

**FITZSIMONS VILLAGE
METROPOLITAN DISTRICT NO. 1**

2022 ANNUAL REPORT

1. **BOUNDARY CHANGES MADE OR PROPOSED:** No boundary changes were made or proposed in 2022.
2. **INTERGOVERNMENTAL AGREEMENTS:** There were no intergovernmental agreements in 2022.
3. **COPIES OF DISTRICT’S RULES AND REGULATIONS:** The District approved a Joint Resolution Regarding the Imposition of Facilities Fees on 4/19/10; a Joint Operations and Maintenance Fee Resolution on 9/08/11; a First Amended and Restated Joint Operations and Maintenance Fee Resolution on 8/13/14; and a Joint Resolution Regarding the Imposition of Facilities Fees on 8/13/14.
4. **SUMMARY OF ANY LITIGATION:** In 2018, the District, Fitzsimons Village Metropolitan District Nos. 2 and 3, the Aurora Urban Renewal Authority, and the City of Aurora filed suit against the Arapahoe County Assessor and the Colorado State Property Tax Administrator (“the Defendants”) arising from a tax dispute over the tax increment financing (the “TIF Litigation”). The District was dismissed from involvement in the TIF Litigation as the result of a motion to dismiss granted in favor of the Defendants on June 18, 2019. The Court granted summary judgment on June 10, 2020. Corporex Colorado LLC and Fitzsimons Village Metropolitan District Nos. 1-3 initiated an appeal of the Court’s ruling before the Colorado Court of Appeals in July 2020. An appellate decision was entered on January 6, 2022, affirming the court in part, reversing the court in part, and remanding the case to the district court. The Court of Appeals decision is being reviewed by the Colorado Supreme Court and the matter is set for oral argument in September 2023.
5. **STATUS OF THE DISTRICT’S CONSTRUCTION OF THE PUBLIC IMPROVEMENTS:** Construction on the structured parking facility located within District No. 3 started in early 2022 and is still underway as of the date of this report. The structured parking facility is being constructed by District No. 1 and will be owned and operated by District No. 1, with funding being provided in coordination with District No. 3. Construction on the Promenade park is expected to commence in 2023.
6. **LIST OF ALL FACILITIES AND IMPROVEMENTS CONSTRUCTED BY THE DISTRICT THAT HAVE BEEN DEDICATED TO AND ACCEPTED BY THE CITY:** There was no construction or dedication of Public Improvements to the City in 2022.
7. **ASSESSED VALUATION:** Please see Certification of Valuation (See Exhibit A).
8. **CURRENT YEAR BUDGET:** Please see 2023 Budget (See Exhibit B).
9. **AUDIT / AUDIT EXEMPTIONS:** The District’s 2022 Audit is not complete and will be filed separately when available.

10. NOTICE OF ANY UNCURED EVENTS OF DEFAULT: None.

11. ANY INABILITY OF THE DISTRICT TO PAY ITS OBLIGATIONS: None.

EXHIBIT A



PK Kaiser, MBA, MS

Assessor

November 23, 2022

OFFICE OF THE ASSESSOR
5334 S. Prince Street
Littleton, CO 80120-1136
Phone: 303-795-4600
TDD: Relay-711
Fax: 303-797-1295
<http://www.arapahoegov.com/assessor>
assessor@arapahoegov.com

AUTH 4321 FITZSIMONS VILLAGE METRO
DIST #1
CLIFTON LARSON ALLEN LLP
C/O ANNA JONES
8390 E CRESCENT PKY STE 300
GREENWOOD VILLAGE CO 80111

Code # 4321

RECERTIFICATION OF VALUATION

The Arapahoe County Assessor reports a taxable assessed valuation for your taxing entity for 2022 of:

\$4,857,846

The breakdown of the taxable valuation of your property is enclosed.

As further required by CRS 39-5-128(1), you are hereby notified to officially certify your levy to the Board of County Commissioners no later than December 15.

