

SPRING MESA METROPOLITAN DISTRICT

Annual Budget

For the Year Ending December 31, 2023

**SPRING MESA METROPOLITAN DISTRICT
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 220,633	\$ 271,738	\$ 287,284
REVENUE			
Property taxes	686,402	714,515	720,045
Specific ownership tax	52,517	49,071	50,402
Interest income	771	8,900	9,900
Other revenue	181	360	-
Total revenue	<u>739,871</u>	<u>772,846</u>	<u>780,347</u>
TRANSFERS IN	<u>25,000</u>	<u>40,000</u>	<u>50,000</u>
Total funds available	<u>985,504</u>	<u>1,084,584</u>	<u>1,117,631</u>
EXPENDITURES			
General Fund	247,424	316,000	340,000
Debt Service Fund	441,342	441,300	446,500
Capital Projects Fund	-	-	56,607
Total expenditures	<u>688,766</u>	<u>757,300</u>	<u>843,107</u>
TRANSFERS OUT	<u>25,000</u>	<u>40,000</u>	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>713,766</u>	<u>797,300</u>	<u>893,107</u>
ENDING FUND BALANCES	<u>\$ 271,738</u>	<u>\$ 287,284</u>	<u>\$ 224,524</u>
EMERGENCY RESERVE	\$ 10,000	\$ 17,600	\$ 17,700
WORKING CAPITAL RESERVE	87,799	75,924	40,819
TOTAL RESERVE	<u>\$ 97,799</u>	<u>\$ 93,524</u>	<u>\$ 58,519</u>

No assurance provided. See summary of significant assumptions.

**SPRING MESA METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION - Jefferson County

Residential	\$ 15,522,407	\$ 16,168,685	\$ 15,716,406
State assessed	739	1,247	3,729
Personal property	236,161	241,976	359,744
Natural resources	96	96	96
Certified Assessed Value	\$ 15,759,403	\$ 16,412,004	\$ 16,079,975

MILL LEVY

General	19.055	19.905	20.464
Debt Service	24.500	23.650	24.315
Total mill levy	43.555	43.555	44.779

PROPERTY TAXES

General	\$ 300,295	\$ 326,681	\$ 329,061
Debt Service	386,105	388,144	390,984
Levied property taxes	686,400	714,825	720,045
Adjustments to actual/rounding	2	(310)	-
Budgeted property taxes	\$ 686,402	\$ 714,515	\$ 720,045

BUDGETED PROPERTY TAXES

General	\$ 300,296	\$ 326,539	\$ 329,061
Debt Service	386,106	387,976	390,984
	\$ 686,402	\$ 714,515	\$ 720,045

No assurance provided. See summary of significant assumptions.

**SPRING MESA METROPOLITAN DISTRICT
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 46,489	\$ 97,799	\$ 93,524
REVENUE			
Interest income	281	2,400	2,900
Property taxes	300,296	326,539	329,061
Specific ownership tax	22,976	22,426	23,034
Other revenue	181	360	-
Total revenue	323,734	351,725	354,995
Total funds available	370,223	449,524	448,519
EXPENDITURES			
General and administrative			
Administration (Billing services)	1,879	-	-
Accounting	17,000	18,700	20,600
Audit	3,800	4,250	4,700
Bad Debt Expense	-	570	-
County Treasurer's fee	4,509	4,905	4,936
District management	25,163	27,720	35,500
Dues and licenses	544	571	700
Election	-	3,000	5,000
Insurance	6,157	6,376	6,719
Legal services	9,836	10,500	9,700
Miscellaneous	1,559	100	500
Contingency	-	7,158	5,745
Operations and maintenance			
Irrigation repair	1,327	20,000	20,000
Landscape projects	37,715	40,000	40,000
Landscape maintenance	46,637	58,850	67,600
Open space maintenance	41,949	49,500	49,500
Pond maintenance	4,251	8,800	8,800
Snow removal	9,840	15,000	15,000
Underdrain maintenance	2,000	-	5,000
Utilities	33,258	40,000	40,000
Total expenditures	247,424	316,000	340,000
TRANSFERS OUT			
Transfer to other fund	25,000	40,000	50,000
Total expenditures and transfers out requiring appropriation	272,424	356,000	390,000
ENDING FUND BALANCE	\$ 97,799	\$ 93,524	\$ 58,519
EMERGENCY RESERVE	\$ 10,000	\$ 17,600	\$ 17,700
WORKING CAPITAL RESERVE	87,799	75,924	40,819
TOTAL RESERVE	\$ 97,799	\$ 93,524	\$ 58,519

No assurance provided. See summary of significant assumptions.

**SPRING MESA METROPOLITAN DISTRICT
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 139,304	\$ 114,080	\$ 92,901
REVENUE			
Property taxes	386,106	387,976	390,984
Specific ownership tax	29,541	26,645	27,368
Interest income	471	5,500	3,100
Total revenue	<u>416,118</u>	<u>420,121</u>	<u>421,452</u>
Total funds available	<u>555,422</u>	<u>534,201</u>	<u>514,353</u>
EXPENDITURES			
Debt Service			
Bond interest	262,050	256,950	251,700
Bond principal	170,000	175,000	185,000
County Treasurer's fee	5,792	5,830	5,865
Paying agent fees	3,500	3,500	3,500
Contingency	-	20	435
Total expenditures	<u>441,342</u>	<u>441,300</u>	<u>446,500</u>
Total expenditures and transfers out requiring appropriation	<u>441,342</u>	<u>441,300</u>	<u>446,500</u>
ENDING FUND BALANCE	<u>\$ 114,080</u>	<u>\$ 92,901</u>	<u>\$ 67,853</u>

No assurance provided. See summary of significant assumptions.

**SPRING MESA METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/26/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 34,840	\$ 59,859	\$ 100,859
REVENUE			
Interest income	19	1,000	3,900
Total revenue	<u>19</u>	<u>1,000</u>	<u>3,900</u>
TRANSFERS IN			
Transfers from other funds	<u>25,000</u>	<u>40,000</u>	<u>50,000</u>
Total funds available	<u>59,859</u>	<u>100,859</u>	<u>154,759</u>
EXPENDITURES			
Capital Projects			
Pond projects	-	-	56,607
Total expenditures	<u>-</u>	<u>-</u>	<u>56,607</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>56,607</u>
ENDING FUND BALANCE	<u>\$ 59,859</u>	<u>\$ 100,859</u>	<u>\$ 98,152</u>

No assurance provided. See summary of significant assumptions.

SPRING MESA METROPOLITAN DISTRICT
2023 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

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.

SPRING MESA METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

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 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.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4%.

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 2023 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

SPRING MESA METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases – (continued)

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.

The District has no operating or capital leases.

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
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
	\$ 6,285,000	\$	3,266,150	\$	9,551,150

No assurance provided. See summary of significant assumptions.