

EAST CREEK METROPOLITAN DISTRICT NO.2

2022 Budget Message

Introduction

The District was formed in 2018 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements. Some of these improvements will be dedicated to the City of Aurora, Arapahoe County, or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

In June 2018, the District entered into a Memorandum of Understanding (the “MOU”) with East Creek Metropolitan District No. 1 (“District No. 1”). Under the MOU, District No. 1 “shall provide for the financing, construction, design, operation and maintenance of the Improvements, as well as overall administration of the Districts.” The District is to reimburse District No. 1 for all costs incurred by District No. 1 pursuant to the MOU, on an allocable basis.

The 2022 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2022 fiscal year based on available revenues.

The District’s 2021 assessed value is \$1,121,981 an increase from \$854,256 in the prior year. The District certified 10.000 mills in the General Fund, 30.000 mills in the Debt Service Fund and 1.000 mill for the Aurora Regional Improvement for taxes collected in the 2022 fiscal year, for a total mill levy of 41.000.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District’s funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax, developer advances, and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government.

Debt Service Fund is used to account for property taxes and other revenues dedicated to

pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt issues. The primary source of revenue for the Debt Service Fund comes from property taxes.

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenues in the General Fund.

EAST CREEK METROPOLITAN DISTRICT #2
Assessed Value, Property Tax and Mill Levy Information

2020	2021	2022
Actual	Adopted Budget	Adopted Budget

Assessed Valuation	\$	23,484	\$	490,237	\$	1,121,981
--------------------	----	--------	----	---------	----	-----------

Mill Levy

General Fund	40.000	10.000	10.000
Debt Service Fund	0.000	30.000	30.000
Aurora Regional Improvement	0.000	1.000	1.000
Refunds and Abatements	0.000	0.000	0.000

Total Mill Levy	40.000	41.000	41.000
------------------------	--------	--------	--------

Property Taxes

General Fund	\$	939	\$	4,902	\$	11,220
Debt Service Fund		-		14,707		33,659
Aurora Regional Improvement		-		490		1,122
Refunds and Abatements		-		-		-

Actual/Budgeted Property Taxes	\$	939	\$	20,099	\$	46,001
---------------------------------------	-----------	------------	-----------	---------------	-----------	---------------

EAST CREEK METROPOLITAN DISTRICT #2

GENERAL FUND 2022 Preliminary Budget with 2020 Actual, 2021 Adopted Budget, and 2021 Estimated

	2020 Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
REVENUE				
Property Tax Revenue	4,902	8,543	8,543	11,220
Specific Ownership Taxes	296	513	500	673
Interest Income	630	2,092	-	-
Total Revenue	6,348	12,002	9,921	13,015
Total Funds Available	6,348	12,002	9,921	13,015
EXPENDITURES				
Audit	-	-	-	-
Election	-	-	-	-
Insurance/SDA Dues	-	-	-	-
Legal	-	-	-	-
Management	-	-	-	-
Miscellaneous	-	-	-	-
Treasurer's Fees	75	128	128	168
Covenant Control/Comm Mgmt	-	-	-	-
Total Expenditures	75	128	128	168
Transfers and Other Uses				
Emergency Reserve	-	256	-	337
ARI Fees	8	854	878	1,122
Transfer to District 1	6,265	10,762	8,915	11,388
Total Expenditures Requiring Appropriation	6,348	12,000	9,921	13,015
Ending Funds Available	\$ -	\$ -	\$ -	\$ -

EAST CREEK METROPOLITAN DISTRICT #2

**DEBT SERVICE FUND
2022 Preliminary Budget
with 2020 Actual, 2021 Adopted Budget, and 2021 Estimated**

	2020 Actual	2021 Adopted Budget	2021 Estimated	2022 Adopted Budget
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Revenue				
Property Tax Revenue	14,707	25,628	25,628	33,659
Specific Ownership Tax	889	1,538	1,500	2,020
Total Revenue	15,596	27,165	27,128	35,679
Total Funds Available	15,596	27,165	27,128	35,679
Expenditures				
Treasurer's Fees	226	384	385	505
Total Expenditures	226	384	385	505
Transfers and Other Uses				
Transfer to District 1	15,370	27,616	26,743	35,174
Total Expenditures Requiring Appropriation	15,596	28,000	27,128	35,679
Ending Funds Available	\$ -	\$ -	\$ -	\$ -