent by the District in fiscal year 2015 and in each fiscal year thereafter for as long as the District continues in existence, such authorization to constitute a voter-approved revenue change which may be collected, retained and spent by the District without regarding to any spending, revenue-raising, or other limitation contained in Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301 Colorado Revised Statutes, or any other law which purports to limit the District's revenues or expenditures, as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

DRAFT 07/02/2024

**FALLBROOK VILLAS METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2023**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 233,433	\$ 233,433	\$ 233,444	\$ 11
Specific ownership taxes	16,340	16,000	15,992	(8)
Net investment income	300	22,500	22,921	421
Total Revenues	<u>250,073</u>	<u>271,933</u>	<u>272,357</u>	<u>424</u>
EXPENDITURES				
County treasurer's fees	3,501	3,500	3,504	(4)
Bond principal	20,000	20,000	20,000	-
Bond interest	182,391	182,391	125,213	57,178
Paying agent fees/fees	7,000	7,900	7,937	(37)
Total Expenditures	<u>212,892</u>	<u>213,791</u>	<u>156,654</u>	<u>57,137</u>
NET CHANGE IN FUND BALANCE	37,181	58,142	115,703	57,561
FUND BALANCE - BEGINNING OF YEAR	<u>396,143</u>	<u>409,161</u>	<u>409,161</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 433,324</u>	<u>\$ 467,303</u>	<u>\$ 524,864</u>	<u>\$ 57,561</u>

OTHER INFORMATION

DRAFT 07/02/2024

**FALLBROOK VILLAS METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2023**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Property Taxes		Percentage Collected to Levied
		General	Debt	Levied	Collected	
2017	\$ 1,330	0.000	0.000	\$ -	\$ -	0.0%
2018	\$ 412,730	11.056	55.277	\$ 27,378	\$ 27,377	100.0%
2019	\$ 970,670	11.056	55.277	\$ 64,387	\$ 64,388	100.0%
2020	\$ 1,802,080	11.130	55.664	\$ 120,372	\$ 119,612	99.4%
2021	\$ 2,766,130	24.123	55.664	\$ 220,701	\$ 217,549	98.6%
2022	\$ 4,250,300	24.123	55.664	\$ 339,119	\$ 339,910	100.2%
2023	\$ 4,193,380	24.123	55.664	\$ 334,595	\$ 334,611	100.0%
Estimated for year ending December 31, 2024	\$ 4,841,610	47.505	32.014	\$ 385,000		

NOTE: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

**FALLBROOK VILLAS METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2023**

\$2,405,000

**General Obligation (Limited Tax Convertible to
Unlimited Tax) Bonds, Series 2019A
Dated February 7, 2019
Interest Rate of 5.250%
Principal Due December 1**

Year Ending December 31,	Interest Due June 1 and December 1		
	Principal	Interest	Total
2024	\$ 25,000	\$ 124,163	\$ 149,163
2025	30,000	122,850	152,850
2026	30,000	121,275	151,275
2027	35,000	119,700	154,700
2028	40,000	117,862	157,862
2029	40,000	115,762	155,762
2030	45,000	113,662	158,662
2031	50,000	111,300	161,300
2032	55,000	108,675	163,675
2033	55,000	105,788	160,788
2034	65,000	102,900	167,900
2035	65,000	99,488	164,488
2036	75,000	96,075	171,075
2037	75,000	92,137	167,137
2038	85,000	88,200	173,200
2039	90,000	83,738	173,738
2040	95,000	79,012	174,012
2041	100,000	74,025	174,025
2042	110,000	68,775	178,775
2043	115,000	63,000	178,000
2044	125,000	56,962	181,962
2045	135,000	50,400	185,400
2046	145,000	43,313	188,313
2047	150,000	35,700	185,700
2048	165,000	27,825	192,825
2049	365,000	19,162	384,162
	<u>\$ 2,365,000</u>	<u>\$ 2,241,749</u>	<u>\$ 4,606,749</u>

Because of the uncertainty of the timing of the principal and interest payment on the Series 2019B Bonds, no schedule of principal and interest is presented.

