

# EAST CREEK METROPOLITAN DISTRICT NO.2

## 2020 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 2020 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2020 fiscal year based on available revenues.

The District’s assessed value is \$490,237. 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 2020 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 NO. 2**  
**Assessed Value, Property Tax and Mill Levy Information**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>Actual</b>	<b>Adopted Budget</b>	<b>Adopted Budget</b>
<b>Assessed Valuation</b>	\$ -	\$ 23,484	\$ 490,237
<b>Mill Levy</b>			
General Fund	-	40.000	10.000
Debt Service Fund	-	-	30.000
Aurora Regional Improvement (ARI)	-	-	1.000
<b>Total Mill Levy</b>	<u>-</u>	<u>40.000</u>	<u>41.000</u>
<b>Property Taxes</b>			
General Fund	\$ -	\$ 939	\$ 4,902
Debt Service Fund	-	-	14,707
Aurora Regional Improvement (ARI)	-	-	490
<b>Actual/Budgeted Property Taxes</b>	<u>\$ -</u>	<u>\$ 939</u>	<u>\$ 20,099</u>

**EAST CREEK METROPOLITAN DISTRICT NO. 2**

**GENERAL FUND  
2020 Adopted Budget  
with 2018 Actual, 2019 Adopted Budget, and 2019 Estimated**

	2018 Actual	2019 Estimated	2020 Adopted Budget
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ -	\$ -
<b>REVENUE</b>			
Property Tax Revenue	-	939	4,902
Specific Ownership Taxes	-	56	296
Developer Advance	-	-	-
ARI Fee	-	-	490
<b>Total Funds Available</b>	<u>-</u>	<u>995</u>	<u>5,688</u>
<b>EXPENDITURES</b>			
Accounting	-	-	-
#NUM!	-	-	-
Audit	-	-	-
Election	-	-	-
Legal	-	-	-
Director's Fees	-	-	-
Insurance/SDA Dues	-	-	-
Miscellaneous	-	-	-
Treasurer's Fees	-	14	74
Contingency	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>14</u>	<u>74</u>
<b>Transfers and Other Uses</b>			
Emergency Reserve	-	-	-
Transfer to District No.1	-	981	5,124
ARI Fee	-	-	490
<b>Total Expenditures Requiring Appropriation</b>	<u>-</u>	<u>14</u>	<u>5,688</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EAST CREEK METROPOLITAN DISTRICT NO. 2**

**DEBT SERVICE FUND**  
**2020 Adopted Budget**  
with 2018 Actual, 2019 Adopted Budget, and 2019 Estimated

	2018 Actual	2019 Estimated	2020 Adopted Budget
<b>BEGINNING FUND BALANCE</b>	\$ -	\$ -	\$ -
<b>REVENUE</b>			
Property Tax Revenue	-	-	14,707
Specific Ownership Tax	-	-	883
<b>Total Revenue</b>	-	-	15,590
<b>Total Funds Available</b>	-	-	15,590
<b>EXPENDITURES</b>			
Treasurer's Fees	-	-	221
<b>Total Expenditures</b>	-	-	221
Transfer to District No. 1			15,369
<b>Total Expenditures Requiring Appropriation</b>	-	-	15,590
<b>ENDING FUND BALANCE</b>	\$ -	\$ -	\$ -