

SERRATOGA FALLS METROPOLITAN DISTRICT NO. 1

TOWN OF TIMNATH, COLORADO

2025 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 Section VII of the Amended and Restated 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 (“**Report**”) no later than August 1 of each year to the Town of Timnath, Colorado (the “**Town**”) which reflects activity and financial events of the District. Pursuant to Section 32-1-207(3)(c)(I), C.R.S., the District is also required to submit this Report to the Division of Local Government, Office of the State Auditor, and the Larimer County Clerk and Recorder; the Report must also be posted on the District’s public website.

To the best of our actual knowledge, for the year ending December 31, 2025, the District makes the following report:

1. **Boundary changes made or proposed:**

There were no boundary changes made or proposed to the District’s boundary during the Report year.

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

- Crossing Agreement (Revocable License) for Private Irrigation Line by and between the District, the Town and Kitchel Lake F3 Development Corp., dated September 22, 2025.

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.serratogafallsmid1.org/>

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

There is no litigation, pending or threatened, against the District of which we are aware.

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

All potable water, sanitary sewer, storm drainage, concrete, paving, and dry utility infrastructure has been constructed for Filing 3, Phases 1 through 4. Landscaping is also substantially complete throughout Phases 1 through 4, except for the installation of one pocket park and one playground, both of which are expected to be completed before the end of 2026. The Town has approved the site plan for a clubhouse and pool at the development. The clubhouse building plans remain under Town review, and construction of the clubhouse and pool project is expected to begin once the Town provides final approval.

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 Initial Acceptance for Filing 3, Phases 1 and 2, on March 24, 2023, and for Phases 3 and 4 on January 17, 2025. The applicable bonds associated with the completed infrastructure have been released, and documentation of Final Acceptance from the Town is imminent. Final landscape review for Phases 1 and 2 and initial landscape review for Phases 3 and 4 are scheduled for summer 2026, in alignment with the town's new review process.

7. Final Assessed Value of Taxable Property within the District's boundaries as of December 31, 2025:

The 2025 total assessed value of taxable property within the boundaries of the District is \$6,857,039.

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

The District's 2026 annual budget filing is attached hereto as Exhibit A.

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, 2025 or an audit exemption if applicable:

Audited financial statements for 2025 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, 2025, the District is current on all outstanding financial obligations.

Respectfully submitted this 27th day of July, 2026.

SERRATOGA FALLS
METROPOLITAN DISTRICT NO. 1

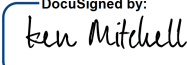
By: 
68199625D780473...
President

EXHIBIT A
2026 BUDGET

Serratoga Falls Metropolitan District No.1

2026 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.

2026 Budget Strategy

General Fund

The District’s 2026 General Fund expenditures of \$101,306 will primarily be funded through property tax collection. The District imposed a 11.668 Operating mill levy for 2026.

Special Revenue Fund-Pumphouse

The District’s 2026 Special Revenue Fund-Pumphouse expenditures of \$180,298 will be funded by non-potable water fees, including reimbursement revenue from Serratoga Falls District No.2 and Serratoga Falls District No. 3 for each district’s proportionate share of water use.

Special Revenue Fund-Maintenance

The District’s 2026 Special Revenue Fund-Maintenance expenditures of \$176,456 will be funded by Operation & Maintenance Fee revenue collected from lots located in District No.1.

Capital Projects Fund

The District’s 2026 Capital Projects Fund expenditures for public improvements will be funded by a draw on the authorized 2023 Debt issuance funds. At this time, the district does not anticipate any capital project expenditures in 2026.

Debt Service Fund

The Debt Service Fund is used to account for the collection of property taxes from the debt service mill levy and payments related to the District's General Obligation Bonds-Series 2023A. The District imposed a 46.674 debt service mill levy in 2026. *Due to the cash flow nature of these bonds, a debt schedule is not included.*

TABOR

The District has provided for an Emergency Reserve Fund equal to at least 3% of the fiscal year spending for 2026, as defined under the Taxpayer Bill of Rights (TABOR).