FALLBROOK VILLAS METROPOLITAN DISTRICT

July 11, 2024

Schilling & Company, Inc.
PO Box 631579
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audit of the financial statements of Fallbrook Villas Metropolitan District, which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2023, and the respective changes in financial for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 11, 2024.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District or those designated by the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse or waste, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- 20) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 26) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended.
- 30) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 31) Components of net position (net investment in capital assets; restricted and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- 32) Investments are properly valued.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

- 35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 39) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following GASB Statement No. 54, to determine the fund balance classifications for financial reporting purposes.
- 41) The Management's Discussion and Analysis which is required supplementary information (RSI) has been omitted from the financial statements. We are aware that such information is required by accounting principles generally accepted in the United States.
- 42) With respect to the Supplementary Information as listed in the table of contents to the financial statements:
 - a) We acknowledge our responsibility for presenting the Supplementary Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplementary Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 43) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.
- 44) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

FALLBROOK VILLAS METROPOLITAN DISTRICT

Member of the Board of Directors

District Accountant

Fallbrook Villas Metropolitan District
Check Register
For the Period From Mar 1, 2024 to Jun 30, 2024

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1045	3/19/24	Advance HOA Management, Inc.	1-1000	1,553.25
1046	3/19/24	Brightview Landscape Services, Inc.	1-1000	7,318.00
1047	3/19/24	Pueblo Web Design	1-1000	195.00
1048	3/19/24	Simonson & Associates, Inc.	1-1000	10,530.64
1049	3/19/24	Spencer Fane, LLP	1-1000	2,755.00
Online	3/27/24	Xcel Energy	1-1000	40.33
Online	3/27/24	Xcel Energy	1-1000	17.43
Online	3/27/24	City of Thornton	1-1000	39.83
1050	4/4/24	Brightview Landscape Services, Inc.	1-1000	3,596.00
Online	4/22/24	Xcel Energy	1-1000	18.53
Online	4/26/24	Xcel Energy	1-1000	40.79
Online	4/29/24	City of Thornton	1-1000	39.83
Online	5/22/24	Xcel Energy	1-1000	17.92
1051	5/23/24	Environmental Designs	1-1000	6,132.64
1052	5/23/24	Simonson & Associates, Inc.	1-1000	17,015.85
1053	5/23/24	Spencer Fane, LLP	1-1000	979.00
Online	5/28/24	Xcel Energy	1-1000	39.10
Online	5/29/24	City of Thornton	1-1000	83.06
Total				<u>50,412.20</u>

Fallbrook Villas Metropolitan District
Check Register
For the Period From Jul 1, 2024 to Jul 31, 2024

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1054	7/11/24	Deborah S. Makray	1-1000	80.00
1055	7/11/24	Advance HOA Management, Inc.	1-1000	238.43
1056	7/11/24	Colorado Special Dist Prop & Liab Pool	1-1000	7,048.00
1057	7/11/24	Environmental Designs	1-1000	6,600.57
1058	7/11/24	Pueblo Web Design	1-1000	195.00
1059	7/11/24	Rocky Mountain Playground Services, LLC	1-1000	400.00
1060	7/11/24	Schilling & Company, Inc.	1-1000	5,500.00
1061	7/11/24	Simonson & Associates, Inc.	1-1000	6,524.37
1062	7/11/24	Spencer Fane, LLP	1-1000	1,587.50
Total				<u>28,173.87</u>

Fallbrook Villas Metropolitan District

FINANCIAL STATEMENTS

For The Period Ending December 31, 2023

AUDITED

March 8, 2024

Prepared by

Simonson & Associates, Inc.

