

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1

TOWN OF TIMNATH, COLORADO

2023 ANNUAL REPORT

Town Manager
Timnath, Colorado
via Email

Clerk and Recorder
Larimer County, Colorado
via Email

Office of the State Auditor,
via E-Filing Portal
1525 Sherman Street, 7th Floor
Denver, Colorado 80203

Division of Local Government,
via E-Filing Portal
1313 Sherman Street
Room 521
Denver, Colorado 80203

Pursuant to the Amended and Restated Model Service Plan for Serratoga Falls Metropolitan District Nos. 1 and 3 (as amended, the “**Service Plan**”), Serratoga Falls Metropolitan District No. 1 (the “**District**”) is required to submit an annual report to the Town of Timnath, Colorado (the “**Town**”) which reflects activity and financial events of the District.

To the best of our actual knowledge, for the year ending December 31, 2023, the District makes the following report:

1. Boundary changes made or proposed:

As of December 31, 2023, Tract C, Filing No. 2 and Tracts X, Y and Z, Filing No. 3 were excluded from the District. Attached as Exhibit A are the Orders of Exclusion that were recorded with the Larimer County Clerk and Recorder.

2. Intergovernmental agreements either entered into, proposed or terminated:

- Amended and Restated Inter-District Intergovernmental Agreement by and between the District and Serratoga Falls Metropolitan District No. 3 (“**District No. 3**”), dated as of May 11, 2023.
- Water Service Agreement by and among East Larimer County Water District, East Larimer County Water District Water Activity Enterprise, Kitchel Lake F3 Development Corp., Kitchel Lake F3, LLC and the District, dated June 20, 2023.
- Second Amendment to Intergovernmental Agreement by and between the Town, District No. 3 and the District, dated January 24, 2023.

Proposed:

None.

3. Access information to obtain a copy of the Rules and Regulations:

A copy of the most recent Rules and Regulations for Kitchel Lake Filing 3 and a copy of the Serratoga Falls Metropolitan District No. 1 Water Rules and Regulations can be found on the District's website: <https://www.serratogafallsmd1.org/>

4. A summary of any litigation involving the Public Improvements:

The District does not have any ongoing or pending litigation for the report year.

5. Status of the District's construction of Public Improvements:

Construction of improvements (potable water, Sanitary, Storm) have been completed for phases 1 through 4. In addition, all concrete, paving, and dry utilities have been completed for phases 1 and 2 and meet initial acceptance requirements (see #6 below). The District is currently completing Landscape and Irrigation for phases 1 and 2.

6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the Town:

The Town issued the Initial Acceptance for Filing 3, Phases 1 and 2, on March 24, 2023 and will be under the developer's warranty until the Town grants final acceptance, which is scheduled for March 2025.

7. Final Assessed Value of Taxable Property within the District's boundaries as of December 31, 2023:

The 2023 total assessed value of taxable property within the boundaries of the District is \$9,341,549.

8. Current year budget including a description of the Public Improvements to be constructed in such year:

The District's 2024 annual budget filing is attached hereto as Exhibit B.

9. Most recently filed audited financial statements of the District, and any entity formed by the District, financial statements, for the year ending December 31, 2023 or an audit exemption if applicable:

Audited financial statements for 2023 will be filed with the Town Clerk upon completion.

10. Notice of any uncured events of default:

The District is current on all outstanding financial obligations.

11. The District's Inability to Pay its Financial Obligations as they Come Due:

As of December 31, 2023, the District is current on all outstanding financial obligations.

Respectfully submitted this 15th day of July, 2024.

