

BELFORD SOUTH METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2023

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

1/19/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|------------------|-------------------|------------------|
| BEGINNING FUND BALANCES | \$ (1,603) | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 8,853 | 107 | 225,889 |
| Specific ownership tax | 853 | 10 | 18,071 |
| Interest income | 583 | 7,500 | 23,564 |
| Development fees | 3,200,000 | 1,600,000 | 3,200,000 |
| Developer advance | 7,144 | - | - |
| Other revenue | - | - | 2,476 |
| Total revenues | <u>3,217,433</u> | <u>1,607,617</u> | <u>3,470,000</u> |
| Total funds available | <u>3,215,830</u> | <u>1,607,617</u> | <u>3,470,000</u> |
| EXPENDITURES | | | |
| General Fund | 1,890 | 23 | 50,000 |
| Debt Service Fund | 3,213,940 | 1,607,594 | 3,420,000 |
| Total expenditures | <u>3,215,830</u> | <u>1,607,617</u> | <u>3,470,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>3,215,830</u> | <u>1,607,617</u> | <u>3,470,000</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

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

1/19/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|------------------------|----------------------|--------------------------|
| ASSESSED VALUATION - Douglas #4580 | | | |
| Residential | \$ 113,820 | \$ - | \$ - |
| Agricultural | 1,150 | 1,340 | - |
| Vacant land | - | - | 2,930,680 |
| Personal property | - | - | 2,900 |
| Natural resources | - | 40 | 40 |
| | <u>114,970</u> | <u>1,380</u> | <u>2,933,620</u> |
| Adjustments | - | - | - |
| Certified Assessed Value | <u>\$ 114,970</u> | <u>\$ 1,380</u> | <u>\$ 2,933,620</u> |
| MILL LEVY | | | |
| General | 10.000 | 10.000 | 10.000 |
| General - Town Capital & Maintenance | 5.000 | 5.000 | 5.000 |
| Debt Service | 57.000 | 57.000 | 57.000 |
| Debt Service - Infrastructure Capital | 5.000 | 5.000 | 5.000 |
| Total mill levy | <u>77.000</u> | <u>77.000</u> | <u>77.000</u> |
| PROPERTY TAXES | | | |
| General | \$ 1,150 | \$ 14 | \$ 29,336 |
| General - Town Capital & Maintenance | 575 | 7 | 14,668 |
| Debt Service | 6,553 | 79 | 167,217 |
| Debt Service - Infrastructure Capital | 575 | 7 | 14,668 |
| Levied property taxes | <u>8,853</u> | <u>107</u> | <u>225,889</u> |
| Adjustments to actual/rounding | 1 | - | - |
| Budgeted property taxes | <u>\$ 8,854</u> | <u>\$ 107</u> | <u>\$ 225,889</u> |
| BUDGETED PROPERTY TAXES | | | |
| General | \$ 1,149 | \$ 14 | \$ 29,336 |
| General - Town | 575 | 7 | 14,668 |
| Debt Service | 6,554 | 79 | 167,217 |
| Debt Service - Infrastructure Capital | 575 | 7 | 14,668 |
| Budgeted property taxes | <u>\$ 8,854</u> | <u>\$ 107</u> | <u>\$ 225,889</u> |

No assurance provided. See summary of significant assumptions.

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

1/19/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ (7,154) | \$ - | \$ - |
| REVENUES | | | |
| Property taxes | 1,724 | 21 | 44,004 |
| Specific ownership tax | 166 | 2 | 3,520 |
| Interest income | 10 | - | - |
| Developer advance | 7,144 | - | - |
| Other revenue | - | - | 2,476 |
| Total revenues | 9,044 | 23 | 50,000 |
| Total funds available | 1,890 | 23 | 50,000 |
| EXPENDITURES | | | |
| General and administrative | | | |
| County Treasurer's fee | 26 | - | 660 |
| Contingency | - | - | 2,476 |
| Remit to Belford North | 1,243 | 15 | 31,243 |
| Remit to Town of Parker | 621 | 8 | 15,621 |
| Total expenditures | 1,890 | 23 | 50,000 |
| Total expenditures and transfers out requiring appropriation | 1,890 | 23 | 50,000 |
| ENDING FUND BALANCE | \$ - | \$ - | \$ - |

No assurance provided. See summary of significant assumptions.

