

SOLARIS METROPOLITAN DISTRICT NO. 3

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January 15, 2022

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Solaris Metropolitan District No. 3

Attached is the 2022 Budget for the Solaris Metropolitan District No. 3 in Eagle County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on December 6, 2021. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Eagle County is 10.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 24.400 mills for general obligation debt; 0.000 mills for contractual obligations; 0.000 for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on a net assessed valuation of \$7,104,950, the total property tax revenue is \$244,410.28. A copy of the certification of mill levies sent to the County Commissioners for Eagle County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Eagle County, Colorado.

Sincerely,



District Administrator

Enclosure(s)

SOLARIS METROPOLITAN DISTRICT NO. 3

2022 BUDGET MESSAGE

Solaris Metropolitan District No. 3 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to supply the necessary public improvements and related operation and maintenance services as such power and authority is described in the Colorado Special District Act, and other applicable statutes.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2022 BUDGET STRATEGY

The District was formed in late 2006. The District has joined with Solaris Metropolitan District No. 1 and Solaris Metropolitan District No. 2 in adopting a consolidated service plan. Under this consolidated service plan, Solaris Metropolitan District No. 1 is the “service district” and Solaris Metropolitan Districts No. 2 and No. 3 are the “financing districts.”

As such, Solaris Metropolitan District No.1 is responsible for managing the construction and operation of facilities and improvements needed for the Solaris Metro Districts No. 2 and No. 3 areas. Initially Solaris Metropolitan District No. 1 issued \$30,560,000 property tax revenue variable rate bonds on March 25, 2008 to be repaid with revenues pledged by Solaris Metropolitan District Nos. 2 and 3. During 2013 Solaris Metropolitan District No. 2 issued bonds and transferred the proceeds to District No. 1 and District No. 1’s 2008 bonds were paid off. During 2016 Solaris Metropolitan District No. 3 issued bonds and transferred the proceeds to District No. 2 and District No. 2’s 2013 bonds were paid off. During 2021 District No. 3 entered into a loan agreement in order to refund the 2016 bonds. Solaris Metropolitan District No. 2 and No. 3 levy a debt service mill levy to pay the debt service on District No. 3’s 2016 bonds.

Operating expenses are funded pursuant to an Operating Agreement between Solaris Metropolitan District Nos. 1, 2 and 3. District No. 1 performs the operations and the operating expenses are funded through property tax revenues collected by the “financing” districts (No. 2 and No. 3) and paid to District No. 1.

RESOLUTIONS OF SOLARIS METROPOLITAN DISTRICT NO. 3

TO ADOPT 2022 BUDGET

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE SOLARIS METROPOLITAN DISTRICT NO. 3, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board of Directors of the Solaris Metropolitan District No. 3 has appointed a budget committee to prepare and submit a proposed 2022 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on December 6, 2021, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Solaris Metropolitan District No. 3, Eagle County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Solaris Metropolitan District No. 3 for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

RESOLUTIONS OF SOLARIS METROPOLITAN DISTRICT NO. 3 (CONTINUED)

TO SET MILL LEVIES

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2021, TO HELP DEFRAID THE COSTS OF GOVERNMENT FOR THE SOLARIS METROPOLITAN DISTRICT NO. 3, EAGLE COUNTY, COLORADO, FOR THE 2022 BUDGET YEAR.

WHEREAS, the Board of Directors of the Solaris Metropolitan District No. 3, has adopted the annual budget in accordance with the Local Government Budget Law, on December 6, 2021 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$92,364.35 and;

WHEREAS, the Solaris Metropolitan District No. 3 finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$333,932.65, and;

WHEREAS, the 2021 valuation for assessment for the Solaris Metropolitan District No. 3, as certified by the County Assessor is \$7,104,950.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the SOLARIS METROPOLITAN DISTRICT No. 3, EAGLE COUNTY, COLORADO:

Section 1. That for the purposes of meeting all general operating expenses of the Solaris Metropolitan District No. 3 during the 2022 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2022 there is hereby levied a temporary tax credit/mill levy reduction of 0.000 mills.

Section 3. That for the purpose of meeting all capital expenditures of the Solaris Metropolitan District No. 3 during the 2022 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

RESOLUTIONS OF SOLARIS METROPOLITAN DISTRICT NO. 3 (CONTINUED)

TO SET MILL LEVIES (CONTINUED)

Section 4. That for the purpose of meeting all payments for bonds and interest of the Solaris Metropolitan District No. 3 during the 2022 budget year, there is hereby levied a tax of 24.400 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021.

Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Solaris Metropolitan District No. 3 as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Eagle County, Colorado, the mill levies for the Solaris Metropolitan District No. 3 as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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RESOLUTIONS OF SOLARIS METROPOLITAN DISTRICT NO. 3 (CONTINUED)

TO APPROPRIATE SUMS OF MONEY
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE SOLARIS METROPOLITAN DISTRICT NO. 3, EAGLE COUNTY, COLORADO, FOR THE 2022 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on December 6, 2021, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOLARIS METROPOLITAN DISTRICT NO. 3, EAGLE COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

Operating Expenditures	<u>\$87,742</u>
TOTAL GENERAL FUND	\$87,742

DEBT SERVICE FUND:

Debt Service Expenditures	<u>\$ 1,617,486</u>
TOTAL DEBT SERVICE FUND:	\$ 1,617,486

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RESOLUTIONS OF SOLARIS METROPOLITAN DISTRICT NO. 3 (CONTINUED)

**TO ADOPT 2022 BUDGET, SET MILL LEVIES AND
APPROPRIATE SUMS OF MONEY
(CONTINUED)**

The above resolutions to adopt the 2022 budget, set the mill levies and to appropriate sums of money were adopted this 6th day of December, 2021.

Attest:  _____

Title: *President* _____

SOLARIS METROPOLITAN DISTRICT NO. 3
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

1/18/22

GENERAL FUND	Cal Yr	Cal Yr	Cal Yr	Variance	Cal Yr	11 Months	11 Months	Variance	Cal Yr	BUDGET
	2020	2021	2021		2021	2021	Ended		Ended	
	Audited	Adopted	Amended	Favorable	Forecast	11/30/21	11/30/21	Favorable	Adopted	ASSUMPTIONS
	Actual	Budget	Budget	(Unfav)		Actual	Budget	(Unfav)	Budget	
Assessed Valuation SMD No. 3	8,512,280	8,516,620	8,516,620		8,516,620				7,104,950	
Service Obligation Mill Levy	10,000	10,000	10,000		10,000				10,000	
Advance Note Levy	3,000	3,000	3,000		3,000				0,000	
REVENUES										
SMD #3 Prop Tax - Service Obligation	85,123	85,166	85,166	0	85,166	85,166	85,166	0	71,050	71,049.50
SMD #3 Prop Tax - Advance Note	25,537	25,550	25,550	0	25,550	25,550	25,550	0	0	21,314.85
SMD #3 SO Tax - Service Ob & Adv Note	5,496	5,536	5,536	0	5,536	5,180	5,074	106	3,552	5% of Prop. Taxes
SMD #1 Expense Reimbursement	7,956	7,590	8,094	0	8,094	8,094	7,590	504	8,140	
Interest Income	304	750	300	(220)	80	57	688	(630)	100	
TOTAL REVENUES	124,416	124,592	124,646	(220)	124,426	124,047	124,068	(21)	82,842	
EXPENDITURES										
Insurance	3,381	2,965	3,469	0	3,469	3,469	2,965	(504)	3,490	
Directors Fees & Payroll Taxes	0	0	0	0	0	0	0	0	0	
Advance repayment	0	0	0	0	0	0	0	0	0	
Audit	4,575	4,625	4,625	0	4,625	4,625	4,625	0	4,650	Per Engagement
Election	0	0	0	0	0	0	0	0	0	
Legal	0	0	0	0	0	0	0	0	0	
Office Supplies	0	0	0	0	0	0	0	0	0	
Treasurer's Fees - Service Obligation	3,322	3,321	3,321	(2)	3,323	3,323	3,321	(1)	2,131	3% of Prop. Taxes
Operations Costs Payment to SMD No. 1	112,911	85,166	86,868	0	86,868	112,620	85,166	(27,454)	72,470	Xfer Prop Tax
Advance Note Payment to SMD No. 1	0	25,550	26,061	0	26,061	0	25,550	25,550	0	Xfer Prop Tax
Contingency Allowance	0	5,000	5,000	5,000	0	0	0	0	5,000	
TOTAL EXPENDITURES	124,189	126,628	129,344	4,998	124,346	124,036	121,628	(2,409)	87,742	
REVENUE OVER (UNDER) EXPEND.	227	(2,036)	(4,698)	4,778	80	11	2,441	(2,430)	(4,900)	
OTHER SOURCES AND (USES)										
TOTAL OTHER SOURCES & (USES)	0	0	0	0	0	0	0	0	0	
FUND BALANCE - BEGINNING	14,672	12,635	14,899	(227)	14,672	14,899	12,635	2,264	14,752	
FUND BALANCE - ENDING	14,899	10,600	10,200	4,552	14,752	14,910	15,076	(166)	9,852	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