CRS 39-1-111(5) requires that this office transmit a notification by December 10 of any changes to valuation made after the original certification.

PK Kaiser, MBA, MS
Arapahoe County Assessor

enc

RECERTIFICATION OF VALUATION BY ARAPAHOE COUNTY ASSESSOR

New Tax Entity YES NO

Date: November 23, 2022

NAME OF TAX ENTITY: FITZSIMONS VLG METRO DIST #1

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	508,773
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	4,857,846
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	4,364,321
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	493,525
5. NEW CONSTRUCTION: *	5.	\$	0
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6.	\$	0
7. ANNEXATIONS/INCLUSIONS:	7.	\$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8.	\$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): Φ	9.	\$	0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	10.	\$	0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11.	\$	0

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART X, SEC.20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	15,017,656
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	0
3. ANNEXATIONS/INCLUSIONS:	3.	\$	0
4. INCREASED MINING PRODUCTION: §	4.	\$	0
5. PREVIOUSLY EXEMPT PROPERTY:	5.	\$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6.	\$	0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7.	\$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8.	\$	0
9. DISCONNECTIONS/EXCLUSIONS:	9.	\$	0
10. PREVIOUSLY TAXABLE PROPERTY:	10.	\$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1.	\$	0
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IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **		\$	1,276
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

EXHIBIT B

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR YEAR ENDING DECEMBER 31, 2023

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 746,483	\$ 536,052	\$ 661,551
REVENUES			
AURA Funding - Lodger Tax	112,485	209,897	-
AURA Funding - Property Tax	853,668	628,982	65,470
AURA Funding - Sales Tax	43,580	63,693	-
Developer Advance - Corporex	156,000	294,628	322,098
Insurance Proceeds	15,470	33,888	95,000
Interest Income	1,227	7,250	28,000
Operations and Maintenance Fees	78,979	79,378	79,776
Parking Revenue	2,464	3,786	-
PIF - Debt Service	10,571	42,150	405,500
PIF - Excess Collection Fee	31,297	52,300	52,900
PIF - Operations and Maintenance	71,583	98,600	105,800
Property Taxes	33,243	30,548	29,611
Property Taxes - ARI	665	509	494
Specific Ownership Taxes	22,881	13,489	20,743
TIF Property Taxes	30,998	31,500	32,700
TIF Property Taxes - ARI	6,131	6,500	6,800
Transfer from Fitzsimons Village No. 2 - Taxes	83,183	20,385	19,856
Transfer from Fitzsimons Village No. 3 - PIF	159,775	305,000	-
Transfer from Fitzsimons Village No. 3 - TIF Prop Tax	88,943	65,772	-
Transfer from Fitzsimons Village No. 3 - Refunding Escrow	17,453,759	-	-
Transfer from Fitzsimons Village No. 3 - Capital Expenditures	5,769,887	2,125,000	15,348,492
Total revenues	<u>25,026,789</u>	<u>4,113,255</u>	<u>16,613,240</u>
TRANSFERS IN	<u>7,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>25,780,272</u>	<u>4,649,307</u>	<u>17,274,791</u>
EXPENDITURES			
General Fund	434,830	578,834	724,000
Debt Service Fund - 2020/2021 Bonds	18,701,754	945,922	85,500
Debt Service Fund - 2020A&B Bonds	330,749	338,000	345,000
Capital Projects Fund	5,769,887	2,125,000	15,348,492
Total expenditures	<u>25,237,220</u>	<u>3,987,756</u>	<u>16,502,992</u>
TRANSFERS OUT	<u>7,000</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>25,244,220</u>	<u>3,987,756</u>	<u>16,502,992</u>
ENDING FUND BALANCES	<u>\$ 536,052</u>	<u>\$ 661,551</u>	<u>\$ 771,800</u>
EMERGENCY RESERVE	\$ 7,000	\$ 9,100	\$ 9,200
DEBT SERVICE RESERVE FUND (Required Amount \$575,585)	575,585	575,585	575,585
SURPLUS FUND	2,637	76,866	187,015
TOTAL RESERVE	<u>\$ 585,222</u>	<u>\$ 661,551</u>	<u>\$ 771,800</u>