Serratoga Falls District 1 2026 Budget

Modified Accrual Accounting Basis

General Fund

	2024		8/31/2025	12/31/2025	
	Actual	2025 Budget	Actual	Estimated	2026 Budget
Beginning Fund Balance	\$ 7,443	\$ 63,770	\$ 60,654	\$ 60,654	\$ 30,078
Income					
Fines	1,500	-	-	-	-
Developer Advance	30,000	-	-	-	-
Interest Revenue	45	-	94	141	-
Design Review Fees	5,350	3,450	4,025	6,038	5,719
Property Taxes	97,126	114,263	98,372	114,263	80,008
Specific Ownership Taxes	6,083	6,856	4,764	7,146	4,800
Other Revenues	7,303	-	-	-	-
Tax Related Interest	3,440	-	(3,127)	(3,127)	-
Intergovernmental Revenue	50	4,500	3,330	3,330	3,463
Total Income	150,897	129,069	107,458	127,791	93,990
Expense					
<i>General and Administrative</i>					
Management & Accounting Services	22,490	25,000	16,667	25,000	26,250
Design Review Fees	700	3,450	-	6,038	5,719
Legal	23,978	25,000	28,037	42,056	26,250
Audit/Tax Prep	18,000	10,000	10,000	10,000	10,500
Election	-	3,500	-	-	-
Insurance	5,373	5,910	5,792	5,592	5,880
Engineers	(175)	-	3,106	4,659	-
Treasurers Fees	2,011	2,285	1,947	2,285	1,600
Bank Fees	-	-	10	15	-
Office	632	500	383	575	606
Intergovernmental Fees	50	-	-	-	-
Dues and Compliance	414	1,500	1,867	1,867	1,963
Total G&A	73,473	77,145	67,809	98,087	78,768
<i>Other</i>					
Contingency	-	40,000	-	-	10,000
Total Other	-	40,000	-	-	10,000
<i>Utilities</i>					
Electric	-	-	1,021	1,532	1,612
Water	-	-	-	-	-
Total Utilities	-	-	1,021	1,532	1,612
<i>Landscape</i>					
Landscape Maintenance and Repair	3,115	-	-	-	-
Utility Locates	21,098	8,500	1,392	2,088	4,000
Recreational Lease	-	-	6,660	6,660	6,926
Total Landscape	24,213	8,500	8,052	8,748	10,926
Transfer Out	-	44,964	-	50,000	-
Total Expenses	97,686	170,609	76,882	158,367	101,306
Excess Revenue (Expenses)	53,211	(41,540)	30,576	(30,576)	(7,316)
Ending Fund Balance	60,654	22,230	91,230	30,078	22,762

TABOR Emergency Reserve 3,039

Special Revenue Fund-Pumphouse

	2024		8/31/2025	12/31/2025	
	Actual	2025 Budget	Actual	Estimated	2026 Budget
Beginning Fund Balance	\$ 55,907	\$ 28,309	\$ 28,309	\$ 28,309	\$ 158,977
Income					
Irrigation Water Fees	52,090	52,090	127,340	127,340	128,925
Tap Fees	24,020	-	42,815	64,223	44,124
Transfer in	-	38,000	-	50,000	-
Intergovernmental Revenue	47,808	80,000	9,469	14,204	31,013
Interest Charges	3,568	-	4,541	6,812	-
Total Income	127,486	170,090	184,165	262,579	204,062
Expense					
<i>General and Administrative</i>					
Management and Accounting	11,775	11,000	7,333	11,000	11,550
Total G&A	11,775	11,000	7,333	11,000	11,550

<i>Other</i>					
Contingency	-	12,000	-	-	12,000
Total Other	-	12,000	-	-	12,000
<i>Utilities</i>					
Electric - Well Pump	7,305	17,600	3,898	5,847	19,360
Electric - Pumphouse	25,956	11,000	11,619	17,429	12,100
Water Assessments	7,866	9,649	7,700	7,700	10,614
Total Utilities	41,127	38,249	23,217	30,976	42,074
<i>Nonpotable System</i>					
Meter Reading Software	2,098	2,800	-	-	2,800
Water Resource Accounting	27,688	11,000	10,796	16,194	12,100
Irrigation System Repairs	16,970	25,000	-	-	25,000
Irrigation System Meters	17,738	18,000	-	-	18,000
Tap Fees	24,020	-	48,041	64,223	44,124
Pumphouse	13,668	11,500	6,345	9,518	12,650
Total Landscape	102,182	68,300	65,182	89,935	114,674
Transfer Out	-	-	-	-	-
Total Expenses	155,084	129,549	95,732	131,911	180,298
Excess Revenue (Expenses)	(27,598)	40,541	88,433	130,668	23,764
Ending Fund Balance	28,309	68,850	116,742	158,977	182,741