32045 Castle Court, Suite 103

Evergreen, CO 80439

303-674-3379

Fax: 303-674-3380

Fallbrook Villas Metropolitan District

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2023

	GENERAL FUND	DEBT SERVICE FUND	TOTAL FUNDS
ASSETS			
Cash and Equivalents	71,301	396,050	467,351
Prepaid Expenses	3,081	0	3,081
Cash with County Treasurer	567	1,309	1,876
Accts. Rec. - Customers	8,390	0	8,390
Taxes Receivable	230,000	155,000	385,000
Due from other District Funds	0	127,505	127,505
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	313,339	679,864	993,203
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	33,963	0	33,963
Prepaid Assessments	80	0	80
Due to Other Funds	127,505	0	127,505
	<hr/>	<hr/>	<hr/>
Total Liabilities	161,548	0	161,548
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	230,000	155,000	385,000
	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	230,000	155,000	385,000
FUND BALANCES (DEFICITS)			
Restricted for Debt Service	0	409,161	409,161
Current Yr Additions (Deficit)	(19,027)	115,703	96,676
Unassigned	(59,182)	0	(59,182)
	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficits)	(78,209)	524,864	446,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	313,339	679,864	993,203

Fallbrook Villas Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL OPERATING FUND
For the Twelve Months Ending December 31, 2023

	YEAR TO DATE ACTUAL	ANNUAL BUDGETED	VARIANCE
REVENUES			
Special Assessments	54,000	54,000	0
Property Taxes	101,167	101,162	5
Specific Ownership Tax	6,931	6,700	231
Interest	3,021	1,250	1,771
Miscellaneous Income	1,331	1,500	(169)
TOTAL REVENUES	166,450	164,612	1,838
EXPENDITURES			
Maintenance Activities			
Landscape Maintenance	47,670	47,000	(670)
Other Maintenance	1,192	1,500	308
Utilities	17,596	20,000	2,404
Snow Removal	14,772	20,000	5,228
Total Maintenance Expenses	81,230	88,500	7,270
General Operating Expenses			
General/Administrative Expense	6,991	5,600	(1,391)
County Treasurer Fees	1,761	1,800	39
Insurance	3,054	3,055	1
Election Costs	1,856	1,860	4
Professional Services			
Accounting	29,600	30,662	1,062
Audit	13,930	10,000	(3,930)
Legal	35,055	32,000	(3,055)
Management	12,000	12,000	0
Total Gen. Expenses and Prof. Servs.	104,247	96,977	(7,270)
TOTAL EXPENDITURES	185,477	185,477	0
NET CHANGE IN FUND BALANCE	(19,027)	(20,865)	1,838

Fallbrook Villas Metropolitan District
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Twelve Months Ending December 31, 2023

	YEAR TO DATE ACTUAL	ANNUAL BUDGETED	VARIANCE ACTUAL
REVENUES			
Property Taxes	233,444	233,433	11
Specific Ownership Tax	15,992	16,000	(8)
Interest	22,922	22,500	422
TOTAL REVENUES	272,358	271,933	425
EXPENDITURES			
Bond Fees	7,938	7,900	(38)
County Treasurer Fees	3,504	3,500	(4)
Bond Interest	125,213	182,391	57,178
Bond Principal	20,000	20,000	0
TOTAL EXPENDITURES	156,655	213,791	57,136
NET CHANGE IN FUND BALANCE	115,703	58,142	57,561

Fallbrook Villas Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
For the Twelve Months Ending December 31, 2023