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Commercial	\$ 5,852,755	\$ 4,361,648	\$ 4,354,800
State assessed	10	10	30
Personal property	656,778	621,906	502,726
Vacant land	290	290	290
	<u>6,509,833</u>	<u>4,983,854</u>	<u>4,857,846</u>
Adjustments	(5,845,295)	(4,475,081)	(4,364,321)
Certified Assessed Value	<u>\$ 664,538</u>	<u>\$ 508,773</u>	<u>\$ 493,525</u>
MILL LEVY			
General	0.000	10.000	10.000
Debt Service	50.000	50.000	50.000
ARI	1.000	1.000	1.000
Total mill levy	<u>51.000</u>	<u>61.000</u>	<u>61.000</u>
PROPERTY TAXES			
General	\$ -	\$ 5,088	\$ 4,935
Debt Service	33,227	25,438	24,676
ARI	665	509	494
Levied property taxes	<u>33,892</u>	<u>31,035</u>	<u>30,105</u>
Adjustments to actual/rounding	16	22	-
Budgeted property taxes	<u>\$ 33,908</u>	<u>\$ 31,057</u>	<u>\$ 30,105</u>
BUDGETED PROPERTY TAXES			
General	\$ -	\$ 5,091	\$ 4,935
Debt Service	33,243	25,457	24,676
ARI	665	509	494
Budgeted property taxes	<u>\$ 33,908</u>	<u>\$ 31,057</u>	<u>\$ 30,106</u>

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/29/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (4,271)	\$ (42,170)	\$ 9,100
REVENUES			
Developer advance - Corporex	156,000	294,628	322,098
Insurance Proceeds	15,470	33,888	95,000
Interest income	1	50	-
Operations and Maintenance Fees	78,979	79,378	79,776
Parking Revenue	2,464	3,786	-
PIF - Excess Collection Fee	31,297	52,300	52,900
PIF - Operations and Maintenance	71,583	98,600	105,800
Property Taxes	-	5,091	4,935
Property Taxes - ARI	665	509	494
Specific Ownership Taxes	-	3,489	3,741
TIF Property Taxes	30,998	31,500	32,700
TIF Property Taxes - ARI	6,131	6,500	6,800
Transfer from Fitzsimons Village No. 2 - Taxes	10,343	20,385	19,856
Total revenues	403,931	630,104	724,100
Total funds available	399,660	587,934	733,200
EXPENDITURES			
General and Administrative			
Accounting	56,496	59,325	59,325
Accounting - Unbudgeted	-	5,500	-
ARI Payment	6,785	6,904	7,185
Audit	4,500	4,750	5,200
County Treasurer's Fee	10	84	81
District management	13,084	13,230	45,000
District management - unbudgeted	-	36,770	-
Election	-	2,178	5,000
Insurance	14,050	17,091	23,000
Dues and membership	994	882	950
Legal	6,554	28,500	35,000
Miscellaneous	974	4,924	5,120
Transfer to Fitzsimons Village No. 3 - O&M Fee	33,000	12,000	-
Transfer to Fitzsimons Village No. 3 - Taxes	-	8,504	9,039
Operations and Maintenance			
Operations and Maintenance	249,355	378,192	529,100
Capital Projects			
30-inch Culvert Mitigation	49,028	-	-
Total expenditures	434,830	578,834	724,000
TRANSFERS OUT			
Transfer to Other Fund	7,000	-	-
Total expenditures and transfers out requiring appropriation	441,830	578,834	724,000
ENDING FUND BALANCES	\$ (42,170)	\$ 9,100	\$ 9,200
EMERGENCY RESERVE	\$ 7,000	\$ 9,100	\$ 9,200
TOTAL RESERVE	\$ 7,000	\$ 9,100	\$ 9,200

