

YARROW GARDENS METROPOLITAN DISTRICT

2021 ANNUAL REPORT

TO CITY OF WHEAT RIDGE, COLORADO

Pursuant Section VI. of the Service Plan for Yarrow Gardens Metropolitan District, the District is required to provide an annual report to the City Clerk's Office with regard to the following matters:

- 1. A narrative summary of the District's progress in implementing the Service Plan for the report year.**

In 2018, the District issued its Series 2018 Bonds to pay for costs associated with public infrastructure that has been constructed for the Yarrow Gardens project. Development of the residential units began in 2019, and residential construction activities continued through 2021.

- 2. The audited financial statements of the District for the Report Year.**

The 2021 audit will be submitted when completed.

- 3. A summary of the capital expenditures incurred by the District in development of public facilities in a Report Year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.**

There were no capital expenditures incurred by the District in development of public facilities in 2021, and none are anticipated to be undertaken in the next five (5) years.

- 4. A. A summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the Report Year.**

In 2018, the District issued Limited Tax Convertible Bonds to Unlimited Tax, Series A (the "Series A Bonds") and Subordinate General Obligation Limited Tax Bonds, Series B (the "Series B Bonds") in the aggregate principal amount of \$2,492,000 (the "Bonds") for the purpose of defraying the cost of all or a portion of the public infrastructure needed for the Yarrow Gardens development project. The Series A Bonds carry a 5.875% interest rate and mature on December 1, 2048. The Series B Bonds carry an 8.125% interest rate and mature on December 15, 2048. As of December 31, 2021, none of the outstanding principal balance had been reduced on either series.

B. The amount of payment or retirement of existing indebtedness of the District in the Report Year.

No indebtedness was retired in 2021.

C. The total assessed valuation of all taxable properties within the District as of January 1 of the Report Year.

As of December 3, 2021, the total assessed valuation of taxable properties within the District was approximately \$2,266,059.

D. The current mill levy of the District pledged to debt retirement in the Report Year.

The District imposed a Debt Service Fund mill levy of 60.000 mills in 2021 for collection in 2022.

5. The District's budget for the calendar year in which the annual report is submitted.

The District's 2022 Budget is attached hereto as **Exhibit A**.

6. A summary of residential and commercial development which has occurred within the District for the report year.

Thirty-six residences were completed in 2021.

7. A summary of all fees, charges and assessments imposed by the District as of January 1 of the Report Year.

No fees, charges, or assessments were imposed by the District in 2021.

8. Names, addresses, and telephone numbers of District board members, chief administrative staff and general counsel, together with the date, time and place of regular Board meetings.

Stephen Myers	Chair/President	141 Union Blvd., Suite 150 Lakewood, Colorado 80229	(303) 987-0835
Jeffrey Seibold	Treasurer	141 Union Blvd., Suite 150 Lakewood, Colorado 80229	(303) 987-0835
Nathan Aragon	Assistant Secretary	141 Union Blvd., Suite 150 Lakewood, Colorado 80229	(303) 987-0835
William Rectanus	Assistant Secretary	141 Union Blvd., Suite 150 Lakewood, Colorado 80229	(303) 987-0835
John Garcia	Assistant Secretary	141 Union Blvd., Suite 150 Lakewood, Colorado 80229	(303) 987-0835

Regular meetings in 2022 are scheduled for the second Tuesday of March, June, and December at 2:00 P.M. via conference call.

General Legal Counsel – Jeffrey Erb, Esq., Erb Law, LLC, 3900 E. Mexico Avenue, Suite 300, Denver, CO 80210, 303-626-7125

District Manager – David Solin, Special District Management Services, Inc., 141 South Union Blvd. Suite 150, Lakewood, CO 80228, 303-987-0835

EXHIBIT A

2022 Budget

YARROW GARDENS METROPOLITAN DISTRICT
2022
BUDGET MESSAGE

Attached please find a copy of the adopted 2022 budget for Yarrow Gardens Metropolitan District.

Yarrow Gardens Metropolitan District has adopted three separate funds, a General Fund to provide for the payment of general operating expenditures; a Debt Service Fund to provide for payments on the outstanding general obligation debt; and a Capital Projects Fund to provide for the repayment of developer advances.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2022 will be property taxes. The district intends to impose a 116.972 mill levy on the property within the district for 2022, of which 56.972 mills will be dedicated to the General Fund and the balance of 60.000 mills will be allocated to the Debt Service Fund.

YARROW GARDENS METROPOLITAN DISTRICT
2022
BUDGET MESSAGE

Attached please find a copy of the adopted 2022 budget for Yarrow Gardens Metropolitan District.

Yarrow Gardens Metropolitan District has adopted budgets for two funds, a General Fund to provide for the payment of general operating expenditures; and a Debt Service Fund to provide for payments on the outstanding general obligation debt.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2022 will be property taxes. The district intends to impose a 116.972 mill levy on the property within the district for 2022, of which 56.972 mills will be dedicated to the General Fund and the balance of 60.000 mills will be allocated to the Debt Service Fund.