	GENERAL	DEBT SERVICE	TOTAL
REVENUES			
Customer Fees	54,000	0	54,000
Property Taxes	101,167	0	101,167
Specific Ownership Tax	6,931	0	6,931
Interest	3,021	0	3,021
Miscellaneous Income	1,331	0	1,331
Property Taxes	0	233,444	233,444
Specific Ownership Tax	0	15,992	15,992
Interest	0	22,922	22,922
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	166,450	272,358	438,808
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
EXPENDITURES			
Maintenance Expenses	81,230	0	81,230
General/Administrative Expense	6,991	0	6,991
Insurance	3,054	0	3,054
Election Costs	1,856	0	1,856
Accounting	29,600	0	29,600
Audit	13,930	0	13,930
Legal	35,055	0	35,055
Management	12,000	0	12,000
County Treasurer Fees	1,761	0	1,761
County Treasurer Fees	0	3,504	3,504
Bond/Trustee Fees	0	7,938	7,938
Bond Interest	0	125,213	125,213
Bond Principal	0	20,000	20,000
	<hr/>	<hr/>	<hr/>
Total Expenses	185,477	156,655	342,132
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
TOTAL OPERATING EXPENDITURES	185,477	156,655	342,132
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
NET FUNDS EXCESS(DEFICIT)	(19,027)	115,703	96,676

Fallbrook Villas Metropolitan District

FINANCIAL STATEMENTS

For The Period Ending May 31, 2024

(UNAUDITED)

July 5, 2024

Prepared by

Simonson & Associates, Inc.

32045 Castle Court, Suite 103

Evergreen, CO 80439

303-674-3379

Fax: 303-674-3380

Fallbrook Villas Metropolitan District
BALANCE SHEET
GOVERNMENTAL FUNDS
May 31, 2024

	GENERAL FUND	DEBT SERVICE FUND	TOTAL FUNDS
ASSETS			
Cash and Equivalents	128,066	326,516	454,582
Cash with County Treasurer	8,272	6,733	15,005
Accts. Rec. - Customers	7,739	0	7,739
Taxes Receivable	76,071	51,266	127,337
Due from other District Funds	0	122,562	122,562
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	220,148	507,077	727,225
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	12,261	0	12,261
Prepaid Assessments	580	0	580
Due to Other Funds	122,562	0	122,562
	<hr/>	<hr/>	<hr/>
Total Liabilities	135,403	0	135,403
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	76,071	51,266	127,337
	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	76,071	51,266	127,337
FUND BALANCES (DEFICITS)			
Restricted for Debt Service	0	524,864	524,864
Current Yr Additions (Deficit)	86,884	(69,053)	17,831
Unassigned	(78,210)	0	(78,210)
	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficits)	8,674	455,811	464,485
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	220,148	507,077	727,225

Fallbrook Villas Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL OPERATING FUND
For the Five Months Ending May 31, 2024

	YEAR TO DATE ACTUAL	ANNUAL BUDGETED	VARIANCE
REVENUES			
Special Assessments	0	0	0
Property Taxes	157,086	230,000	(72,914)
Specific Ownership Tax	4,742	14,950	(10,208)
Customer Delinquent Fee	456	0	456
Interest	1,495	1,800	(305)
Customer Interest	241	0	241
Miscellaneous Income	0	500	(500)
TOTAL REVENUES	164,020	247,250	(83,230)
EXPENDITURES			
Maintenance Activities			
Landscape Maintenance	15,364	50,000	34,636
Other Maintenance	0	3,000	3,000
Utilities	437	20,000	19,563
Snow Removal	9,511	20,000	10,489
Contingency/Emergency Reserves	0	5,000	5,000
Total Maintenance Expenses	25,312	98,000	72,688
General Operating Expenses			
General/Administrative Expense	1,756	5,000	3,244
County Treasurer Fees	2,357	3,450	1,093
Insurance	10,129	5,000	(5,129)
Professional Services			
Accounting and Management	33,240	24,000	(9,240)
Audit	0	6,000	6,000
Legal	4,342	25,000	20,658
Other Professional Services	0	1,000	1,000
Total Gen. Expenses and Prof. Servs.	51,824	69,450	17,626
TOTAL EXPENDITURES	77,136	167,450	90,314
NET CHANGE IN FUND BALANCE	86,884	79,800	7,084

Fallbrook Villas Metropolitan District
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Five Months Ending May 31, 2024