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
OPERATIONS AND MAINTENANCE COST - DETAILS
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
Repairs and Maintenance			
Alternative Elevation/1 Able - Elevator Inspection	\$ 360	\$ -	\$ 5,000
HSS - security	6,907	7,500	8,500
ResComm - Window Cleaning (Bridge)	173	1,000	1,500
Roth Property Maintenance - Janitorial	17,715	17,500	25,000
Sustainable Landscapes - Floral	7,970	8,370	9,500
Sustainable Landscapes - Landscape Maintenance	30,472	47,500	50,000
Hardscape Maintenance	-	-	5,000
TKE Corp. - Elevator Maintenance	3,329	3,500	4,000
UNCC - Utility Locating	191	450	600
Baysaver Cleaning	10,805	-	-
Colfax Bridge Painting	-	-	-
Colfax Bridge Repairs	-	33,112	170,000
Tree Maintenance	-	21,878	25,000
Light Fixture Repairs	8,659	42,000	5,000
Inspection and Maintenance Report	4,095	5,000	5,000
Various - Repairs & Maintenance	27,366	30,000	50,000
	<u>\$ 118,042</u>	<u>\$ 217,810</u>	<u>\$ 364,100</u>
Snow Removal			
Martinson - Snow Removal	\$ 72,916	\$ 95,000	\$ 110,000
Utilities			
Utilities	\$ 20,963	\$ 36,000	\$ 40,000
Parking Enforcement			
Republic Parking - Parking Enforcement	\$ 37,434	\$ 19,382	\$ -
Contingency			
Contingency	\$ -	\$ 10,000	\$ 15,000
SUB-TOTAL	<u>\$ 249,355</u>	<u>\$ 378,192</u>	<u>\$ 529,100</u>
Property management			
Corporex - Property Management	\$ -	\$ -	\$ -
GRAND TOTAL	<u>\$ 249,355</u>	<u>\$ 378,192</u>	<u>\$ 529,100</u>

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND - (2020/2021 BONDS)
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 153,909	\$ -	-
REVENUES			
AURA funding - Lodger Tax	112,485	209,897	-
AURA funding - Property Tax	853,668	628,982	-
AURA funding - Sales tax	43,580	63,693	-
Transfer from Fitzsimons Village No. 2 - Taxes	72,840	-	-
Interest income	942	1,200	-
PIF - Debt Service	10,571	42,150	85,500
Transfer from Fitzsimons Village No. 3 - Refunding Escrow	17,453,759	-	-
Total revenues	<u>18,547,845</u>	<u>945,922</u>	<u>85,500</u>
Total funds available	<u>18,701,754</u>	<u>945,922</u>	<u>85,500</u>
EXPENDITURES			
General and administrative			
Debt Service			
Paying Agent Fees	4,000	-	-
Bond interest - Junior Bonds	662,590	-	-
Bond interest - 2020 Bonds	554,173	-	-
Payment to Refunding Escrow	17,464,554	-	-
Transfer to Fitzsimons Village No. 3 - AURA funding	-	903,772	-
Transfer to Fitzsimons Village No. 3 - PIF	-	42,150	85,500
Transfer to Fitzsimons Village No. 3 - Excess Funds	16,437	-	-
Total expenditures	<u>18,701,754</u>	<u>945,922</u>	<u>85,500</u>
Total expenditures and transfers out requiring appropriation	<u>18,701,754</u>	<u>945,922</u>	<u>85,500</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND - 2020A&B BONDS
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 596,845	\$ 578,222	\$ 652,451
REVENUES			
Interest Income	284	6,000	28,000
Property Taxes	33,243	25,457	24,676
Specific Ownership Taxes	22,881	10,000	17,002
AURA Funding - Property Tax	-	-	65,470
PIF - Debt Service	-	-	320,000
Transfer from Fitzsimons Village No. 3 - PIF	159,775	305,000	-
Transfer from Fitzsimons Village No. 3 - TIF Prop Tax	88,943	65,772	-
Total revenues	<u>305,126</u>	<u>412,229</u>	<u>455,149</u>
TRANSFERS IN			
Transfer from other fund	<u>7,000</u>	<u>-</u>	<u>-</u>
Total funds available	<u>908,971</u>	<u>990,451</u>	<u>1,107,600</u>
EXPENDITURES			
Debt Service			
Bond Interest - Senior Bonds	313,250	312,750	312,000
Bond Principal - Senior bonds	10,000	15,000	20,000
Contingency	-	2,867	5,630
County Treasurer's Fee	499	383	370
Paying Agent Fees	7,000	7,000	7,000
Total expenditures	<u>330,749</u>	<u>338,000</u>	<u>345,000</u>
Total expenditures and transfers out requiring appropriation	<u>330,749</u>	<u>338,000</u>	<u>345,000</u>
ENDING FUND BALANCES	<u>\$ 578,222</u>	<u>\$ 652,451</u>	<u>\$ 762,600</u>
DEBT SERVICE RESERVE FUND (Required Amount \$575,585)	\$ 575,585	\$ 575,585	\$ 575,585
SURPLUS FUND	\$ 2,637	\$ 76,866	\$ 187,015
TOTAL RESERVE	<u>\$ 578,222</u>	<u>\$ 652,451</u>	<u>\$ 762,600</u>

