

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,836,877	\$ 1,388,647	\$ 1,214,930
REVENUES			
Property taxes	1,162,111	1,131,630	849,682
Specific ownership taxes	73,379	67,898	50,981
Interest income	35,374	90,120	51,000
Other revenue	1,374	-	-
Bond proceeds	3,456,000	-	-
Total revenues	<u>4,728,238</u>	<u>1,289,648</u>	<u>951,663</u>
Total funds available	<u>6,565,115</u>	<u>2,678,295</u>	<u>2,166,593</u>
EXPENDITURES			
General Fund	635,050	405,466	632,006
Debt Service Fund	4,541,418	1,057,899	525,760
Total expenditures	<u>5,176,468</u>	<u>1,463,365</u>	<u>1,157,766</u>
Total expenditures and transfers out requiring appropriation	<u>5,176,468</u>	<u>1,463,365</u>	<u>1,157,766</u>
ENDING FUND BALANCES	<u>\$ 1,388,647</u>	<u>\$ 1,214,930</u>	<u>\$ 1,008,827</u>
EMERGENCY RESERVE AVAILABLE FOR OPERATIONS	\$ 11,600	\$ 13,000	\$ 11,300
TOTAL RESERVE	<u>\$ 1,021,716</u>	<u>\$ 1,047,082</u>	<u>\$ 792,745</u>
	<u>\$ 1,033,316</u>	<u>\$ 1,060,082</u>	<u>\$ 804,045</u>

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION</b>			
Residential single-family	\$ 69,776,495	\$ 62,079,609	\$ 78,477,814
Residential multi-family	-	5,657,600	6,428,349
State assessed	476,860	688,720	1,051,500
Vacant land	145	145	-
Personal property	177,529	157,398	164,421
Other	172	172	165
	<u>70,431,201</u>	<u>68,583,644</u>	<u>86,122,249</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 70,431,201</u>	<u>\$ 68,583,644</u>	<u>\$ 86,122,249</u>
<b>MILL LEVY</b>			
General	3.904	4.000	3.193
Debt Service	12.596	12.500	6.673
Total mill levy	<u>16.500</u>	<u>16.500</u>	<u>9.866</u>
<b>PROPERTY TAXES</b>			
General	\$ 274,963	\$ 274,335	\$ 274,988
Debt Service	887,151	857,296	574,694
Levied property taxes	<u>1,162,114</u>	<u>1,131,631</u>	<u>849,682</u>
Adjustments to actual/rounding	(3)	-	-
Budgeted property taxes	<u>\$ 1,162,111</u>	<u>\$ 1,131,631</u>	<u>\$ 849,682</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 274,963</b>	<b>\$ 274,334</b>	<b>\$ 274,988</b>
Debt Service	<b>887,148</b>	<b>857,296</b>	<b>574,694</b>
	<u><b>\$ 1,162,111</b></u>	<u><b>\$ 1,131,630</b></u>	<u><b>\$ 849,682</b></u>

No assurance provided. See summary of significant assumptions.

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,283,698	\$ 1,033,316	\$ 1,060,082
REVENUES			
Property taxes	274,963	274,334	274,988
Specific ownership taxes	73,379	67,898	50,981
Interest income	34,952	90,000	50,000
Other revenue	1,374	-	-
Total revenues	<u>384,668</u>	<u>432,232</u>	<u>375,969</u>
Total funds available	<u>1,668,366</u>	<u>1,465,548</u>	<u>1,436,051</u>
EXPENDITURES			
General and administrative			
Accounting	25,794	30,000	33,000
Auditing	4,700	4,900	5,200
County Treasurer's fee	4,126	4,115	4,125
Directors' fees	3,000	3,000	3,000
District management	33,825	35,000	38,000
Dues and membership	698	717	900
Insurance	9,987	10,804	11,500
Engineering	-	9,450	-
Legal	16,911	12,000	13,000
Miscellaneous	2,466	500	100
Payroll taxes	275	230	230
Election	54,464	4,000	-
Contingency	-	-	21,951
Operations and maintenance			
Annual flowers	21,400	23,750	25,000
Fence	207,539	-	-
Irrigation repairs	7,027	5,000	8,000
Landscape - trees	27,071	17,000	20,000
Landscape contract	36,300	38,000	40,000
Landscape maintenance - medians	-	6,000	12,000
Landscaping	6,037	26,000	30,000
Park improvements	-	5,000	1,000
Playground improvements	-	150,000	350,000
Playground maintenance	173,185	10,000	10,000
Repairs and maintenance	245	10,000	5,000
Total expenditures	<u>635,050</u>	<u>405,466</u>	<u>632,006</u>
Total expenditures and transfers out requiring appropriation	<u>635,050</u>	<u>405,466</u>	<u>632,006</u>
ENDING FUND BALANCES	<u>\$ 1,033,316</u>	<u>\$ 1,060,082</u>	<u>\$ 804,045</u>
EMERGENCY RESERVE	\$ 11,600	\$ 13,000	\$ 11,300
AVAILABLE FOR OPERATIONS	<u>1,021,716</u>	<u>1,047,082</u>	<u>792,745</u>
TOTAL RESERVE	<u>\$ 1,033,316</u>	<u>\$ 1,060,082</u>	<u>\$ 804,045</u>

No assurance provided. See summary of significant assumptions.

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2024 BUDGET**  
**WITH 2022 ACTUAL AND 2023 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 553,179	\$ 355,331	\$ 154,848
REVENUES			
Property taxes	887,148	857,296	574,694
Interest income	422	120	1,000
Bond proceeds	3,456,000	-	-
Total revenues	<u>4,343,570</u>	<u>857,416</u>	<u>575,694</u>
Total funds available	<u>4,896,749</u>	<u>1,212,747</u>	<u>730,542</u>
EXPENDITURES			
County Treasurer's fee	13,314	12,859	8,620
Paying agent fees	200	400	2,500
Bond interest	41,904	44,640	29,640
Bond principal	480,000	1,000,000	485,000
Payment to Refunding Escrow	3,899,586	-	-
Bond issue costs	106,414	-	-
Total expenditures	<u>4,541,418</u>	<u>1,057,899</u>	<u>525,760</u>
Total expenditures and transfers out requiring appropriation	<u>4,541,418</u>	<u>1,057,899</u>	<u>525,760</u>
ENDING FUND BALANCES	<u>\$ 355,331</u>	<u>\$ 154,848</u>	<u>\$ 204,782</u>

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2**  
**2024 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.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>		<b>Actual Value Reduction</b>	<b>Amount</b>
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

**Revenues - (continued)**

**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 6.00% 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.

**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 2022 General Obligation Refunding Bonds (discussed under Debt and Leases).

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

On February 10, 2022, the District issued \$3,456,000 in Series 2022 General Obligation Refunding Bonds with interest of 1.50%, consisting of bonds due through December 1, 2028.

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 2022 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**

\$3,456,000  
General Obligation Refunding Bonds  
Series 2022  
Dated February 10, 2022  
Interest Rate 1.50%  
Principal Due December 1  
Interest Due June 1 and December 1

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	485,000	29,640	514,640
2025	492,000	22,365	514,365
2026	499,000	14,965	513,965
2027	500,000	7,500	507,500
	-		-
Total	<u>\$ 1,976,000</u>	<u>\$ 74,470</u>	<u>\$ 2,050,470</u>

No assurance provided. See summary of significant assumptions.