

LETTER OF BUDGET TRANSMITTAL


Date: January 22, 2024

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 budget, budget message and budget resolution for EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2 in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 14, 2023. If there are any questions on the budget, please contact:

Denise Denslow, District Manager
CliftonLarsonAllen LLP
8390 E. Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710

I, Denise Denslow, District Manager, hereby certify that the attached is a true and correct copy of the 2024 budget.

By: 
Denise Denslow, District Manager

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of East Smoky Hill Metropolitan District No. 2 (the “**Board**”), , Arapahoe County, Colorado (the “**District**”), held a regular meeting, at 5430 S. Biscay Circle, Centennial, CO 80015 on Tuesday, November 14, 2023, at the hour of 6:00 p.m..

Prior to the meeting, each of the directors was notified of the date, time, and place of the budget meeting and the purpose for which it was called, and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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**NOTICE AS TO PROPOSED 2024 BUDGET
NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGET
AND
NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGET**

NOTICE IS HEREBY GIVEN that the Board of Directors (the “**Board**”) of the EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2 (the “**District**”), will hold a meeting at 5430 South Biscay Circle, Centennial, Colorado 80015 and via teleconference on Tuesday, November 14, 2023 at 6:00 P.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2024 proposed budget (the “**Proposed Budget**”) and, if necessary, the 2023 amended budget (the “**Amended Budget**”). The public hearing may be joined using the following teleconference information:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NGFhN2Y2ZjgtMGQ0YS00MzIlLTlhMDUtZDM1YmI4OTYyYjRm%40t%20hread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%227e93cd08-3bae-48d3-b32e-d8f57cd88c24%22%7d
Conference ID: 455 849 604#, Phone Number: 1-720-547-5281

NOTICE IS FURTHER GIVEN that the Proposed Budget and the Amended Budget have been submitted to the District. A copy of the Proposed Budget and the Amended Budget are on file in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy., Ste. 300, Greenwood Village, Colorado 80111, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Proposed Budget and the Amended Budget at any time prior to final adoption of the Proposed Budget and the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE BOARD OF DIRECTORS:
EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2

/s/ WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Published in: Aurora Sentinel
Published on: November 9, 2023

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver; State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 9 A.D. 2023 and that the last publication of said notice was in the issue of said newspaper dated November 9 A.D. 2023.

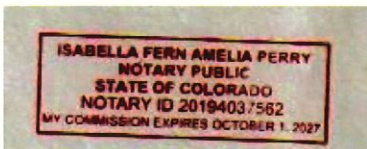
I witness whereof I have hereunto set my hand this 9th day of November A.D. 2023.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 9th day of November A.D. 2023.



Notary Public



NOTICE OF PUBLIC HEARING
ON THE AMENDED 2023 BUDGET
AND NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2024 BUDGET

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2 (the "District"), will hold a meeting at 5430 South Biscay Circle, Centennial, Colorado 80015, and via teleconference on Tuesday, November 14, 2023 at 6:00 P.M., for the purpose of conducting such business as may come before the Board including a public hearing on the 2024 proposed budget (the "Proposed Budget") and, if necessary, the 2023 amended budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:
https://teams.microsoft.com/join/19%3ameeting_NGFhN2Y2ZigtMGQ0YS00MzllLTlhMDUjZDM1YmI4OTYyYjRm%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%227e93cd08-3bae-48d3-b32e-d8f57cd88c24%22%7d Conference ID: 455 849 604#, Phone Number: 1-720-547-5281

NOTICE IS FURTHER GIVEN that the Proposed Budget and the Amended Budget have been submitted to the District. A copy of the Proposed Budget and the Amended Budget are on file in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Pkwy., Ste. 300, Greenwood Village, Colorado 80111, where the same are open for public inspection.

Any interested elector of the District may file any objections to the Proposed Budget and the Amended Budget at any time prior to final adoption of the Proposed Budget and the Amended Budget by the Board. This meeting is open to the public and the agenda for any meeting may be obtained by calling (303) 858-1800.