SERRATOGA FALLS
METROPOLITAN DISTRICT NO. 1

By:  _____
President

EXHIBIT A
ORDERS FOR EXCLUSION

COMBINED COURT, LARIMER COUNTY, COLORADO

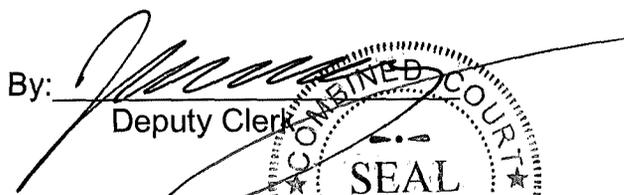
I, Kathleen A. Madden, Clerk of the Combined Courts, Larimer County, Colorado, the same being a Court of Record, in the State aforesaid, do hereby certify the attached to be a true, perfect and complete copy of the following documents:

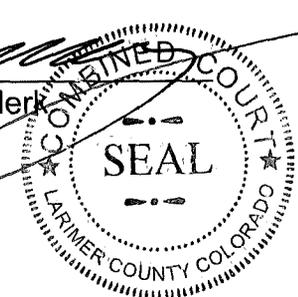
** 06/15/2023 – Order of Exclusion (Tract C) **
06/15/2023 – Order of Exclusion (Tracts X, Y and Z)

in case D0352006CV257 wherein IN THE MATTER OF: Serratoga Falls Metro District No 1, as the same remains of record in this Court.

DATED: June 20, 2023

KATHLEEN A. MADDEN
Clerk of the District Court

By: 
Deputy Clerk



DISTRICT COURT, LARIMER COUNTY, STATE OF COLORADO		DATE FILED: June 15, 2023 12:21 PM CASE NUMBER: 2006CV257
Court Address:	Larimer County Justice Center 201 LaPorte Avenue, Suite 100 Fort Collins, CO 80521	
Phone Number:	970-494-3500	
IN RE SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1		▲ COURT USE ONLY ▲
		Case No.: 06CV257
		Div.: Ctrm.:
ORDER OF EXCLUSION		

THIS MATTER coming before the Court upon the filing of an Order of the Board of Directors of Serratoga Falls Metropolitan District No. 1 granting the exclusion of certain real property from the District; and it appearing to the Court that the fee owner of such property, Kitchel Lake Partners, LLC, a Colorado limited liability company, filed with the Board of Directors a proper Petition, a copy of which has been filed with the Clerk of this Court, requesting that such property be excluded from the District; and that the Board of Directors on June 6, 2023, at the hour of 9:30 a.m. via Zoom:

<https://us02web.zoom.us/j/85132747457?pwd=bjNJZ1ZLSEpVZGk2TTA1WEF2dmdTUT09;>
access number: 058116, after duly publishing notice of the filing of such Petition and of the date, place and time of such meeting, and of the name and address of the Petitioner in the *Fort Collins Coloradoan*, a newspaper of general circulation within the District, which proof of publication has been filed with the Clerk of this Court, duly granted such Petition as to all the real property

therein described, and on such date made and entered an Order to that effect, which Order has been filed with the Clerk of this Court.

IT IS THEREFORE ORDERED that the real property described in Exhibit A attached hereto and incorporated herein by this reference shall be excluded from the Serratoga Falls Metropolitan District No. 1.

DATED this ____ day of _____, 2023.

BY THE COURT:

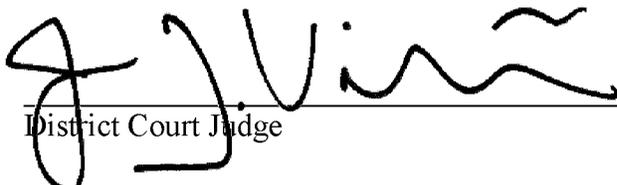
By: 
District Court Judge

EXHIBIT A

PROPERTY DESCRIPTION

Tract C, Serratoga Falls, Second Filing, Town of Timnath, County of Larimer, recorded by the Clerk and Recorder for Larimer County, Colorado on December 15, 2016, at Reception #20160087296

COMBINED COURT, LARIMER COUNTY, COLORADO

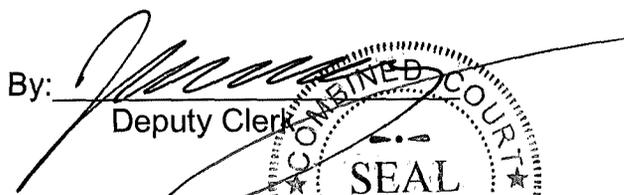
I, Kathleen A. Madden, Clerk of the Combined Courts, Larimer County, Colorado, the same being a Court of Record, in the State aforesaid, do hereby certify the attached to be a true, perfect and complete copy of the following documents:

