

SPRING MESA METROPOLITAN DISTRICT

Annual Budget

For the Year Ending December 31, 2022

**SPRING MESA METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 223,054	\$ 220,633	\$ 234,315
REVENUE			
Assessments	310,142	-	-
Property taxes	385,698	686,400	714,825
Specific ownership tax	28,827	48,048	50,038
Interest income	2,335	395	205
Other revenue	-	181	-
Total revenue	<u>727,002</u>	<u>735,024</u>	<u>765,068</u>
TRANSFERS IN	<u>25,000</u>	<u>25,000</u>	<u>40,000</u>
Total funds available	<u>975,056</u>	<u>980,657</u>	<u>1,039,383</u>
EXPENDITURES			
General Fund	274,017	280,000	325,000
Debt Service Fund	441,285	441,342	441,272
Capital Projects Fund	14,121	-	56,607
Total expenditures	<u>729,423</u>	<u>721,342</u>	<u>822,879</u>
TRANSFERS OUT	<u>25,000</u>	<u>25,000</u>	<u>40,000</u>
Total expenditures and transfers out requiring appropriation	<u>754,423</u>	<u>746,342</u>	<u>862,879</u>
ENDING FUND BALANCES	<u>\$ 220,633</u>	<u>\$ 234,315</u>	<u>\$ 176,504</u>
EMERGENCY RESERVE	\$ 9,300	\$ 16,100	\$ 17,500
WORKING CAPITAL RESERVE	37,189	47,011	30,215
TOTAL RESERVE	<u>\$ 46,489</u>	<u>\$ 63,111</u>	<u>\$ 47,715</u>

No assurance provided. See summary of significant assumptions.

**SPRING MESA METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION - Jefferson County			
Residential	\$ 15,522,407	\$ 15,522,407	\$ 16,168,685
State assessed	729	739	1,247
Personal property	219,553	236,161	241,976
Natural resources	96	96	96
Certified Assessed Value	<u>\$ 15,742,785</u>	<u>\$ 15,759,403</u>	<u>\$ 16,412,004</u>
 MILL LEVY			
General	0.000	19.055	19.905
Debt Service	24.500	24.500	23.650
Total mill levy	<u>24.500</u>	<u>43.555</u>	<u>43.555</u>
 PROPERTY TAXES			
General	\$ -	\$ 300,295	\$ 326,681
Debt Service	385,698	386,105	388,144
Levied property taxes	<u>385,698</u>	<u>686,400</u>	<u>714,825</u>
Budgeted property taxes	<u>\$ 385,698</u>	<u>\$ 686,400</u>	<u>\$ 714,825</u>
 BUDGETED PROPERTY TAXES			
General	\$ -	\$ 300,295	\$ 326,681
Debt Service	385,698	386,105	388,144
	<u>\$ 385,698</u>	<u>\$ 686,400</u>	<u>\$ 714,825</u>

No assurance provided. See summary of significant assumptions.

**SPRING MESA METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 35,111	\$ 46,489	\$ 63,111
REVENUE			
Assessments	310,142	-	-
Interest income	253	125	55
Property taxes	-	300,295	326,681
Specific ownership tax	-	21,021	22,868
Other revenue	-	181	-
Total revenue	<u>310,395</u>	<u>321,622</u>	<u>349,604</u>
Total funds available	<u>345,506</u>	<u>368,111</u>	<u>412,715</u>
EXPENDITURES			
General and administrative			
Administration (Billing services)	12,165	1,879	-
Accounting	15,001	17,000	18,700
Audit	3,700	3,800	4,250
County Treasurer's fee	-	4,504	4,900
District management	27,005	20,000	27,720
Dues and licenses	520	544	570
Election	1,423	-	10,000
Insurance	6,038	6,157	6,470
Legal services	13,536	10,000	8,800
Miscellaneous	7,077	1,250	1,000
Contingency	-	4,866	5,440
Operations and maintenance			
Irrigation repair	8,873	15,000	20,000
Landscape projects	28,469	40,000	40,000
Landscape maintenance	58,922	55,000	58,850
Open space maintenance	45,000	42,500	49,500
Pond maintenance	14,276	5,000	8,800
Snow removal	6,386	15,000	15,000
Underdrain maintenance	1,132	5,000	5,000
Utilities	24,494	32,500	40,000
Total expenditures	<u>274,017</u>	<u>280,000</u>	<u>325,000</u>
TRANSFERS OUT			
Transfers to other funds	<u>25,000</u>	<u>25,000</u>	<u>40,000</u>
Total expenditures and transfers out requiring appropriation	<u>299,017</u>	<u>305,000</u>	<u>365,000</u>
ENDING FUND BALANCE	<u>\$ 46,489</u>	<u>\$ 63,111</u>	<u>\$ 47,715</u>
EMERGENCY RESERVE	\$ 9,300	\$ 16,100	\$ 17,500
WORKING CAPITAL RESERVE	37,189	47,011	30,215
TOTAL RESERVE	<u>\$ 46,489</u>	<u>\$ 63,111</u>	<u>\$ 47,715</u>

No assurance provided. See summary of significant assumptions.

