

**FOOTHILLS METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**FOOTHILLS METROPOLITAN DISTRICT  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 8,788,638	\$ 8,946,080	\$ 8,271,084
REVENUES			
Property taxes	1,042,305	762,136	759,840
Specific ownership tax	228,449	150,092	152,030
Interest income	6,329	122,750	155,371
Public improvement fees	971,397	925,000	975,000
FCURA - district property taxes	1,907,676	1,373,163	1,412,013
FCURA - property tax increment	1,900,725	1,887,981	1,476,150
Sales tax increment	138,681	523,072	550,000
Developer advance	-	-	860,000
Other income	-	25,000	36,000
Total revenues	<u>6,195,562</u>	<u>5,769,194</u>	<u>6,376,404</u>
TRANSFERS IN	<u>-</u>	<u>153,341</u>	<u>-</u>
Total funds available	<u>14,984,200</u>	<u>14,868,615</u>	<u>14,647,488</u>
EXPENDITURES			
General and administrative	159,726	152,677	173,250
Operations and maintenance	350,000	278,300	519,750
Debt service	5,528,394	5,639,962	5,698,614
Capital projects	-	373,251	800,000
Total expenditures	<u>6,038,120</u>	<u>6,444,190</u>	<u>7,191,614</u>
TRANSFERS OUT	<u>-</u>	<u>153,341</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>6,038,120</u>	<u>6,597,531</u>	<u>7,191,614</u>
ENDING FUND BALANCES	<u>\$ 8,946,080</u>	<u>\$ 8,271,084</u>	<u>\$ 7,455,874</u>
EMERGENCY RESERVE	\$ 16,000	\$ 17,000	\$ 18,000
DEBT SERVICE RESERVE	7,295,000	7,295,000	7,295,000
TOTAL RESERVE	<u>\$ 7,311,000</u>	<u>\$ 7,312,000</u>	<u>\$ 7,313,000</u>

**FOOTHILLS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>			
Residential - Multi-family	\$ 6,685,243	\$ 7,355,205	\$ 6,995,160
Commercial	26,087,335	25,157,107	25,163,157
State assessed	129,975	46,037	62,045
Vacant land	1,760	-	122
	<u>32,904,313</u>	<u>32,558,349</u>	<u>32,220,484</u>
Adjustments	(21,256,487)	(21,018,629)	(20,947,894)
Certified Assessed Value	<u>\$ 11,647,826</u>	<u>\$ 11,539,720</u>	<u>\$ 11,272,590</u>
<b>MILL LEVY</b>			
General	10.072	15.000	15.555
Debt Service	50.363	50.363	51.851
Refund and abatements	30.893	-	-
Total mill levy	<u>91.328</u>	<u>65.363</u>	<u>67.406</u>
<b>PROPERTY TAXES</b>			
General	\$ 117,317	\$ 173,096	\$ 175,345
Debt Service	586,619	581,175	584,495
Refund and abatements	359,836	-	-
	<u>1,063,772</u>	<u>754,271</u>	<u>759,840</u>
Levied property taxes	1,063,772	754,271	759,840
Adjustments to actual/rounding	(21,467)	4,411	-
Refunds and abatements	-	3,454	-
Budgeted property taxes	<u>\$ 1,042,305</u>	<u>\$ 762,136</u>	<u>\$ 759,840</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<u>\$ 173,709</u>	<u>\$ 174,901</u>	<u>\$ 175,345</u>
Debt Service	<u>868,596</u>	<u>587,235</u>	<u>584,495</u>
	<u>\$ 1,042,305</u>	<u>\$ 762,136</u>	<u>\$ 759,840</u>