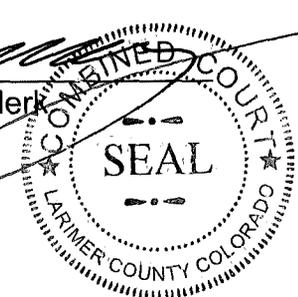
06/15/2023 – Order of Exclusion (Tract C)
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in case D0352006CV257 wherein IN THE MATTER OF: Serratoga Falls Metro District No 1, as the same remains of record in this Court.

DATED: June 20, 2023

KATHLEEN A. MADDEN
Clerk of the District Court

By: 
Deputy Clerk



DISTRICT COURT, LARIMER COUNTY, STATE OF COLORADO	DATE FILED: June 15, 2023 12:20 PM CASE NUMBER: 2006CV257
Court Address: Larimer County Justice Center 201 LaPorte Avenue, Suite 100 Fort Collins, CO 80521	
Phone Number: 970-494-3500	
IN RE SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1	▲ COURT USE ONLY ▲
	Case No.: 06CV257
	Div.: Ctrm.:
ORDER OF EXCLUSION	

THIS MATTER coming before the Court upon the filing of an Order of the Board of Directors of Serratoga Falls Metropolitan District No. 1 granting the exclusion of certain real property from the District; and it appearing to the Court that the fee owner of such property, Kitchel Lake F3 Development Corp., a Colorado corporation, filed with the Board of Directors a proper Petition, a copy of which has been filed with the Clerk of this Court, requesting that such property be excluded from the District; and that the Board of Directors on June 6, 2023, at the hour of 9:30 a.m. via Zoom:

<https://us02web.zoom.us/j/85132747457?pwd=bjNJZ1ZLSEpVZGk2TTA1WEF2dmdTUT09;>
access number: 058116, after duly publishing notice of the filing of such Petition and of the date, place and time of such meeting, and of the name and address of the Petitioner in the *Fort Collins Coloradoan*, a newspaper of general circulation within the District, which proof of publication has been filed with the Clerk of this Court, duly granted such Petition as to all the real property

therein described, and on such date made and entered an Order to that effect, which Order has been filed with the Clerk of this Court.

IT IS THEREFORE ORDERED that the real property described in Exhibit A attached hereto and incorporated herein by this reference shall be excluded from the Serratoga Falls Metropolitan District No. 1.

DATED this ____ day of _____, 2023.

BY THE COURT:

By: 
District Court Judge

EXHIBIT A

PROPERTY DESCRIPTION

Tract X, Serratoga Falls, Third Filing, Town of Timnath, County of Larimer, recorded by the Clerk and Recorder for Larimer County, Colorado on February 24, 2022, at Reception #20220012349;

Tract Y, Serratoga Falls, Third Filing, Town of Timnath, County of Larimer, recorded by the Clerk and Recorder for Larimer County, Colorado on February 24, 2022, at Reception #20220012349; and

Tract Z, Serratoga Falls, Third Filing, Town of Timnath, County of Larimer, recorded by the Clerk and Recorder for Larimer County, Colorado on February 24, 2022, at Reception #20220012349

EXHIBIT B
2024 BUDGET

Serratoga Falls Metropolitan District No.1

2024 Budget Message

Serratoga Falls Metropolitan District No. 1 (SFMD #1) is a quasi-municipal corporation organized and operated pursuant to the provisions set forth in the Colorado Special District Act, and was formed in May 2006. The District was established as part of a “Multiple District Structure” for the community located in the Town of Timnath, Larimer County, Colorado and is approximately 177.3 acres generally located East of Interstate 25 and Larimer County Road 5, North of Prospect Road (Larimer County Road 44), West of Larimer County Road 3, and South of Colorado Highway #14. SFMD #1 was organized to provide for the design, acquisition, construction and installation of both street and roadway improvements, street landscaping, signage, monuments and lighting, safety protection, park and recreation improvements, sanitation and storm drainage, water improvements, irrigation water system, and provide for the operation and maintenance of these improvements.

