

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 1,153,739	\$ 1,460,935	\$ 1,810,464
REVENUES			
Property taxes	1,108,428	1,114,608	1,162,115
Specific ownership tax	78,550	78,023	81,348
Interest income	11,466	1,700	1,400
Total revenues	<u>1,198,444</u>	<u>1,194,331</u>	<u>1,244,863</u>
TRANSFERS IN	<u>280,255</u>	<u>197,871</u>	<u>-</u>
Total funds available	<u>2,632,438</u>	<u>2,853,137</u>	<u>3,055,327</u>
EXPENDITURES			
General Fund	260,125	219,558	591,300
Debt Service Fund	631,123	625,244	639,151
Total expenditures	<u>891,248</u>	<u>844,802</u>	<u>1,230,451</u>
TRANSFERS OUT	<u>280,255</u>	<u>197,871</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,171,503</u>	<u>1,042,673</u>	<u>1,230,451</u>
ENDING FUND BALANCES	<u>\$ 1,460,935</u>	<u>\$ 1,810,464</u>	<u>\$ 1,824,876</u>
EMERGENCY RESERVE	<u>\$ 16,800</u>	<u>\$ 16,600</u>	<u>\$ 10,800</u>
TOTAL RESERVE	<u>\$ 16,800</u>	<u>\$ 16,600</u>	<u>\$ 10,800</u>

No assurance provided. See summary of significant assumptions.

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION - Arapahoe			
Residential	\$ 66,895,484	\$ 66,950,852	\$ 69,776,495
State assessed	189,680	454,310	476,860
Vacant land	145	145	145
Personal property	93,487	146,493	177,529
Other	172	172	172
Certified Assessed Value	<u>\$ 67,178,968</u>	<u>\$ 67,551,972</u>	<u>\$ 70,431,201</u>
MILL LEVY			
General	7.000	7.000	3.904
Debt Service	9.500	9.500	12.596
Total mill levy	<u>16.500</u>	<u>16.500</u>	<u>16.500</u>
PROPERTY TAXES			
General	\$ 470,253	\$ 472,864	\$ 274,964
Debt Service	638,200	641,744	887,151
Levied property taxes	<u>1,108,453</u>	<u>1,114,608</u>	<u>1,162,115</u>
Adjustments to actual/rounding	(25)	-	-
Budgeted property taxes	<u>\$ 1,108,428</u>	<u>\$ 1,114,608</u>	<u>\$ 1,162,115</u>
BUDGETED PROPERTY TAXES			
General	\$ 470,242	\$ 472,864	\$ 274,964
Debt Service	638,186	641,744	887,151
	<u>\$ 1,108,428</u>	<u>\$ 1,114,608</u>	<u>\$ 1,162,115</u>

No assurance provided. See summary of significant assumptions.

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 1,095,662	\$ 1,115,139	\$ 1,249,897
REVENUES			
Property taxes	470,242	472,864	274,964
Specific ownership tax	78,550	78,023	81,348
Interest income	11,065	1,300	1,000
Total revenues	<u>559,857</u>	<u>552,187</u>	<u>357,312</u>
Total funds available	<u>1,655,519</u>	<u>1,667,326</u>	<u>1,607,209</u>
EXPENDITURES			
General and administrative			
Accounting	29,706	30,000	33,000
Audit	4,500	4,700	5,000
County Treasurer's fee	7,058	7,093	4,124
Directors' fees	1,600	2,000	2,500
Dues and licenses	719	834	900
Insurance and bonds	10,462	10,647	11,500
District management	18,027	28,000	30,800
Legal services	8,431	12,500	12,500
Miscellaneous	4,791	100	3,000
Payroll taxes	107	184	191
Election expense	1,968	-	50,000
Contingency	-	-	16,285
Operations and maintenance			
Repairs and maintenance	11,789	16,000	16,000
Annual flowers	-	20,000	22,000
Landscaping	32,891	30,000	60,000
Fence	-	-	210,000
Reserve Study	-	5,000	5,500
Park improvements	27,723	-	10,000
Landscape contract	35,310	36,000	36,000
Landscape - trees	9,110	7,500	12,000
Landscape maintenance - medians	53,812	-	10,000
Playground maintenance	-	5,000	30,000
Irrigation repairs	2,121	4,000	10,000
Total expenditures	<u>260,125</u>	<u>219,558</u>	<u>591,300</u>
TRANSFERS OUT			
Transfers to other funds	<u>280,255</u>	<u>197,871</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>540,380</u>	<u>417,429</u>	<u>591,300</u>
ENDING FUND BALANCE	<u>\$ 1,115,139</u>	<u>\$ 1,249,897</u>	<u>\$ 1,015,909</u>
EMERGENCY RESERVE	<u>\$ 16,800</u>	<u>\$ 16,600</u>	<u>\$ 10,800</u>
TOTAL RESERVE	<u>\$ 16,800</u>	<u>\$ 16,600</u>	<u>\$ 10,800</u>

No assurance provided. See summary of significant assumptions.