**FOOTHILLS METROPOLITAN DISTRICT  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 89,258	\$ 109,882	\$ 78,054
<b>REVENUES</b>			
Property taxes	173,709	174,901	175,345
Specific ownership tax	38,073	35,310	35,083
Interest income	637	2,000	1,000
Developer advance	-	-	60,000
Other income	-	25,000	36,000
FCURA - District Property Taxes	317,931	315,279	325,844
Total revenues	530,350	552,490	633,272
Total funds available	619,608	662,372	711,326
<b>EXPENDITURES</b>			
General and administrative			
Accounting	28,754	32,000	34,500
Auditing	6,100	6,400	7,000
County Treasurer's fee	3,486	3,473	3,507
Directors' fees	1,000	2,800	3,000
Dues and licenses	671	737	1,000
Insurance and bonds	15,547	18,628	25,000
District management	18,196	20,000	24,300
Legal services	61,446	46,500	51,000
Election expense	-	1,764	2,500
Contingency	-	-	2,943
PIF Collection	18,031	15,000	17,000
Miscellaneous	1,741	649	1,500
Collection Fee - URA	4,754	4,726	-
Operations and maintenance			
Property management contract	350,000	-	-
Management fee	-	25,300	47,250
Repairs and maintenance	-	225,000	-
Landscape maintenance	-	-	68,000
Landscape replacement	-	-	71,000
Detention pond maintenance	-	-	7,000
Holiday tree lights	-	-	15,000
Janitorial	-	-	52,000
Parking garage R&M	-	-	59,500
Fountain maintenance	-	-	20,000
Snow removal	-	-	45,000
Security	-	-	95,000
Utilities	-	28,000	40,000
Total expenditures	509,726	430,977	693,000
<b>TRANSFERS OUT</b>			
Transfers to other fund	-	153,341	-
Total expenditures and transfers out requiring appropriation	509,726	584,318	693,000
ENDING FUND BALANCE	\$ 109,882	\$ 78,054	\$ 18,326
EMERGENCY RESERVE	\$ 16,000	\$ 17,000	\$ 18,000
TOTAL RESERVE	\$ 16,000	\$ 17,000	\$ 18,000

No assurance provided. See summary of significant assumptions.

**FOOTHILLS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 8,480,287	\$ 8,617,038	\$ 8,193,030
<b>REVENUES</b>			
Property taxes	868,596	587,235	584,495
Specific ownership tax	190,376	114,782	116,947
Public improvement fees	971,397	925,000	975,000
Interest income	5,625	120,000	154,371
FCURA - District Property Taxes	1,589,745	1,057,884	1,086,169
FCURA - Property Tax Increment	1,900,725	1,887,981	1,476,150
Sales tax increment	138,681	523,072	550,000
Total revenues	5,665,145	5,215,954	4,943,132
Total funds available	14,145,432	13,832,992	13,136,162
<b>EXPENDITURES</b>			
Debt Service			
County Treasurer's fee	17,433	11,661	11,690
Collection Fee - URA	52,286	44,188	-
Paying agent fees	3,500	3,500	3,500
Contingency	-	-	12,612
Bond interest	4,130,175	4,060,613	3,980,812
Bond principal	1,325,000	1,520,000	1,690,000
Total expenditures	5,528,394	5,639,962	5,698,614
Total expenditures and transfers out requiring appropriation	5,528,394	5,639,962	5,698,614
ENDING FUND BALANCE	\$ 8,617,038	\$ 8,193,030	\$ 7,437,548
DEBT SERVICE RESERVE	\$ 7,295,000	\$ 7,295,000	\$ 7,295,000
TOTAL RESERVE	\$ 7,295,000	\$ 7,295,000	\$ 7,295,000

**FOOTHILLS METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 219,093	\$ 219,160	\$ -
REVENUES			
Interest income	67	750	-
Developer advance	-	-	800,000
Total revenues	<u>67</u>	<u>750</u>	<u>800,000</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>153,341</u>	<u>-</u>
Total funds available	<u>219,160</u>	<u>373,251</u>	<u>800,000</u>
EXPENDITURES			
Engineering	-	153,341	-
Capital outlay	-	219,910	800,000
Total expenditures	<u>-</u>	<u>373,251</u>	<u>800,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>373,251</u>	<u>800,000</u>
ENDING FUND BALANCE	<u>\$ 219,160</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**FOOTHILLS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was organized on January 10, 2013, for the purpose of financing and providing public improvements and related operation and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services and mosquito control. When appropriate, these improvements will be dedicated to the City of Fort Collins, Larimer County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District's service area is located within the City of Fort Collins, Larimer County, Colorado.