No assurance provided. See summary of significant assumptions.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/20/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Transfer from Fitzsimons Village No. 3	5,769,887	2,125,000	15,348,492
Total revenues	<u>5,769,887</u>	<u>2,125,000</u>	<u>15,348,492</u>
Total funds available	<u>5,769,887</u>	<u>2,125,000</u>	<u>15,348,492</u>
EXPENDITURES			
Capital Projects			
Capital Expenditures			
Repay developer advance	5,769,887	-	-
Public Improvements	-	2,100,000	15,008,492
Capital Outlay - 30-inch Culvert mitigation	-	-	75,000
Capital Outlay - Baysaver installation (south)	-	-	70,000
Capital Outlay - Baysaver modification (north)	-	-	50,000
Capital Outlay - Baysaver design/permits	-	25,000	15,000
Capital Outlay - Pedestrian bridge improvements	-	-	30,000
Capital Outlay - Curb and gutter	-	-	100,000
Total expenditures	<u>5,769,887</u>	<u>2,125,000</u>	<u>15,348,492</u>
Total expenditures and transfers out requiring appropriation	<u>5,769,887</u>	<u>2,125,000</u>	<u>15,348,492</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized in July 2006 for the purpose of financing and providing public improvements and related operations and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sewer, transportation and mosquito control. When appropriate, these improvements will be dedicated to the City of Aurora, Arapahoe County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District was organized in conjunction with two other related districts, Fitzsimons Village Metropolitan District No. 2 (District No. 2) and Fitzsimons Village Metropolitan District No. 3 (District No. 3). The District's service area is located within the City of Aurora, Arapahoe County, Colorado.

On May 2, 2006, District voters approved general obligation indebtedness of \$382,440,000 for street improvements, \$382,440,000 for parks and recreation, \$382,440,000 for water facilities, \$382,440,000 for sanitation system, \$382,440,000 for transportation, \$382,440,000 for mosquito control, \$382,440,000 for traffic and safety, \$382,440,000 for fire protection facilities or services, \$382,440,000 for television relay and translation facilities, \$5,000,000 for operations and maintenance, \$382,440,000 for intergovernmental contracts and \$382,440,000 for debt refunding. The District's service plan prohibits the District from providing fire protection and television relay and transmission facilities and services unless they are provided pursuant to an agreement with the City of Aurora. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$382,440,000 annually for operations and maintenance. The District's service plan limits total debt issuance to no more than \$382,440,000.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August, and generally, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes – (continued)

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6% of the property taxes when calculated from the current year's gross taxable assessed valuation.