SOLARIS METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED

1/18/22

	Cal Yr 2020 Audited Actual	Cal Yr 2021 Adopted Budget	Cal Yr 2021 Amended Budget	Variance Favorable (Unfav)	Cal Yr 2021 Forecast	11 Months Ended 11/30/21 Actual	11 Months Ended 11/30/21 Budget	Modified Accrual Basis Variance Favorable (Unfav)	Cal Yr 2022 Adopted Budget	BUDGET ASSUMPTIONS
DEBT SERVICE FUND										
Assessed Valuation SMD No. 3 Percent Increase	8,512,280	8,516,620	8,516,620	0	8,516,620				7,104,950	
Assessed Valuation SMD No. 2 Percent Increase	31,544,280	32,177,050	32,177,050		32,177,050				31,542,490	
Debt Service Mill Levy	47.000	47.000	47.000	0	47.000				24.400	
REVENUES										
SMD No. 3 Prop Tax - Debt Service	400,077	400,281	400,281	0	400,281	400,281	399,280	1,001	173,361	
Specific Ownership Taxes	19,871	20,014	20,014	0	20,014	18,729	16,678	2,051	8,668	5% of Prop. Taxes
Prop Tax Xfer fr SMD No. 2 for Senior Bonds	1,719,784	1,549,417	1,543,965	0	1,543,965	1,539,098	1,549,417	(10,319)	1,459,244	Per No. 2 Bgt
Prop Tax Xfer fr SMD No. 2 for Sub Bonds		174,952	174,337	0	174,337	173,787	174,952	(1,165)	0	
Interest Income	24,216	56,714	2,000	0	2,000	1,720	51,988	(50,268)	2,279	
TOTAL REVENUES	2,163,948	2,201,379	2,140,596	0	2,140,596	2,133,616	2,192,317	(58,701)	1,643,552	
EXPENDITURES										
Interest Bond Series 2016A/2021	1,427,750	1,421,563	1,421,563	0	1,421,563	710,781	710,781	0	938,285	
Principal Bond Series 2016A/2021	165,000	240,000	240,000	0	240,000	0	0	0	660,000	
Interest Bond Series 2016B	491,916	174,952	174,450	0	174,450	0	0	0	0	
Principal Bond Series 2016B				0					0	
Bond Costs Payment to SMD No. 2	0			0		0	0	0	0	
Treasurer's Fees	12,011	12,008	12,013	0	12,013	12,013	11,978	(35)	5,201	3% of Prop. Taxes
Cash Management/Trustee Fees	2,358	6,000	1,000	0	1,000	334	5,500	5,166	4,000	
Annual Surveillance Fee	6,000	6,000	6,000	0	6,000	0	5,500	5,500	0	
Contingency		10,000	10,000	10,000	0		0	0	10,000	
TOTAL EXPENDITURES	2,105,034	1,870,523	1,865,026	10,000	1,855,026	723,128	733,760	10,631	1,617,486	
REVENUE OVER (UNDER) EXPEND.	58,913	330,856	275,571	10,000	285,571	1,410,487	1,458,557	(48,070)	26,066	
OTHER SOURCES/(USES)										
Proceeds from Developer Note	0					0	0	0		
Bond/Loan Proceeds	0		34,410,000	0	34,410,000	0	0	0		
Bond Proceeds Series B	0			0		0	0	0		
Xfer From No. 2				0				0		
Xfer to No. 1 for Developer Advances	0		(1,047,141)	(0)	(1,047,141)	0	0	0		
Cost of Issuance	0		(504,100)	0	(504,100)	0	0	0		
Xfer to SMD No. 2 to Refund 2013 Bonds	0			0		0	0	0		
Debt Service Reserve Fund	0			0		0	0	0		
Deposit to Surplus Fund	0			0		0	0	0		
Transfer to Refunding Escrow			(34,928,349)	0	(34,928,349)			0		
TOTAL OTHER FINANCING SOURCES	0	0	(2,069,590)	(0)	(2,069,590)	0	0	0	0	
FUND BALANCE - BEGINNING	2,864,429	2,898,153	2,923,342	0	2,923,342	2,923,342	2,898,153	25,189	1,139,323	
FUND BALANCE - ENDING	2,923,342	3,229,009	1,129,323	10,000	1,139,323	4,333,829	4,356,710	(22,881)	1,165,389	
No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.										
Components of Fund Balance:										
Bond Reserve Fund	1,213,153	1,212,750	1,125,513	-2,838	1,122,675				1,122,675	
Bond Surplus Fund	1,675,483	1,927,518	0	0	0					
Other	34,706	88,741	3,810	12,838	16,648				42,714	
Total	2,923,342	3,229,009	1,129,323	10,000	1,139,323				1,165,389	

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Eagle County, Colorado.

On behalf of the Solaris Metropolitan District #3

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Solaris Metropolitan District #3

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 7,104,950

(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 7,104,950


(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/7/2021
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2022.
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>71,049.50</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>(0.000)</u> mills	\$ <u>-</u>
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 71,049.50
3. General Obligation Bonds and Interest ^J	<u>24.400</u> mills	\$ <u>173,360.78</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	\$ <u>-</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	\$ <u>-</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	\$ <u>-</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	\$ <u>-</u>
	<u>0.000</u> mills	\$ <u>-</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	34.400 mills	\$ 244,410.28

Contact person: (print) <u>Ken Marchetti</u>	Daytime phone: <u>(970) 926-6060 x8</u>
Signed: <u></u>	Title: <u>District Accountant</u>

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: Refund existing outstanding bonds
Series: Loan Agreement and Promissory Note, Series 2021
Date of Issue: 12/15/2021
Coupon rate: 2.84%
Maturity Date: 12/1/2036
Levy: 24.400
Revenue: \$173,360.78

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.