	YEAR TO DATE ACTUAL	ANNUAL BUDGETED	VARIANCE ACTUAL
REVENUES			
Property Taxes	105,862	155,000	(49,138)
Specific Ownership Tax	3,195	10,850	(7,655)
Interest	6,099	10,000	(3,901)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	115,156	175,850	(60,694)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Bond Fees	7,286	7,200	(86)
County Treasurer Fees	1,588	2,327	739
Bond Interest	175,335	330,343	155,008
Bond Principal	0	103,000	103,000
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	184,209	442,870	258,661
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	(69,053)	(267,020)	197,967
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fallbrook Villas Metropolitan District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
For the Five Months Ending May 31, 2024

	GENERAL	DEBT SERVICE	TOTAL
REVENUES			
Property Taxes	157,086	0	157,086
Specific Ownership Tax	4,742	0	4,742
Customer Delinquent Fee	456	0	456
Interest	1,495	0	1,495
Customer Interest	241	0	241
Property Taxes	0	105,862	105,862
Specific Ownership Tax	0	3,195	3,195
Interest	0	6,099	6,099
	164,020	115,156	279,176
TOTAL REVENUES	164,020	115,156	279,176
	GENERAL	DEBT SERVICE	TOTAL
EXPENDITURES			
Maintenance Expenses	25,312	0	25,312
General/Administrative Expense	1,756	0	1,756
Insurance	10,129	0	10,129
Accounting	11,925	0	11,925
Management	13,686	0	13,686
Additional Management	7,629	0	7,629
Legal	4,342	0	4,342
County Treasurer Fees	2,357	0	2,357
County Treasurer Fees	0	1,588	1,588
Bond/Trustee Fees	0	7,286	7,286
Bond Interest	0	175,335	175,335
	77,136	184,209	261,345
Total Expenses	77,136	184,209	261,345
TOTAL OPERATING EXPENDITURES	77,136	184,209	261,345
NET FUNDS EXCESS(DEFICIT)	86,884	(69,053)	17,831

Fallbrook Villas Metropolitan District Aged Receivables As of May 31, 2024

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM #	0-30	31-60	61-90	Over 90 days	Amount Due
1001 G. Bruno, C. Rodriguez & C. Rodriguez G. Bruno 760-707-7524	2124699-3 FBINV50 FBINV1		19.26	18.98	265.00	265.00 18.98 19.26
1001 G. Bruno, C. Rodriguez			19.26	18.98	265.00	303.24
1009 Deborah S. Makray Deborah S. Makray 303-909-5952	2124710				-80.00	-80.00
1009 Deborah S. Makray					-80.00	-80.00
1010 Brian J. Walsh Jr. Brian J. Walsh, Jr.	2124670-1 2124670-2 2124670-3 FBINV4 FBINV5			22.84	15.00 7.50 500.00	15.00 7.50 500.00 22.84 23.18
1010 Brian J. Walsh Jr.		23.18		22.84	522.50	568.52
1013 Coral Peyton Coral Peyton 303-319-5231	2124671-1 2124671-2 2124671-3 2124671-4 FBINV19 FBINV20			23.25	15.00 8.25 476.75 50.00	15.00 8.25 476.75 50.00 23.25 23.60
1013 Coral Peyton		23.60		23.25	550.00	596.85
1020 Amina Hashem & Mostafa Mostafa Wardak Amina H	2409349 FBINV			22.50	-45.34	-45.34 22.50
1020 Amina Hashem & Mostaf				22.50	-45.34	-22.84
1023 Tiffany M. Bradtke-Bell Tiffany M. Bradtke-Bell 845-793-0592	2171331-1 2171331-2 2171331-3 2171331				63.98 26.70 500.00 400.00	63.98 26.70 500.00 400.00