BY ORDER OF THE
BOARD OF DIRECTORS:
EAST SMOKY HILL
METROPOLITAN
DISTRICT NO. 2
/s/ WHITE BEAR ANKELE TANAKA &
WALDRON
Attorneys at Law

Publication: November 9, 2023
Sentinel

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 3.193 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 6.673 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Arapahoe County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

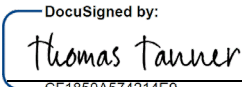
Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED NOVEMBER 14, 2023.

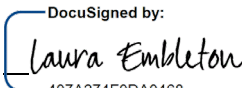
DISTRICT:

EAST SMOKY HILL METROPOLITAN DISTRICT NO 2., a quasi-municipal corporation and political subdivision of the State of Colorado

By: 
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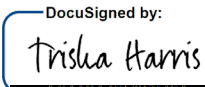
Officer of the District

Attest:

By: 
407A274F0DA0468...

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

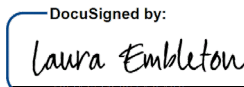

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General Counsel to the District

STATE OF COLORADO
COUNTY OF ARAPAHOE
EAST SMOKY HILL METROPOLITAN DISTRICT NO.2

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held at 5430 S. Biscay Circle, Centennial, CO 80015 on Tuesday, November 14, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 14th day of November, 2023.


407A274F0DA0468...

Signature

EXHIBIT A

BUDGET DOCUMENT

BUDGET MESSAGE

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,836,877	\$ 1,388,647	\$ 1,214,930
REVENUES			
Property taxes	1,162,111	1,131,630	849,682
Specific ownership taxes	73,379	67,898	50,981
Interest income	35,374	90,120	51,000
Other revenue	1,374	-	-
Bond proceeds	3,456,000	-	-
Total revenues	<u>4,728,238</u>	<u>1,289,648</u>	<u>951,663</u>
Total funds available	<u>6,565,115</u>	<u>2,678,295</u>	<u>2,166,593</u>
EXPENDITURES			
General Fund	635,050	405,466	632,006
Debt Service Fund	4,541,418	1,057,899	525,760
Total expenditures	<u>5,176,468</u>	<u>1,463,365</u>	<u>1,157,766</u>
Total expenditures and transfers out requiring appropriation	<u>5,176,468</u>	<u>1,463,365</u>	<u>1,157,766</u>
ENDING FUND BALANCES	<u>\$ 1,388,647</u>	<u>\$ 1,214,930</u>	<u>\$ 1,008,827</u>
EMERGENCY RESERVE AVAILABLE FOR OPERATIONS	\$ 11,600	\$ 13,000	\$ 11,300
TOTAL RESERVE	<u>\$ 1,021,716</u>	<u>\$ 1,047,082</u>	<u>\$ 792,745</u>
	<u>\$ 1,033,316</u>	<u>\$ 1,060,082</u>	<u>\$ 804,045</u>

No assurance provided. See summary of significant assumptions.

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
ASSESSED VALUATION			
Residential single-family	\$ 69,776,495	\$ 62,079,609	\$ 78,477,814
Residential multi-family	-	5,657,600	6,428,349
State assessed	476,860	688,720	1,051,500
Vacant land	145	145	-
Personal property	177,529	157,398	164,421
Other	172	172	165
	<u>70,431,201</u>	<u>68,583,644</u>	<u>86,122,249</u>
Adjustments	-	-	-
Certified Assessed Value	<u>\$ 70,431,201</u>	<u>\$ 68,583,644</u>	<u>\$ 86,122,249</u>
MILL LEVY			
General	3.904	4.000	3.193
Debt Service	12.596	12.500	6.673
Total mill levy	<u>16.500</u>	<u>16.500</u>	<u>9.866</u>
PROPERTY TAXES			
General	\$ 274,963	\$ 274,335	\$ 274,988
Debt Service	887,151	857,296	574,694
Levied property taxes	<u>1,162,114</u>	<u>1,131,631</u>	<u>849,682</u>
Adjustments to actual/rounding	(3)	-	-
Budgeted property taxes	<u>\$ 1,162,111</u>	<u>\$ 1,131,631</u>	<u>\$ 849,682</u>
BUDGETED PROPERTY TAXES			
General	<u>\$ 274,963</u>	<u>\$ 274,334</u>	<u>\$ 274,988</u>
Debt Service	<u>887,148</u>	<u>857,296</u>	<u>574,694</u>
	<u>\$ 1,162,111</u>	<u>\$ 1,131,630</u>	<u>\$ 849,682</u>