On November 6, 2012, District voters approved general obligation indebtedness of \$100,000,000 for street improvements, \$100,000,000 for parks and recreation, \$100,000,000 for water facilities, \$100,000,000 for sanitation system, \$100,000,000 for transportation, \$100,000,000 for fire protection facilities or services, \$100,000,000 for television relay and translation services, \$100,000,000 for security services, \$25,000,000 for mosquito control, \$100,000,000 for traffic and safety, \$100,000,000 for operations and maintenance, \$600,000,000 for intergovernmental contracts, \$100,000,000 for special assessment debt, \$100,000,000 for private agreements, \$100,000,000 for mortgages and \$600,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$20,000,000 annually and allows the District to collect fees of up to \$20,000,000 annually for operations and maintenance and \$100,000,000 in sales taxes not to exceed 3%.

Pursuant to the Service Plan, the District may issue bond indebtedness in an amount sufficient to produce (a) \$53,000,000 in net proceeds to fund the costs of the eligible improvements and (b) the costs of issuance of such bonds.

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

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.

**FCURA**

On January 17, 2014, the District entered into a Redevelopment and Reimbursement Agreement with Fort Collins Urban Renewal Authority ("FCURA"), the Developer, and the City of Fort Collins to redevelop Foothills Fashion Mall.

**FOOTHILLS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 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.

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

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 change in assessment ratio allows the District to adjust its mill levy. Accordingly, the District adjusted its mill levy to 15.555 for operations and 51.851 for debt service.

**Property Tax Increment Revenue**

FCURA will receive property tax revenue ("Pledged Property Tax Increment Revenue") from the Larimer County Treasurer in excess of the amount produced by the levy of those bodies that levy property taxes against the Property Tax Base Amount in the TIF District, excluding the mill levy override payments approved by the electors of Poudre School District in 2012 and subsequent years, the District operations and maintenance and debt service mill levies, FCURA administration and redevelopment fees. The remaining revenue received by FCURA, net of all costs, will be remitted to the District's Bond Trustee and pledged to the payment of the Bonds.

**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 7% of the property taxes calculated from the gross assessed valuation.

**FOOTHILLS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average fund balance at an interest rate of approximately 2.0%.

**Sales Tax Increment Revenue**

A major source of revenue or cash receipts will be incremental sales tax revenue. The Redevelopment Agreement provides that sales taxes collected by the City within the TIF District in excess of a sales tax base amount are payable to FCURA. Pursuant to the Redevelopment Agreement, FCURA has covenanted to deposit such incremental City sales taxes with the Trustee for payment on the Bonds. The City currently imposes a 2.25% sales tax. Retail sales are calculated on assumed sales per square foot of commercial space at a value that varies based on the type of commercial use. A lease-up percentage and a collection factor are also applied to the estimated sales.

**Public Improvement Fees**

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods at a rate of 1%, in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end.

**Expenditures**

**Administrative Expenditures**

Administrative expenditures include the services necessary to maintain the administrative viability such as legal, accounting, insurance, and other administrative expenses of the District.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 2% of property tax collections.

**Operations and Maintenance**

The district anticipates expenditures associated with the operation and maintenance of certain streets, landscaping and irrigation. The estimated cost of operations and maintenance of these areas are included in the general fund on page 3 of the budget.

**Debt Service**

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the Series 2014 Bonds (discussed under Debt and Leases).

**FOOTHILLS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

On October 9, 2014, the District issued \$72,950,000 in Series 2014 Special Revenue Bonds for street park and recreation, water and sanitation improvements. Bond proceeds were also transferred by the bond resolution from the Capital Projects Fund to the Debt Service Fund to pay the bond interest for the subsequent construction period and to establish a reserve account. The interest rate ranges from 5.35 to 6.00%. Interest is payable semiannually on June 1 and December 1 and principal is payable annually on December 1. The bonds mature on December 1, 2038, and are term bonds subject to redemption, prior to maturity, at the option of the District, on December 1, 2024, upon payment of par and accrued interest, without redemption premium. The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption. The Series 2014 Bonds were issued for the purpose of financing public improvements.