**SPRING MESA METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 164,033	\$ 139,304	\$ 111,344
REVENUE			
Property taxes	385,698	386,105	388,144
Specific ownership tax	28,827	27,027	27,170
Interest income	2,031	250	98
Total revenue	416,556	413,382	415,412
Total funds available	580,589	552,686	526,756
EXPENDITURES			
Debt Service			
Bond interest	267,000	262,050	256,950
Bond principal	165,000	170,000	175,000
County Treasurer's fee	5,785	5,792	5,822
Paying agent fees	3,500	3,500	3,500
Total expenditures	441,285	441,342	441,272
Total expenditures and transfers out requiring appropriation	441,285	441,342	441,272
ENDING FUND BALANCE	\$ 139,304	\$ 111,344	\$ 85,484

No assurance provided. See summary of significant assumptions.

**SPRING MESA METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

12/6/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 23,910	\$ 34,840	\$ 59,860
REVENUE			
Interest income	51	20	52
Total revenue	<u>51</u>	<u>20</u>	<u>52</u>
TRANSFERS IN			
Transfers from other funds	<u>25,000</u>	<u>25,000</u>	<u>40,000</u>
Total funds available	<u>48,961</u>	<u>59,860</u>	<u>99,912</u>
EXPENDITURES			
Capital Projects			
Pond projects	1,750	-	56,607
Underdrain projects	-	-	-
New sidewalk and gutter	12,371	-	-
Total expenditures	<u>14,121</u>	<u>-</u>	<u>56,607</u>
Total expenditures and transfers out requiring appropriation	<u>14,121</u>	<u>-</u>	<u>56,607</u>
ENDING FUND BALANCE	<u>\$ 34,840</u>	<u>\$ 59,860</u>	<u>\$ 43,305</u>

No assurance provided. See summary of significant assumptions.

SPRING MESA METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District was originally formed as the Eldorado Hills Metropolitan District on April 16, 1991, as a quasi-municipal organization established under the State of Colorado Special District Act. The District legally changed its name to Spring Mesa Metropolitan District in September 2003.

The District is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on October 9, 1990, and as amended in March 2003. The District's service area is located in the City of Arvada, in Jefferson County, Colorado.

The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. Public improvements are to be dedicated to the City or retained by the District for the use and benefit of the District's inhabitants and taxpayers. The District consists of 272 residential units.

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

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.

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, sale 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 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 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 collected.

SPRING MESA METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues – (continued)

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.01%.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Operational expenditures in 2022 include open space, landscape, pond and underdrain maintenance, irrigation repair, utilities, snow removal and other maintenance/replacement projects. These expenditures are based on estimates of the District's Board of Directors and consultants.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

Debt and Leases

General Obligation Refunding Bonds, Series 2015

On December 11, 2015, the District issued \$7,420,000 of General Obligation Refunding Bonds, Series 2015 ("Bonds") for the purpose of refunding all of the District's outstanding Convertible Capital Appreciation Limited Tax General Obligation Bonds, Series 2006, and the Subordinate Limited Tax General Obligation Bonds, Series 2010 ("Refunded Bonds"), and paying the cost of issuing the Series 2015 Bonds. The Bonds bear interest between the rates of 2.00% - 4.25%, payable semiannually on each June 1 and December 1, commencing on June 1, 2016. The Bonds are due December 1, 2044, and are subject to a mandatory sinking fund redemption commencing on December 1, 2023.

The Bonds maturing on or after December 1, 2026 are subject to an early redemption at the option of the District, in whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities on December 1, 2025, and on any date thereafter, at the redemption price equal to the principal amount to be redeemed plus accrued interest thereon to the date of redemption. The Bonds constitute general obligations of the District. All of the taxable property in the District is subject to the levy of an ad valorem tax to pay the principal of, interest, and premium, if any, on the Bonds without limitation as to rate and in an amount sufficient to pay the Bonds when due, subject to limitations imposed at the election authorizing the issuance of the Bonds.

SPRING MESA METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Reserve Funds

Emergency Reserve

The District has provided for an emergency reserve fund equal to 5% of fiscal year spending. TABOR requires a 3% (of fiscal year spending) emergency reserve.

This information is an integral part of the accompanying budget.

**SPRING MESA METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022**

\$7,420,000

General Obligation Refunding Bonds, Series 2015

Dated December 11, 2015

Interest Rate Between 2.00% and 4.25%

Interest Payable June 1 and December 1

Principal Due December 1

	Principal		Interest		Total
2022	\$ 175,000	\$	256,950	\$	431,950
2023	185,000		251,700		436,700
2024	190,000		244,300		434,300
2025	200,000		236,700		436,700
2026	205,000		228,700		433,700
2027	215,000		220,500		435,500
2028	220,000		211,900		431,900
2029	230,000		203,100		433,100
2030	240,000		193,900		433,900
2031	250,000		184,300		434,300
2032	260,000		173,675		433,675
2033	270,000		162,624		432,624
2034	285,000		151,149		436,149
2035	295,000		139,038		434,038
2036	310,000		126,500		436,500
2037	320,000		114,400		434,400
2038	330,000		101,925		431,925
2039	345,000		89,050		434,050
2040	360,000		75,588		435,588
2041	370,000		61,538		431,538
2042	385,000		47,088		432,088
2043	400,000		32,050		432,050
2044	420,000		16,425		436,425
	\$ 6,460,000	\$	3,523,100	\$	9,983,100

No assurance provided. See summary of significant assumptions.