

EAST CREEK METROPOLITAN DISTRICT NO.2

2021 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 2021 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2021 fiscal year based on available revenues.

The District’s 2020 assessed value is \$854,256, an increase from \$490,237 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 2021 fiscal year.

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

2019 Actual	2020 Adopted Budget	2021 Adopted Budget
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Assessed Valuation	\$	23,484	\$	490,237	\$	854,256
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Mill Levy

General Fund		40.000		10.000		10.000
Debt Service Fund		0.000		30.000		30.000
Temporary Mill Levy Reduction		0.000		0.000		0.000
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
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Property Taxes

General Fund	\$	939	\$	4,902	\$	8,543
Debt Service Fund		-		14,707		25,628
Temporary Mill Levy Reduction		-		-		-
Aurora Regional Improvement		-		490		854
Refunds and Abatements		-		-		-

Actual/Budgeted Property Taxes	\$	939	\$	20,099	\$	35,024
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EAST CREEK METROPOLITAN DISTRICT #2

**GENERAL FUND
2021 Preliminary Budget
with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated**

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
Beginning Fund Balance	\$ -	\$ -	\$ (5,011)	\$ (1,966)
REVENUE				
Property Tax Revenue	939	4,902	4,902	8,543
Specific Ownership Taxes	74	296	250	513
ARI Fees	-	490	490	854
Total Revenue	1,013	5,688	5,642	9,909
Total Funds Available	1,013	5,688	631	7,943
EXPENDITURES				
Accounting	982	-	-	-
Audit	14	-	-	-
Election	14	-	-	-
Insurance/SDA Dues	-	-	-	-
Legal	-	-	-	-
Management	4,702	-	-	-
Miscellaneous	270	-	-	-
Treasurer's Fees	14	74	74	128
Covenant Control/Comm Mgmt	29	-	-	-
Total Expenditures	6,024	74	74	128
Transfers and Other Uses				
Emergency Reserve	-	-	-	256
ARI Fees	-	490	490	854
Transfer to District No. 1	-	5,124	2,033	3,010
Total Expenditures Requiring Appropriation	6,024	5,688	2,597	4,249
Ending Funds Available	\$ (5,011)	\$ -	\$ (1,966)	\$ 3,694

EAST CREEK METROPOLITAN DISTRICT #2

**DEBT SERVICE FUND
2021 Preliminary Budget
with 2019 Actual, 2020 Adopted Budget, and 2020 Estimated**

	2019 Actual	2020 Adopted Budget	2020 Estimated	2021 Adopted Budget
Beginning Fund Balance	-	-	\$ -	\$ -
Revenue				
Property Tax Revenue	-	14,707	14,707	25,628
Specific Ownership Tax		883	700	1,538
Total Revenue	-	15,590	15,407	27,165
Total Funds Available	-	15,590	15,407	27,165
Expenditures				
Treasurer's Fees	-	221	221	384
Total Expenditures	-	221	221	384
Transfers and Other Uses				
Transfer to District 1	-	15,369	15,186	26,780
Total Expenditures Requiring Appropriation	-	15,590	15,407	27,164
Ending Funds Available	\$ -	\$ -	\$ -	\$ 0