The District has no employees, and all services are contracted. The following budget is prepared on a modified accrual basis of accounting, which is consistent with the basis of accounting used in the District’s financial statements.

2024 Budget Strategy

General Fund

The District’s 2024 General Fund expenditures of \$171,938 will mainly be funded by the homeowner operations fees and property taxes.

Special Revenue Fund

The District’s 2024 Special Revenue Fund expenditures of \$115,037 will be funded by non-potable water fees, including a fee to Serratoga Falls District No.2 and Serratoga Falls District No. 3 for non-potable water services.

Capital Projects Fund

The District’s 2024 Capital Projects Fund expenditures for public improvements will be funded by a Debt issuance. Capital Projects Fund expenditures for non-potable water system installations will be funded by Tap & Connect Fees on each developed lot.

TABOR

The District has provided for an Emergency Reserve Fund equal to at least 3% of the fiscal year spending for 2024, as defined under the Taxpayer Bill of Rights (TABOR).

Serratoga Falls District 1 2024 Budget
 Modified Accrual Accounting Basis

General Fund

	2022 Estimated Actual	2023 Budget	2023 Estimated Actual & Amended Budget	2024 Budget
Beginning Fund Balance	21,113	23,121	41,601	44,421
Income				
Fines	3,925	-	-	-
Homeowner Operations Fees	-	500	123,600	123,600
Developer Advance	234,431	105,000	6,500	-
Interest Revenue	53	-	45	-
Design Review Fees	3,550	7,500	7,500	2,500
Property Taxes	1,506	6,705	6,705	97,152
Specific Ownership Taxes	108	402	500	5,829
Other Revenues	-	-	-	-
Tax Related Interest	12	-	52	-
Transfer In	65,000	-	-	-
Intergovernmental Revenue	83,790	4,500	-	4,500
Total Income	392,375	124,607	144,902	233,581
Expense				
<i>General and Administrative</i>				
Management & Accounting Services	42,000	10,500	10,500	22,000
Other Management Fees	3,906	-	2,500	-
Design Review Fees	3,550	7,500	7,500	2,500
Legal	70,687	25,000	52,000	25,000
Audit/Tax Prep	10,000	17,500	17,500	17,500
Election	-	2,500	-	-
Insurance	8,633	2,500	5,528	2,625
Engineers	-	-	7,500	-
Treasurers Fees	30	134	135	1,943
Bad Debt Expense	40	-	4,150	-
Office	989	300	1,000	500
Dues and Compliance	909	463	371	1,500
Total G&A	140,744	66,397	108,684	73,568
<i>Other</i>				
Contingency	-	5,000	7,500	40,000
Total Other	-	5,000	7,500	40,000
<i>Utilities</i>				
Electric	2,115	3,000	500	3,960
Total Utilities	2,115	3,000	500	3,960
<i>Landscape</i>				
Landscape Contract	172,125	25,000	2,500	25,000
Landscape Maintenance and Repairs	7,001	10,000	1,000	10,000
Landscape Projects	-	-	-	-
Snow Removal	6,336	5,000	3,500	5,000
Sprinklers	36,294	1,000	12,000	7,500
Trees/Bushes	1,167	-	-	-
Recreational Lease	6,055	6,721	6,398	6,910
Total Landscape	228,978	47,721	25,398	54,410
Transfer Out	50	10,000	-	-
Total Expenses	371,887	132,118	142,082	171,938
Excess Revenue (Expenses)	20,488	(7,511)	2,820	61,643
Ending Fund Balance	41,601	15,610	44,421	106,064