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

1/19/23

| | ACTUAL 2021 | ESTIMATED 2022 | BUDGET 2023 |
|---|------------------|-------------------|------------------|
| BEGINNING FUND BALANCE | \$ 5,551 | \$ - | \$ - |
| REVENUE | | | |
| Property taxes | 7,129 | 86 | 181,885 |
| Specific ownership tax | 687 | 8 | 14,551 |
| Interest income | 573 | 7,500 | 23,564 |
| Development Fees | 3,200,000 | 1,600,000 | 3,200,000 |
| Total revenue | <u>3,208,389</u> | <u>1,607,594</u> | <u>3,420,000</u> |
| Total funds available | <u>3,213,940</u> | <u>1,607,594</u> | <u>3,420,000</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Remit to Belford North | 3,213,833 | 1,607,593 | 3,417,272 |
| Debt Service | | | |
| County Treasurer's fee | 107 | 1 | 2,728 |
| Total expenditures | <u>3,213,940</u> | <u>1,607,594</u> | <u>3,420,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>3,213,940</u> | <u>1,607,594</u> | <u>3,420,000</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

No assurance provided. See summary of significant assumptions.

**BELFORD SOUTH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized on June 24, 2016 in Douglas County, Colorado, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under the Second Amended and Restated Service Plan approved by the Town Council of the Town of Parker, Colorado on October 5, 2020. The District's service area is located in the Town of Parker, Douglas County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water and sanitation service, street construction, installation of safety control devices, construction and maintenance of parks and recreation facilities, public transportation, fire protection, television relay and translation system, security services and mosquito control. All public infrastructure is to be owned and maintained by the Town of Parker or adjacent governmental entities.

On May 3, 2016, the District's voters authorized total indebtedness of \$162,000,000 for the above listed facilities. The District's voters also authorized total indebtedness of \$16,200,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities. The election also approved an annual increase in property taxes of \$16,200,000 without limitation of rate, to pay the District's operation and maintenance costs.

The Maximum Debt Mill Levy shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District, and shall be determined as follows: For the portion of any aggregate District Debt which exceeds 50% of the District's assessed valuation, the Maximum Debt Mill Levy for such portion of Debt shall be 57.000 mills less the number of mills necessary to pay unlimited mill levy Debt, subject to the Mill Levy Adjustment.

If, on or after, October 5, 2020 there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy may be increased to decreased to reflect such changes.

On October 16, 2020, the District entered into the Master Intergovernmental Agreement (MIGA) with Belford North Metropolitan District (North) in which the districts agree they may undertake on behalf of both districts the construction, acquisition, installation, financing, operations and maintenance of public improvements, and administrative costs necessary to serve the property within both District's service areas.

The District has no employees and all operations and 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.

**BELFORD SOUTH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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 sales 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 Information page of the budget.

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%.

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 8% of the property taxes collected by the General Fund and Debt Service Fund.

Development Fees

The District established a development fee of \$25,000 per SFE. The fees are payable by homebuilders. The revenue from the fees is pledged for payment of the Series 2020 Bonds issued by Belford North or any other indebtedness of the District. The District anticipates receiving \$3,200,000 of development fees in 2023.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

**BELFORD SOUTH METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenditures

Pursuant to the MIGA, North, as the operating district, will pay all administrative and operating expenditures. These costs include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and meeting expense.

Remittance to Town of Parker

On October 5, 2020, the District entered into the First Amended and Restated Intergovernmental Agreement with the Town of Parker in which the District agrees to impose a property tax of 5 mills to be used for the planning, design and construction of the Regional infrastructure and 5 mills for the planning, design, construction and/or maintenance of the Town infrastructure. The collection of these taxes will be remitted to the Town of Parker.

County Treasurer's Fees

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

Debt and Leases

The District has no capital or operating leases.

Reserves

Emergency Reserve

Since all funds received by the District are transferred to Belford North Metropolitan District, which pays for all Districts' administrative, operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.