Public Improvement Fees

The District receives public improvement fees (PIF) from existing retailers within District No. 2. The PIF, a privately imposed fee, is collected from sales transactions upon which the City Sales Tax is levied and from lodging transactions upon which the City's Lodgers Tax is levied, in consideration of the benefits derived from the public improvements constructed within District No. 2. The PIF allocated to operations and maintenance is remitted to the District to help pay for the District's operations and maintenance costs. The PIF allocated to debt service is pledged to District No. 3 to pay for the bonds District No. 3 issued on December 28, 2021.

The District receives PIF from existing retailers within District No. 3. The PIF collected within District No. 3 is pledged to the bonds issued by the District on March 11, 2020.

Aurora Regional Improvements (ARI) Mill Levy

Pursuant to the District's Service Plan, the District is required to impose a 1.000 mill levy to finance the planning, designing, permitting, construction, and acquisition of the regional improvements described in the ARI Master Plan. The ARI Master Plan is one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the districts which constitute such ARI Authority, which master plan will change from time to time.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Aurora Urban Renewal Authority (AURA) Revenues

The District, the Developer and the Aurora Urban Renewal Authority (AURA) have entered into an agreement in which AURA will remit TIF Revenues (Property Tax Revenues) to the District that are pledged to the 2020 A&B Bonds issued by the District on March 11, 2020.

Developer Advance

A portion of the District's operating expenditures in 2023 will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation to future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Operation and Maintenance Fees

Pursuant to the Fitzsimons Village Metropolitan District Nos. 1 – 3 Joint Operations and Maintenance Fee Resolution, an operations and maintenance fee is imposed on all applicable property located in all Districts' boundaries, commencing in 2012. For commercial property, the fee was initially set at a rate of \$0.01002 per square foot per month. For residential property, the fee was initially set at a rate of \$1.12 per residential unit per month. The fee rates shall increase on January 1 annually thereafter.

On August 13, 2014, Districts Nos. 1 – 3 amended the resolution to increase the fee rates starting in 2015. With the Phase 2 project (hotel, conference center, and parking structure) and future Phase 3 project, the Districts' operation and maintenance costs (benefitting the entire Fitzsimons Village) will increase, hence the need for the fee rate increase.

Transfers from District No. 2

The District provides project and district administration services for District No. 2. Pursuant to certain agreements, District No. 2 remits to the District net tax revenues to cover its share of the administrative costs.

Transfers from District No. 3

In 2023, pursuant to a certain intergovernmental agreement, the District will receive approximately \$15,348,492 from District No. 3 to pay for capital outlay expenditures.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General, Administrative and Operating Expenditures

General and administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, membership dues, meeting and other administrative expenditures. Estimated operating expenditures related to landscaping, snow removal, utilities, repairs and maintenance, parking enforcement and property management are also included in the General Fund budget.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Limited Tax Increment General Obligation and Special Revenue Refunding Bonds, Series 2020A&B. See debt service schedule attached.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

Transfers to District No. 3 – Taxes

Pursuant to certain agreements with District No. 3, the District will transfer to District No. 3 (i) property taxes, net of fees, and (ii) specific ownership taxes generated from its imposition of operations mill levy to pay for operations and maintenance expenditures.

Transfers to District No. 3 - PIF

The District transfers PIF collections to District No. 3 pursuant to a certain Capital Pledge Agreement for the purpose of paying principal and interest on the 2021 Bonds issued by District No. 3 on December 28, 2021.

Debt and Leases

Issuance of 2020A and 2020B Bonds on March 11, 2020

The District issued Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A (the "Senior Bonds") and Subordinate Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020B (the "Subordinate Bonds," and together with the Senior Bonds, the "Bonds") on March 11, 2020, in the amounts of \$6,265,000 for the Senior Bonds, and \$1,222,000 for the Subordinate Bonds. Proceeds from the sale of the Bonds were used for the purposes of (i) currently refunding the Tax Increment/Public Improvement Fee Supported Revenue Bonds, Series 2014A and the Tax Increment/Public Improvement Fee Supported Subordinate Revenue Bonds, Series 2014B, previously issued by District No. 3; (ii) funding the Senior Reserve Fund; and (iii) paying costs incurred in connection with the issuance of the Bonds. The Senior Bonds bear interest at 5.00%, payable semi-annually to the extent of Senior Pledged Revenue available on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Senior Bonds mature on December 1, 2049.

**FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Subordinate Bonds were issued at the rate of 7.00% payable annually to the extent of Subordinate Pledged Revenue available on December 15, commencing December 15, 2020. The Subordinate Bonds are structured as “cash flow” bonds meaning that there are no regularly scheduled payments of principal prior to their maturity. The Subordinate Bonds mature on December 15, 2049.

The following is an analysis of the District’s long-term obligations through the year ended December 31, 2023:

	Balance at December 31, 2021	Additions*	Repayments*	Balance at December 31, 2022*	Additions*	Repayments*	Balance at December 31, 2023*
Limited Tax G.O. and Special Revenue Refunding Bonds, 2020A	\$ 6,255,000	\$ -	\$ 15,000	\$ 6,240,000	\$ -	\$ 20,000	\$ 6,220,000
Subordinate Limited Tax GO and Special Revenue Refunding Bonds Series 2020B	1,222,000	-	-	1,222,000	-	-	1,222,000
Bond Premium - 2020A	397,202	-	17,806	379,396	-	17,763	361,633
Total Bonds Payable	7,874,202	-	32,806	7,841,396	-	37,763	7,803,633
Developer Advances - Operations - Principal	735,447	294,628	-	1,030,075	322,098	-	1,352,173
Developer Advances - Operations - Interest	263,569	59,843	-	323,412	86,656	-	410,068
Total Developer Advances	999,016	354,471	-	1,353,487	408,754	-	1,762,241
Total	\$ 8,873,218	\$ 354,471	\$ 32,806	\$ 9,194,883	\$ 408,754	\$ 37,763	\$ 9,565,874
* Estimate							

The District has no operating or capital leases.

Reserves

Emergency Reserve

TABOR requires local governments to establish Emergency Reserve. This reserve must be at least 3% of fiscal year spending. The District has provided for such reserve.

This information is an integral part of the accompanying budget.

FITZSIMONS VILLAGE METROPOLITAN DISTRICT NO. 1
SCHEDULE OF ESTIMATED DEBT SERVICE REQUIREMENTS TO MATURITY

\$6,265,000

Limited Tax General Obligation and Special Revenue Refunding Bonds, Series 2020A

Dated March 11, 2020

Principal Due December 1

5.00% Interest Payable June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 20,000	\$ 312,000	\$ 332,000
2024	25,000	311,000	336,000
2025	25,000	309,750	334,750
2026	30,000	308,500	338,500
2027	35,000	307,000	342,000
2028	45,000	305,250	350,250
2029	45,000	303,000	348,000
2030	55,000	300,750	355,750
2031	60,000	298,000	358,000
2032	65,000	295,000	360,000
2033	75,000	291,750	366,750
2034	80,000	288,000	368,000
2035	90,000	284,000	374,000
2036	95,000	279,500	374,500
2037	105,000	274,750	379,750
2038	115,000	269,500	384,500
2039	125,000	263,750	388,750
2040	340,000	257,500	597,500
2041	360,000	240,500	600,500
2042	385,000	222,500	607,500
2043	410,000	203,250	613,250
2044	440,000	182,750	622,750
2045	465,000	160,750	625,750
2046	495,000	137,500	632,500
2047	525,000	112,750	637,750
2048	560,000	86,500	646,500
2049	1,170,000	58,500	1,228,500
	<u>\$ 6,240,000</u>	<u>\$ 6,664,000</u>	<u>\$ 12,904,000</u>

Principal and interest on the Series 2020B Subordinate Bonds are payable solely from and to the extent of Subordinate Pledged Revenue. There are no scheduled principal payments on the Series 2020B Subordinate Bonds until final maturity.