Fallbrook Villas Metropolitan District
Aged Receivables
As of May 31, 2024

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM #	0-30	31-60	61-90	Over 90 days	Amount Due
	FBINV25			39.39		39.39
	FBINV26	41.95				41.95
1023 Tiffany M. Bradtke-Bell		41.95		39.39	990.68	1,072.02
1027 Nguyen Nga & Forss Quy Forss Quynh Nguyen Nga	111422		-500.00			-500.00
1027 Nguyen Nga & Forss Qu			-500.00			-500.00
1028 MSB Group LLC MSB Group LLC	2236919-1 2236919-2 2236919-3 FBINV6 FBINV7				15.00 7.50 500.00	15.00 7.50 500.00
		23.18		22.84		22.84 23.18
1028 MSB Group LLC		23.18		22.84	522.50	568.52
1038 Nancy Pritchard Nancy Pritchard 303-668-9873	2124748-1 2124748-2 2124748-3 FBINV8 FBINV9				15.00 7.50 500.00	15.00 7.50 500.00
		23.18		22.84		22.84 23.18
1038 Nancy Pritchard		23.18		22.84	522.50	568.52
1040 Emily & Mary Holmquist Emily & Mary Holmquist	2124681-1 2124681-2 2124681-3 2124681-4 FBINV21 FBINV22				15.00 8.25 500.00 50.00	15.00 8.25 500.00 50.00
		23.95		23.60		23.60 23.95
1040 Emily & Mary Holmquist		23.95		23.60	573.25	620.80
1053 Kevin & Jennifer Brennan Kevin/Jennifer Brennan 720-822-1607	2124696				-0.01	-0.01

Fallbrook Villas Metropolitan District Aged Receivables As of May 31, 2024

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM #	0-30	31-60	61-90	Over 90 days	Amount Due
1053 Kevin & Jennifer Brenna					-0.01	-0.01
1063 Robyn S. Green Prater & William Prater 305-484-3767	2124668-1 2124668-2 2124668-3 FBINV10 FBINV11	23.18		22.84	15.00 7.50 500.00	15.00 7.50 500.00 22.84 23.18
1063 Robyn S. Green Prater &		23.18		22.84	522.50	568.52
1073 Craig & Payton Peterson Craig & Payton Peterson	2136288-1 2136288-2 2136288-3 2136288-4 FBINV23 FBINV24	23.95		23.60	15.00 8.25 500.00 50.00	15.00 8.25 500.00 50.00 23.60 23.95
1073 Craig & Payton Peterson		23.95		23.60	573.25	620.80
1075 Nick Smith & Minnie Talari Nick Smith 970-308-7600	2124720-1 2124720-2 2124720-3 FBINV12 FBINV14	23.18		22.84	15.00 7.50 500.00	15.00 7.50 500.00 22.84 23.18
1075 Nick Smith & Minnie Tala		23.18		22.84	522.50	568.52
1078 Craig & Payton Peterson Craig & Payton Peterson 303-570-0180	2124675-1 2124675-2 2124675-3 FBINV15 FBINV16	23.18		22.84	15.00 7.50 500.00	15.00 7.50 500.00 22.84 23.18
1078 Craig & Payton Peterson		23.18		22.84	522.50	568.52
1091 Gary and Jenifer Black Gary/Jenifer Black 303-356-6450	2124747-1 2124747-2 2124747-3 FBINV17 FBINV18	23.18		22.84	15.00 7.50 500.00	15.00 7.50 500.00 22.84 23.18
1091		23.18		22.84	522.50	568.52

Fallbrook Villas Metropolitan District
Aged Receivables
As of May 31, 2024

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM #	0-30	31-60	61-90	Over 90 days	Amount Due
Gary and Jenifer Black						
1109	2124688-1				15.00	15.00
Shelley Dawn Ludington	2124688-2				7.50	7.50
Shelley D. Ludington	2124688-3				500.00	500.00
303-478-1200	FBINV2			22.84		22.84
	FBINV3		23.18			23.18
1109			23.18	22.84	522.50	568.52
Shelley Dawn Ludington						
Report Total		275.71	-457.56	334.04	7,006.83	7,159.02