

SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 738,878	\$ 1,107,994	\$ 1,313,184
REVENUES			
Property taxes	56,151	57,411	52,090
Specific ownership taxes	131,068	82,000	76,305
Interest Income	72,676	60,025	50,050
Other Revenue	8,023	115	-
TIF Revenue	1,806,466	1,760,000	1,627,129
Total revenues	<u>2,074,384</u>	<u>1,959,551</u>	<u>1,805,574</u>
Total funds available	<u>2,813,262</u>	<u>3,067,545</u>	<u>3,118,758</u>
EXPENDITURES			
General Fund	505,961	549,561	734,000
Debt Service Fund	1,199,307	1,204,800	1,224,839
Total expenditures	<u>1,705,268</u>	<u>1,754,361</u>	<u>1,958,839</u>
Total expenditures and transfers out requiring appropriation	<u>1,705,268</u>	<u>1,754,361</u>	<u>1,958,839</u>
ENDING FUND BALANCES	<u>\$ 1,107,994</u>	<u>\$ 1,313,184</u>	<u>\$ 1,159,919</u>
EMERGENCY RESERVE	\$ 22,100	\$ 21,500	\$ 20,100
CAPITAL RESERVE	220,000	255,000	285,000
AVAILABLE FOR OPERATIONS	133,435	263,483	169,643
TOTAL RESERVE	<u>\$ 375,535</u>	<u>\$ 539,983</u>	<u>\$ 474,743</u>

See summary of significant assumptions.

SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	\$ 38,653,450	\$ 37,370,430	\$ 32,460,120
Commercial	9,068,460	9,767,180	10,158,920
State assessed	948,980	294,700	293,520
Personal property	1,315,400	1,168,450	1,194,580
	<u>49,986,290</u>	<u>48,600,760</u>	<u>44,107,140</u>
Adjustments	(48,510,931)	(47,107,416)	(42,752,167)
Certified Assessed Value	<u>\$ 1,475,359</u>	<u>\$ 1,493,344</u>	<u>\$ 1,354,973</u>
MILL LEVY			
General	14.000	14.644	14.644
Debt Service	24.444	23.800	23.800
Total mill levy	<u>38.444</u>	<u>38.444</u>	<u>38.444</u>
PROPERTY TAXES			
General	\$ 20,655	\$ 21,869	\$ 19,842
Debt Service	36,064	35,542	32,248
	<u>56,719</u>	<u>57,411</u>	<u>52,090</u>
Levied property taxes	56,719	57,411	52,090
Adjustments to actual/rounding	(568)	-	-
Budgeted property taxes	<u>\$ 56,151</u>	<u>\$ 57,411</u>	<u>\$ 52,090</u>
BUDGETED PROPERTY TAXES			
General	\$ 20,448	\$ 21,869	\$ 19,842
Debt Service	35,703	35,542	32,248
	<u>\$ 56,151</u>	<u>\$ 57,411</u>	<u>\$ 52,090</u>

See summary of significant assumptions.

SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 147,427	\$ 375,535	\$ 539,983
REVENUES			
Property Taxes	20,448	21,869	19,842
Specific Ownership Taxes	47,730	32,000	29,066
TIF Revenue	657,854	660,000	619,802
Interest Income	14	25	50
Other Revenue	8,023	115	-
Total revenues	734,069	714,009	668,760
Total funds available	881,496	1,089,544	1,208,743
EXPENDITURES			
General and administrative			
Accounting	40,104	42,000	42,000
Auditing	5,500	7,000	7,200
County Treasurer's Fee	205	2,300	198
District Management	103,036	82,000	85,000
Dues And Membership	711	703	850
Election	158	493	250
Insurance	7,402	8,922	10,000
Legal	27,201	24,000	25,000
Miscellaneous	1,072	2,012	1,200
Contingency	-	-	7,702
Operations and maintenance			
CDS Vault Maintenance	19,433	22,160	22,000
Denver Special District Fee	6,000	3,000	3,000
Electricity	1,482	757	1,600
Engineering	2,048	2,000	8,000
Holiday Lighting	-	5,000	11,000
Irrigation	11,978	5,214	12,000
Irrigation Repairs	-	2,500	13,000
Landscaping	95,937	70,000	83,000
Landscape Improvements	-	150,000	210,000
Pet Station Services	-	42,000	42,000
Repairs And Maintenance	1,150	7,500	45,000
Security	774	24,000	24,000
Snow Removal	15,615	16,000	20,000
Streetscape/Plaza/PDL Maintenance	166,155	30,000	60,000
Total expenditures	505,961	549,561	734,000
Total expenditures and transfers out requiring appropriation	505,961	549,561	734,000
ENDING FUND BALANCES	\$ 375,535	\$ 539,983	\$ 474,743
EMERGENCY RESERVE	\$ 22,100	\$ 21,500	\$ 20,100
CAPITAL RESERVE	220,000	255,000	285,000
AVAILABLE FOR OPERATIONS	133,435	263,483	169,643
TOTAL RESERVE	\$ 375,535	\$ 539,983	\$ 474,743

See summary of significant assumptions.

SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 591,451	\$ 732,459	\$ 773,201
REVENUES			
Property Taxes	35,703	35,542	32,248
Specific Ownership Taxes	83,338	50,000	47,239
TIF Revenue	1,148,612	1,100,000	1,007,327
Interest Income	72,662	60,000	50,000
Total revenues	<u>1,340,315</u>	<u>1,245,542</u>	<u>1,136,814</u>
Total funds available	<u>1,931,766</u>	<u>1,978,001</u>	<u>1,910,015</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	357	3,600	322
Paying Agent Fees	3,000	3,000	3,000
Contingency	-	-	2,067
Debt Service			
Bond Interest	840,950	823,200	804,450
Bond Principal	355,000	375,000	415,000
Total expenditures	<u>1,199,307</u>	<u>1,204,800</u>	<u>1,224,839</u>
Total expenditures and transfers out requiring appropriation	<u>1,199,307</u>	<u>1,204,800</u>	<u>1,224,839</u>
ENDING FUND BALANCES	<u>\$ 732,459</u>	<u>\$ 773,201</u>	<u>\$ 685,176</u>

See summary of significant assumptions.

SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the City and County of Denver, Colorado on January 16, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City and County of Denver on August 5, 2013. The District's service area is located entirely within the City and County of Denver, Colorado.

On November 5, 2013, the District's voters authorized total indebtedness of \$50,000,000 for each of the following listed facilities; street improvements, water, storm or sanitary sewer, parks and recreation, traffic and safety control, mosquito control, public transportation, and operations and maintenance. Voters also authorized indebtedness of \$50,000,000 for refunding of debt and \$50,000,000 for intergovernmental contracts. Pursuant to the Service Plan, each District shall not issue debt in an aggregate amount in excess of \$50,000,000. Additionally, the maximum debt mill levy is 50.000 mills as adjusted. The election also approved an annual increase in ad valorem property taxes of \$50,000,000 and an increase in fees of \$50,000,000 to pay the District's operation and maintenance costs. The electors further authorized an increase in fees of \$50,000,000 to pay expenses pursuant to intergovernmental agreements.

The District has no employees and all 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.

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.

**SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (Continued)

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 4.50% of the property taxes collected by the District and by DURA.

TIF Revenue from DURA

Pursuant to a cooperation agreement with Denver Urban Renewal Authority ("DURA"), DURA remits the portion of revenues which it receives as a result of Tax Increment Revenues attributable to the District's current mill levy to the District.

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.00% of property tax collections.

Debt Service

Principal and interest payments in 2026 are provided based on the attached debt amortization schedule of the 2019 Loan.

SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

The District issued the Bonds on December 10, 2019, in the amount of \$22,815,000. Proceeds from the sale of the Bonds were used for the purposes of (a) refunding in full the District's 2016 Loan, (b) paying a portion of the costs of capital infrastructure improvements, (c) funding capitalized interest, (d) funding the Reserve Fund, and (e) paying the costs of issuing the Bonds.

The Bonds bear interest at rates ranging from 3.00% to 5.00% and are payable semiannually on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Bonds mature on December 1, 2049.

The Bonds are subject to redemption prior to maturity at the option of the District on any date, on and after December 1, 2029, in whole or in part, upon payment of a redemption price equal to the principal amount of Bonds to be redeemed, plus interest accrued to the redemption date.

To the extent principal of any bond is not paid when due, such principal shall remain outstanding and continue to bear interest until paid. To the extent interest on any bond is not paid when due, such interest shall compound semiannually on each June 1 and December 1 at the rate borne by the Bond. The District shall not be obligated to pay more than the amount permitted by law and the District's electoral authorization in repayment of the Bonds.

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue, consisting of (a) Property Tax Revenue, (b) Specific Ownership Tax Revenue, and (c) any other legally available moneys that the District determines, in its absolute discretion, to credit to the Revenue Fund.

The District has covenanted to levy the Required Mill Levy upon all property subject to taxation by the District in an amount sufficient to pay the principal of, premium if any, and interest on the Bonds as the same become due and payable, but not in excess of 50.000 mills as adjusted for changes in the method of calculating assessed valuation after January 1, 2013. An increase or decrease to the Required Mill Levy is to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. The District certified 23.800 mills as the Required Mill Levy for 2025 (collection year 2026).

The Bonds are further secured by the Reserve Fund in the amount of the Reserve Requirement of \$1,517,000. The Reserve Fund is funded with a surety policy issued by Assured Guaranty Municipal Corp., a New York stock insurance company ("AGM").

AGM also issued its Municipal Bond Insurance Policy for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds.

The District also receives incremental property taxes from DURA which are pledged to the payment of the Bonds.

The District has no operating or capital leases.

**SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
2026 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of fiscal year spending.

This information is an integral part of the accompanying budget.

**SOUTH SLOAN'S LAKE METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

Bonds and Interest Maturing in the Year Ending December 31,	Limited Tax General Obligation Bonds		
	Initial Funded Amount		
	\$22,815,000		
	Interest Rate of 3.00 - 5.00%		
	Payable June 1 and December 1		
	Principal Due December 1		
	Principal	Interest	Total
2026	\$ 415,000	\$ 804,450	\$ 1,219,450
2027	435,000	783,700	1,218,700
2028	485,000	761,950	1,246,950
2029	505,000	737,700	1,242,700
2030	555,000	712,450	1,267,450
2031	580,000	690,250	1,270,250
2032	630,000	667,050	1,297,050
2033	655,000	641,850	1,296,850
2034	705,000	615,650	1,320,650
2035	735,000	587,450	1,322,450
2036	790,000	558,050	1,348,050
2037	820,000	526,450	1,346,450
2038	880,000	493,650	1,373,650
2039	915,000	458,450	1,373,450
2040	980,000	421,850	1,401,850
2041	1,020,000	382,650	1,402,650
2042	1,085,000	341,850	1,426,850
2043	1,130,000	298,450	1,428,450
2044	1,205,000	253,250	1,458,250
2045	1,255,000	205,050	1,460,050
2046	1,320,000	167,400	1,487,400
2047	1,360,000	127,800	1,487,800
2048	1,430,000	87,000	1,517,000
2049	1,470,000	44,100	1,514,100
	\$ 21,360,000	\$ 11,368,500	\$ 32,728,500

See summary of significant assumptions.