The Bonds are secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) the Required Mill Levy, 2) the portion of the Specific Ownership tax which is collected as a result of the imposition of the Required Mill Levy, 3) Property Tax Increment revenues, 4) Add-On PIF revenues, 5) sales Tax Increment revenues and 6) any other legally available monies which the District determines to be treated as Pledged Revenue.

The District has no operating or capital leases.

**Developer Advances**

The District has entered into Reimbursement and Acquisition Agreements with the Developer as follows:

**Funding and Reimbursement Agreement**

On February 21, 2022, the District has entered into a Funding and Reimbursement Agreement with MXD Fort Collins, LLC (Developer) pursuant to which the District agrees to reimburse the Developer for advances made to the District to fund the operating, maintenance and general administrative expenses at a rate of 2% plus the Federal Reserve Bank Prime rate, or 6%, whichever is greater, not to exceed 8%, with a maximum principal amount of \$500,000.

**Improvement Acquisition, Advance and Reimbursement Agreement**

On February 21, 2022, the District entered into an Improvement Acquisition, Advance and Reimbursement agreement with MXD Fort Collins, LLC, pursuant to which the District agrees to reimburse the Developer for certain Certified District Eligible Costs of improvements constructed by MXD, and advances made to or on behalf of the District for costs related to the construction of public improvements subject to limitations set forth in the Service Plan. The note will bear interest at a rate of 2% plus the Federal Reserve Bank Prime rate, or 6%, whichever is greater, not to exceed 8%, with a maximum principal amount of \$1,500,000.

**FOOTHILLS METROPOLITAN DISTRICT  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (continued)**

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Developer Advance - Capital	\$ 630,401	\$ -	\$ -	\$ 630,401
Accrued Interest - Developer Advance - Capital	451,936	86,587	-	538,523
Total	<u>\$ 1,082,337</u>	<u>\$ 86,587</u>	<u>\$ -</u>	<u>\$ 1,168,924</u>

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023
Developer Advance - O&M	\$ -	\$ 60,000	\$ -	\$ 60,000
Developer Advance - Capital	630,401	800,000	-	1,430,401
Accrued Interest - Developer Advance - O & M	-	1,210	-	1,210
Accrued Interest - Developer Advance - Capital	538,523	111,516	-	650,039
Total	<u>\$ 1,168,924</u>	<u>\$ 972,726</u>	<u>\$ -</u>	<u>\$ 2,141,650</u>

**Reserve Funds**

**Debt Service Reserves**

The District maintains a Debt Service Reserve of \$7,295,000 as required with the issuance of the Series 2014 Bonds.

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2023, as defined under TABOR.

**This information is an integral part of the accompanying budget.**

**FOOTHILLS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$72,950,000 Special Revenue Bonds**

**Dated October 9, 2014**

**Principal Due Annually December 1**

**Interest from 5.25 to 6.00%, Due June and December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,690,000	\$ 3,980,812	\$ 5,670,812
2024	1,915,000	3,892,088	5,807,088
2025	2,110,000	3,791,550	5,901,550
2026	2,365,000	3,670,225	6,035,225
2027	2,600,000	3,534,237	6,134,237
2028	2,895,000	3,384,738	6,279,738
2029	3,160,000	3,218,275	6,378,275
2030	3,490,000	3,036,575	6,526,575
2031	3,800,000	2,835,900	6,635,900
2032	4,180,000	2,607,900	6,787,900
2033	4,540,000	2,357,100	6,897,100
2034	4,970,000	2,084,700	7,054,700
2035	5,385,000	1,786,500	7,171,500
2036	5,870,000	1,463,400	7,333,400
2037	6,340,000	1,111,200	7,451,200
2038	12,180,000	730,800	12,910,800
<b>Total</b>	<b>\$ 67,490,000</b>	<b>\$ 43,486,000</b>	<b>\$ 110,976,000</b>