No assurance provided. See summary of significant assumptions.

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,283,698	\$ 1,033,316	\$ 1,060,082
REVENUES			
Property taxes	274,963	274,334	274,988
Specific ownership taxes	73,379	67,898	50,981
Interest income	34,952	90,000	50,000
Other revenue	1,374	-	-
Total revenues	<u>384,668</u>	<u>432,232</u>	<u>375,969</u>
Total funds available	<u>1,668,366</u>	<u>1,465,548</u>	<u>1,436,051</u>
EXPENDITURES			
General and administrative			
Accounting	25,794	30,000	33,000
Auditing	4,700	4,900	5,200
County Treasurer's fee	4,126	4,115	4,125
Directors' fees	3,000	3,000	3,000
District management	33,825	35,000	38,000
Dues and membership	698	717	900
Insurance	9,987	10,804	11,500
Engineering	-	9,450	-
Legal	16,911	12,000	13,000
Miscellaneous	2,466	500	100
Payroll taxes	275	230	230
Election	54,464	4,000	-
Contingency	-	-	21,951
Operations and maintenance			
Annual flowers	21,400	23,750	25,000
Fence	207,539	-	-
Irrigation repairs	7,027	5,000	8,000
Landscape - trees	27,071	17,000	20,000
Landscape contract	36,300	38,000	40,000
Landscape maintenance - medians	-	6,000	12,000
Landscaping	6,037	26,000	30,000
Park improvements	-	5,000	1,000
Playground improvements	-	150,000	350,000
Playground maintenance	173,185	10,000	10,000
Repairs and maintenance	245	10,000	5,000
Total expenditures	<u>635,050</u>	<u>405,466</u>	<u>632,006</u>
Total expenditures and transfers out requiring appropriation	<u>635,050</u>	<u>405,466</u>	<u>632,006</u>
ENDING FUND BALANCES	<u>\$ 1,033,316</u>	<u>\$ 1,060,082</u>	<u>\$ 804,045</u>
EMERGENCY RESERVE	\$ 11,600	\$ 13,000	\$ 11,300
AVAILABLE FOR OPERATIONS	<u>1,021,716</u>	<u>1,047,082</u>	<u>792,745</u>
TOTAL RESERVE	<u>\$ 1,033,316</u>	<u>\$ 1,060,082</u>	<u>\$ 804,045</u>

No assurance provided. See summary of significant assumptions.

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/4/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 553,179	\$ 355,331	\$ 154,848
REVENUES			
Property taxes	887,148	857,296	574,694
Interest income	422	120	1,000
Bond proceeds	3,456,000	-	-
Total revenues	<u>4,343,570</u>	<u>857,416</u>	<u>575,694</u>
Total funds available	<u>4,896,749</u>	<u>1,212,747</u>	<u>730,542</u>
EXPENDITURES			
County Treasurer's fee	13,314	12,859	8,620
Paying agent fees	200	400	2,500
Bond interest	41,904	44,640	29,640
Bond principal	480,000	1,000,000	485,000
Payment to Refunding Escrow	3,899,586	-	-
Bond issue costs	106,414	-	-
Total expenditures	<u>4,541,418</u>	<u>1,057,899</u>	<u>525,760</u>
Total expenditures and transfers out requiring appropriation	<u>4,541,418</u>	<u>1,057,899</u>	<u>525,760</u>
ENDING FUND BALANCES	<u>\$ 355,331</u>	<u>\$ 154,848</u>	<u>\$ 204,782</u>

No assurance provided. See summary of significant assumptions.

EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
2024 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 October 14, 1994, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Arapahoe County, Colorado.

The District was established to provide financing for the design, acquisition, installation, construction and operation of public improvements, including water, sanitary, streets, safety protection and park and recreation improvements and services for the District and to the District's service area.

On November 8, 1994, the District's electors authorized the issuance of indebtedness in an amount of \$10,000,000 at an interest rate not to exceed 18% per annum. The District has no authorized but unissued debt remaining. Per the Service Plan, the District is limited to issuing \$10,000,000 in debt. Also, on November 8, 1994, a majority of the District's electors authorized the District to collect and spend or retain in reserve \$275,000 annually in taxes generated by the certification of an operating mill levy not to exceed 25 mills commencing in 1995 and all subsequent years without any limitations under TABOR.

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 difference 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 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 using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			Oil & Gas Production	87.50%			

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 budget assumes that the District's share will be equal to approximately 6.00% of the property taxes collected. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The District allocates all of its specific ownership taxes to the General Fund.

Net Investment Income

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

Expenditures

General and Administrative

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, general engineering, meeting expense, and other administrative expenditures.

Operations and Maintenance

Operations and maintenance expenditures include the estimates for projects such as: annual flowers, repairs and maintenance, landscaping maintenance and improvements, and playground maintenance and improvements.

Debt Service

Interest and principal payments are provided based on the debt amortization schedule from the Series 2022 General Obligation Refunding Bonds (discussed under Debt and Leases).

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On February 10, 2022, the District issued \$3,456,000 in Series 2022 General Obligation Refunding Bonds with interest of 1.50%, consisting of bonds due through December 1, 2028.

The bonds are secured by and payable from ad valorem property taxes to be levied on all taxable property in the District without limitation as to rate and in amounts sufficient, when combined with other legally available moneys of the District, if any, to pay the principal of and interest on the Series 2022 Bonds when due.

The District has no capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.

**EAST SMOKY HILL METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$3,456,000
General Obligation Refunding Bonds
Series 2022
Dated February 10, 2022
Interest Rate 1.50%
Principal Due December 1
Interest Due June 1 and December 1

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	485,000	29,640	514,640
2025	492,000	22,365	514,365
2026	499,000	14,965	513,965
2027	500,000	7,500	507,500
	-		-
Total	<u>\$ 1,976,000</u>	<u>\$ 74,470</u>	<u>\$ 2,050,470</u>

No assurance provided. See summary of significant assumptions.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the East Smoky Hill Metropolitan District No. 2

the Board of Directors (taxing entity)^A

of the East Smoky Hill Metropolitan District No. 2

(governing body)^B
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 86,122,249
(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 86,122,249
(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 01/10/24 for budget/fiscal year 2024
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>3.193</u> mills	\$ <u>274,988</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u>0.000</u> > mills	\$ < <u>0</u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>3.193</u> mills	\$ <u>274,988</u>
3. General Obligation Bonds and Interest ^J	<u>6.673</u> mills	\$ <u>574,694</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>9.866</u> mills	\$ <u>849,682</u>

Contact person: Jason Carroll Phone: (303) 779-5710
Signed:  Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|------------------------------|
| 1. | Purpose of Issue: | General Obligation Refunding |
| | Series: | 2022 |
| | Date of Issue: | 02/10/2022 |
| | Coupon Rate: | 1.50% |
| | Maturity Date: | 12/01/2028 |
| | Levy: | 6.673 |
| | Revenue: | \$ 574,694 |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.