Special Revenue Fund

	2022 Estimated Actual	2023 Budget	2023 Estimated Actual	2024 Budget
Beginning Fund Balance	21,289	12,484	(3,193)	19,538

Income

Irrigation Water Fees	113,601	30,000	51,645	51,645
Intergovernmental Fees	-	54,125	54,125	72,000
Irrigation Water Rental	-	-	-	-
Transfer in	-	10,000	-	-
Late Fees	609	-	-	-
Interest Charges	363	-	-	-
Total Income	114,573	94,125	105,770	123,645
Expense				
<i>General and Administrative</i>				
Management and Accounting	3,000	7,500	7,500	10,000
Insurance	-	4,500	-	4,725
Bad Debt Expense	19	-	2,000	-
Total G&A	3,019	12,000	9,500	14,725
<i>Other</i>				
Contingency	-	-	-	12,000
Total Other	-	-	-	12,000
<i>Utilities</i>				
Electric - Well Pump	14,133	20,000	15,000	16,000
Electric - Pumphouse	14,764	20,000	5,000	10,000
Water Assessments	7,106	8,500	8,356	8,772
Total Utilities	36,003	48,500	28,356	34,772
<i>Nonpotable System</i>				
Meter Reading Software	-	2,500	1,043	2,800
Water Resource Accounting	6,282	4,000	4,140	10,000
Irrigation System Repairs	18,768	15,000	30,000	25,000
Irrigation System Monitoring	-	2,500	-	-
Utility Locates	7,434	7,500	-	7,740
Pumphouse	2,549	2,000	10,000	8,000
Total Landscape	35,033	33,500	45,183	53,540
Transfer Out	65,000	-	-	-
Total Expenses	139,055	94,000	83,039	115,037
Excess Revenue (Expenses)	(24,482)	125	22,731	8,608
Ending Fund Balance	(3,193)	12,609	19,538	28,146

Debt Service Fund

	2023			
	2022	2023	Estimated	2024
Modified Accrual Accounting Basis	Actual	Budget	Actual	Budget
Beginning Fund Balance	-	-	-	-
Income				
Other Financing Sources	-	-	-	-
Interest Revenue	-	-	-	-
Property Tax	-	-	-	388,608
Specific Ownership Tax	-	-	-	23,316
Tax Related Interest	-	-	-	-
Total Income	-	-	-	411,924
Expenditures				
<i>General & Administrative</i>				
Cost of Issuance	-	-	-	-
Treasurers Fees	-	-	-	7,772
Bank Fees	-	-	-	-
Paying Agent Fees	-	-	-	4,000
Total G&A	-	-	-	11,772
<i>Bonds & Interest</i>				
Principal 2023 Bonds	-	-	-	-
Interest 2023 Bonds	-	-	-	400,152
Total Bonds & Interest	-	-	-	400,152
Total Expenditures	-	-	-	411,924
Excess Revenue (Expenses)	-	-	-	-
Ending Fund Balance	-	-	-	-

Capital Projects Fund				
	2022		2023	
	Estimated	2023	Estimated	2024
	Actual	Budget	Actual	Budget
Beginning Fund Balance	176	176	74,227	74,227
Income				
Other Financing Sources	-	20,000,000	15,505,400	12,500,000
Interest	94	-	-	-
Transfer In	50	-	-	-
Tap Fees	74,068	706,822	706,822	706,822
Developer Contribution	-	-	-	-
Developer Advance	11,448,898	-	-	-
Total Income	11,523,110	20,706,822	16,212,222	13,206,822
Expense				
Engineers	3,600	-	-	-
Management and Accounting	-	-	5,400	5,400
Costs of Issuance	-	-	500,000	-
Bank Fees	160	-	-	-
Parks and Rec	960,439	-	-	-
Landscape Installation	8,079	-	-	-
Streets Sidewalks	6,906,192	-	-	-
Potable Water	1,937,745	-	-	-
Sanitary Sewer	1,360,957	-	-	-
Streetlights	271,887	-	-	-
Tap Fee	-	706,822	706,822	706,822
Construction	-	20,000,000	15,000,000	12,500,000
Total Expenses	11,449,059	20,706,822	16,212,222	13,212,222
Excess Revenue (Expenses)	74,051	-	-	(5,400)
Ending Fund Balance	74,227	176	74,227	68,827