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/12/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 58,077	\$ 345,796	\$ 560,567
REVENUES			
Property taxes	638,186	641,744	887,151
Interest income	401	400	400
Total revenues	<u>638,587</u>	<u>642,144</u>	<u>887,551</u>
TRANSFERS IN			
Transfers from other funds	<u>280,255</u>	<u>197,871</u>	<u>-</u>
Total funds available	<u>976,919</u>	<u>1,185,811</u>	<u>1,448,118</u>
EXPENDITURES			
County Treasurer's fee	9,579	-	13,307
Paying agent fees	200	2,500	2,500
Bond interest	156,344	137,744	118,344
Bond principal	465,000	485,000	505,000
Total expenditures	<u>631,123</u>	<u>625,244</u>	<u>639,151</u>
Total expenditures and transfers out requiring appropriation	<u>631,123</u>	<u>625,244</u>	<u>639,151</u>
ENDING FUND BALANCE	<u>\$ 345,796</u>	<u>\$ 560,567</u>	<u>\$ 808,967</u>

No assurance provided. See summary of significant assumptions.

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized on October 14, 1994, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Arapahoe County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and operation of public improvements, including water, sanitary, streets, safety protection and park and recreation improvements and services for the District and to the District's service area.

On November 8, 1994, the District's electors authorized the issuance of indebtedness in an amount of \$10,000,000 at an interest rate not to exceed 18% per annum. The District has no authorized but unissued debt remaining. Per the Service Plan, the District is limited to issuing \$10,000,000 in debt. Also, on November 8, 1994, a majority of the District's electors authorized the District to collect and spend or retain in reserve \$275,000 annually in taxes generated by the certification of an operating mill levy not to exceed 25 mills commencing in 1995 and all subsequent years without any limitations under TABOR.

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 difference may be material.

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

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 budget assumes that the District's share will be equal to approximately 7.00% of the property taxes collected. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The District allocates all of its specific ownership taxes to the General Fund.

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Expenditures

General and Administrative

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, general engineering, meeting expense, and other administrative expenditures.

Operations and Maintenance

Operations and maintenance expenditures include the estimates for projects such as: annual flowers, repairs and maintenance, landscaping maintenance and improvements, and playground maintenance and improvements.

Debt Service

Interest and principal payments are provided based on the debt amortization schedule from the Series 2011 General Obligation Refunding Bonds (discussed under Debt and Leases).

Debt and Leases

On December 29, 2011, the District issued \$8,170,000 in Series 2011 General Obligation Refunding Bonds with interest of 2.00% to 3.25%, consisting of serial bonds due through December 1, 2028. The bonds are subject to redemption prior to maturity on or after December 1, 2021, at the option of the District without redemption premium. The bonds and interest are insured as to repayment by Assured Guaranty Municipal Corp (AGM).

The bonds are secured by and payable from ad valorem property taxes to be levied on all taxable property in the District without limitation as to rate and in amounts sufficient, when combined with other legally available moneys of the District, if any, to pay the principal of and interest on the Series 2011 Bonds when due.

The District has no capital or operating leases.

Reserves

Emergency Reserve

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

This information is an integral part of the accompanying budget.

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$8,170,000

**General Obligation Refunding Bonds
Series 2011**

Dated December 29, 2011

Interest Rate 2.00% - 3.25%

Principal Due December 1

Year Ended December 31,	Interest Due June 1 and December 1		
	Principal	Interest	Total
2022	\$ 505,000	\$ 118,344	\$ 623,344
2023	520,000	103,194	623,194
2024	535,000	87,594	622,594
2025	550,000	71,544	621,544
2026	570,000	55,044	625,044
2027	585,000	37,944	622,944
2028	605,000	19,663	624,663
	\$ 3,870,000	\$ 493,325	\$ 4,363,325

Bonds are callable on or after December 1, 2021, without redemption premium.

No assurance provided. See summary of significant assumptions.