Yarrow Gardens Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2022

	Actual 2020	Adopted Budget 2021	Actual 7/31/2021	Estimate 2021	Adopted Budget 2022
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 60,956
Revenues:					
Property taxes	6,518	99,927	98,839	99,927	129,101
Specific ownership taxes	487	6,995	4,391	8,000	9,038
Developer Advance	36,699	56,535	11,333	16,037	-
Interest income	4	-	10	-	-
Total revenues	<u>43,708</u>	<u>163,457</u>	<u>114,573</u>	<u>123,964</u>	<u>138,139</u>
Total funds available	<u>43,708</u>	<u>163,457</u>	<u>114,573</u>	<u>123,964</u>	<u>199,095</u>
Expenditures:					
Administration					
Community Management		14,400			14,400
District Management	8,255	20,000	5,207	10,000	15,000
Insurance	2,858	7,500	2,909	2,909	7,500
Accounting	8,916	5,000	2,603	5,000	7,000
Elections		1,000	-		5,000
Legal	3,797	15,000	4,850	10,000	15,000
Audit	-	5,000	-	5,000	5,000
Miscellaneous	-	1,500	-	100	1,500
Website Review/Updates		1,000	-		1,000
County collection fee	98	1,499	1,483	1,499	1,936
Total administration	<u>23,924</u>	<u>71,899</u>	<u>17,052</u>	<u>34,508</u>	<u>73,336</u>
Detention ponds	-	1,500	-	-	1,500
Landscaping					
Irrigation Repairs		2,500	654	1,500	2,500
Landscape Maintenance	18,784	25,000	4,912	12,000	25,000
Tree Care		2,500	-		2,500
Snow removal		25,000	11,994	15,000	25,000
Landscape Enhancements	-	2,500	-	-	2,500
Total Landscaping	<u>18,784</u>	<u>57,500</u>	<u>17,560</u>	<u>28,500</u>	<u>57,500</u>
Utilities					
Irrigation/Water		10,000			10,000
Electric- Irrigation & Lighting		350	-		350
Winter Watering/Irrigation	-	2,500	-	-	2,500
Total Utilities	-	12,850	-	-	12,850
Entrance monuments	-	1,500	-	-	1,500
Other maintenance & repair					
Mailbox - Cluster boxes		2,500	-		2,500
Graffiti Removal	-	2,500	-	-	2,500
	-	5,000	-	-	5,000
Contingency	-	10,000	-	-	43,265
Emergency reserve (3%)	-	3,208	-	-	4,144
Total expenditures	<u>42,708</u>	<u>163,457</u>	<u>34,612</u>	<u>63,008</u>	<u>199,095</u>
Ending fund balance	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 79,961</u>	<u>\$ 60,956</u>	<u>\$ 0</u>
Assessed valuation	<u>\$ 814,803</u>	<u>\$ 1,753,964</u>			<u>\$ 2,266,059</u>
Mill Levy	<u>8.000</u>	<u>56.972</u>			<u>56.972</u>

Yarrow Gardens Metropolitan District
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2022

	Actual 2020	Adopted Budget 2021	Actual 7/31/2021	Estimate 2021	Adopted Budget 2022
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Developer advances	978,762	-	-	-	-
Bond proceeds	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	978,762	-	-	-	-
Total funds available	978,762	-	-	-	-
Expenditures:					
Issuance costs	-	-	-	-	-
Capital expenditures	978,762	-	-	-	-
Repay developer advances	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Total expenditures	978,762	-	-	-	-
Ending fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

Yarrow Gardens Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2022

	Actual 2020	Adopted Budget 2021	Actual 7/31/2021	Estimate 2021	Adopted Budget 2022
Beginning fund balance	\$ 477,821	\$ 398,227	\$ 397,585	\$ 397,585	\$ 374,694
Revenues:					
Property taxes	48,888	105,238	104,092	105,238	135,964
Specific ownership taxes	3,654	7,367	4,624	8,500	9,517
Transfer from Capital Project Fund	-	-	-	-	-
Interest income	3,206	2,500	100	200	300
Total revenues	55,748	115,105	108,816	113,938	145,781
Total funds available	533,569	513,332	506,401	511,523	520,475
Expenditures:					
Series 2019A Bond interest	129,250	129,250	64,625	129,250	129,250
Series 2019A Bond principal	-	-	-	-	-
Series 2019B Bond interest	-	-	-	-	-
Series 2019B Bond principal	-	-	-	-	-
Treasurer's fees	734	1,579	1,561	1,579	2,039
Trustee / paying agent fees	6,000	6,000	6,000	6,000	6,000
Total expenditures	135,984	136,829	72,186	136,829	137,289
Ending fund balance	\$ 397,585	\$ 376,503	\$ 434,215	\$ 374,694	\$ 383,186
Max Surplus Fund req before pmt on 2018B	\$ 440,000	\$ 440,000			\$ 440,000
Assessed valuation	\$ 814,803	\$ 1,753,964			\$ 2,266,059
Mill Levy	60.000	60.000			60.000
Total Mill Levy	68.000	116.972			116.972

EXHIBIT B

2021 Final Assessed Valuation

CERTIFICATION OF VALUATION BY JEFFERSON COUNTY ASSESSOR

New Tax Entity

☒ YES ☐ NO

Date: December 3, 2021

NAME OF TAX ENTITY: YARROW GARDENS METRO

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 2021:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	1.	\$	1,753,964
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡	2.	\$	2,266,059
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3.	\$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4.	\$	2,266,059
5. NEW CONSTRUCTION: *	5.	\$	837,256
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.	\$	98

‡ 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 2021:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1.	\$	22,678,843
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	2.	\$	11,709,941
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.	\$	6,300

¶ 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.	\$	22,796,881
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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): **	\$	0
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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.

NOTE: ALL LEVIES MUST BE CERTIFIED TO THE COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.