Special Revenue Fund-Maintenance					
	2024		8/31/2025	12/31/2025	
	Actual	2025 Budget	Actual	Estimated	2026 Budget
Beginning Fund Balance	\$ 95,785	\$ 207,816	\$ 207,816	\$ 207,816	\$ 269,915
Income					
Interest Charges	-	-	5,123	7,685	-
Homeowner Operations Fees	123,364	123,600	124,975	124,975	123,600
Total Income	123,364	123,600	130,098	132,660	123,600
Expense					
<i>General and Administrative</i>					
Engineers	350	-	-	-	1,000
Total G&A	350	-	-	-	1,000
<i>Other</i>					
Contingency	-	20,000	-	-	20,000
Total Other	-	20,000	-	-	20,000
<i>Utilities</i>					
Electric	909	4,356	-	-	5,000
Total Utilities	909	4,356	-	-	5,000
<i>Landscape</i>					
Landscape Contract	4,967	26,250	-	-	125,706
Landscape Maintenance and Repairs	(3,013)	10,000	-	-	11,000
Sprinklers	1,460	7,500	-	-	8,250
Snow Removal	-	5,000	3,297	4,946	5,500
Recreational Lease	6,660	7,194	-	-	-
Total Landscape	10,074	55,944	3,297	4,946	150,456
Irrigation System Repairs	-	-	65,615	65,615	-
Total Expenses	11,333	80,300	68,912	70,561	176,456
Excess Revenue (Expenses)	112,031	43,300	61,186	62,099	(52,856)
Ending Fund Balance	207,816	251,116	269,002	269,915	217,059

Debt Service Fund					
	2024		8/31/2025	12/31/2025	
	Actual	2025 Budget	Actual	Estimated	2026 Budget
Modified Accrual Accounting Basis					
Beginning Fund Balance	\$ -	\$ 411,552	\$ 411,882	\$ 411,882	\$ -
Income					
Transfer In	-	6,964	-	-	-
Interest Revenue	-	-	4,622	6,933	-
Property Tax	388,505	475,336	360,431	475,336	320,045
Specific Ownership Tax	24,661	28,520	19,818	29,727	19,203
Tax Related Interest	13,761	-	(13,009)	(13,009)	-
Total Income	426,927	510,820	371,862	498,987	339,248
Expenditures					
<i>General & Administrative</i>					

Treasurers Fees	8,045	9,507	7,122	9,507	6,401
Bank Fees	-	-	205	308	-
Paying Agent Fees	7,000	7,000	-	7,000	7,000
Total G&A	15,045	16,507	7,327	16,815	13,401
<i>Bonds & Interest</i>					
Principal 2023 Bonds	-	-	-	-	-
Interest 2023 Bonds	-	905,865	416,447	894,054	325,847
Total Bonds & Interest	-	905,865	416,447	894,054	325,847
Total Expenditures	15,045	922,372	423,774	910,869	339,248
Excess Revenue (Expenses)	411,882	(411,552)	(51,912)	(411,882)	-
Ending Fund Balance	411,882	-	359,970	-	-

Capital Projects Fund

	2024		8/31/2025	12/31/2025	
	Actual	2025 Budget	Actual	Estimated Actual and Amended	2026 Budget
Beginning Fund Balance	\$ (256,815)	\$ (260,871)	\$ (260,870)	\$ (260,870)	\$ (261,075)
Income					
Other Financing Sources	-	1,000,000	-	8,694,663	-
Interest	9	-	7	11	-
Transfer In	86,701	-	-	-	-
Tap Fees	-	706,822	-	-	-
Developer Contribution	-	-	-	-	-
Developer Advance	-	-	-	-	-
Total Income	86,710	1,706,822	7	8,694,674	-
Expense					
Engineers	3,920	-	-	-	-
Water	-	-	-	1,043,742	-
Sanitation	-	-	-	220,036	-
Storm Water	-	-	-	562,855	-
Streets	-	-	-	3,460,946	-
Parks and Recreation	-	-	-	3,407,084	-
Management and Accounting	-	6,000	-	-	-
Bank Fees	144	-	144	216	-
Tap Fee	-	706,822	-	-	-
Transfer Out	86,701	-	-	-	-
Total Expenses	90,765	712,822	144	8,694,879	-
Excess Revenue (Expenses)	(4,055)	994,000	(137)	(205)	-
Ending Fund Balance	(260,870)	733,129	(261,007)	(261,075)	(261,075)

Final AV	\$ 11,426,341	\$ 6,857,039
Operating Levy Mills	10.000	11.668
Debt Levy Mills	41.600	46.674
	51.600	58.342

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Notary Events

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Status

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