

**SWEETGRASS METROPOLITAN DISTRICT NO. 2  
GOVERNMENTAL FUND**

	2019	2020		2021 BUDGET		
	Actual Final	Original Budget	Projected Final	General Fund Budget	Debt Service Budget	Total Budget
<b>REVENUE</b>						
Taxes						
Property	\$ 521,871	\$ 592,077	\$ 592,072	\$ 125,674	\$ 502,674	\$ 628,348
Specific ownership	35,059	39,965	28,103	7,540	30,160	37,701
TIF	1	-	2	1	3	4
Intergovernmental						
Transfers from Sweetgrass MD No. 1	18,448	22,300	29,796	27,800	-	27,800
Transfers from Sweetgrass MD No. 3	-	-	-	-	-	-
Investment income	2,675	-	130	-	-	-
Other	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 578,054</b>	<b>\$ 654,342</b>	<b>\$ 650,104</b>	<b>\$ 161,015</b>	<b>\$ 532,837</b>	<b>\$ 693,852</b>
<b>EXPENDITURES</b>						
Current						
County Treasurer's fees	7,829	8,881	8,882	1,885	7,540	9,425
Insurance	2,202	2,800	2,695	2,800	-	2,800
Accounting	-	-	6,229	5,000	-	5,000
Audit	8,670	9,500	9,555	10,000	-	10,000
Legal	-	-	-	5,000	-	5,000
Director fees	-	-	-	-	-	-
Other	28	10,000	1,074	5,000	-	5,000
<b>Subtotal current</b>	<b>18,729</b>	<b>31,181</b>	<b>28,434</b>	<b>29,685</b>	<b>7,540</b>	<b>37,225</b>
Capital outlay						
Work in process	-	-	-	-	-	-
<b>Subtotal capital outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Intergovernmental						
Transfers to Sweetgrass MD No. 1	150,000	-	332,866	200,000	-	200,000
Transfers to Sweetgrass MD No. 3	-	-	-	-	-	-
<b>Subtotal intergovernmental</b>	<b>150,000</b>	<b>-</b>	<b>332,866</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>
Debt Service						
Loan origination fees / bond counsel	-	20,000	-	18,000	-	18,000
Non-use fees	34,931	21,139	25,417	4,767	19,140	23,907
Custodial / trustee fees	5,000	5,000	5,000	-	-	-
Principal						
2018A Limited Tax General Obligation Note	61,000	140,000	140,000	-	160,000	160,000
2018B Limited Tax General Obligation Note	-	-	-	-	-	-
2018C Subordinate Limited Tax Revenue Bond	-	1,420,602	-	-	-	-
Interest						
2018A Limited Tax General Obligation Note	330,669	329,580	329,546	-	324,002	324,002
2018B Limited Tax General Obligation Note	-	7,807	-	-	24,083	24,083
2018C Subordinate Limited Tax Revenue Bond	-	579,398	-	1,506,951	-	1,506,951
<b>Subtotal debt service</b>	<b>431,599</b>	<b>2,523,525</b>	<b>499,962</b>	<b>1,529,718</b>	<b>527,225</b>	<b>2,056,943</b>
<b>Total expenditures</b>	<b>\$ 600,329</b>	<b>\$ 2,554,706</b>	<b>\$ 861,262</b>	<b>\$ 1,759,403</b>	<b>\$ 534,765</b>	<b>\$ 2,294,169</b>
<b>(DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ (22,274)</b>	<b>\$ (1,900,364)</b>	<b>\$ (211,158)</b>	<b>\$ (1,598,388)</b>	<b>\$ (1,928)</b>	<b>\$ (1,600,316)</b>
<b>OTHER FINANCING SOURCES</b>						
Debt proceeds	-	2,000,000	182,500	1,800,000	-	1,800,000
Developer Advances received	-	-	-	-	-	-
Change in working capital	(664)	-	(2,368)	-	-	-
<b>Total other financing sources</b>	<b>\$ (664)</b>	<b>\$ 2,000,000</b>	<b>\$ 180,132</b>	<b>\$ 1,800,000</b>	<b>\$ -</b>	<b>\$ 1,800,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(22,938)</b>	<b>99,636</b>	<b>(31,027)</b>	<b>201,612</b>	<b>(1,928)</b>	<b>199,684</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>56,089</b>	<b>33,150</b>	<b>33,150</b>	<b>195</b>	<b>1,928</b>	<b>2,124</b>
<b>FUND BALANCE - END OF CURRENT PERIOD</b>	<b>\$ 33,150</b>	<b>\$ 132,786</b>	<b>\$ 2,124</b>	<b>\$ 201,807</b>	<b>\$ 0</b>	<b>\$ 201,807</b>

## **SWEETGRASS METROPOLITAN DISTRICT NO. 2**

### **2021 BUDGET**

#### **SUMMARY OF SIGNIFICANT ASSUMPTIONS**

##### **Services Provided**

In accordance with its Service Plan, Sweetgrass Metropolitan District No. 2 (the "District"), was formed to provide funding to Sweetgrass Metropolitan District No. 1 for the construction, operation and maintenance of public improvements within the property known as "Sweetgrass," which is located in Dacono, Colorado. Such public improvements include, but are not limited to, storm drainage, water, sewer, utilities, streets, traffic and safety controls, and parks and recreation improvements.

The Service Plan, as modified in 2009, provides the ability for the District to impose a maximum mill levy for the combined debt service and operational and maintenance requirements of the District. The Service Plan also provides limits on the issuance of general obligation debts for the District of \$31,295,000.

In 2018, the District entered into a Loan Agreement with ZB, N.A. d/b/a Vectra Bank Colorado, to obtain a \$10,000,000 Series 2018A Limited Tax General Obligation Note ("2018A Note") for the purpose of refunding certain amounts due under prior debt issuances by the District. The Loan is payable solely from ad valorem property tax revenues and specific ownership tax revenues collected by the District.

The District entered into second Loan Agreement in 2018 with ZB, N.A. d/b/a Vectra Bank Colorado, to obtain a not to exceed \$10,000,000 Series 2018B Limited Tax General Obligation Note ("2018B Note") for the purpose of funding future public improvements and refunding certain amounts due under prior debt issuances by the District. The Loan is payable solely from ad valorem property tax revenues and specific ownership tax revenues collected by the District.

Also in 2018, the District issued the Series 2018C Subordinate Limited Tax General Obligation Bond ("2018C Bond") to Dacono Development Company, Inc. (the "Developer") in a principal amount not to exceed \$11,000,000. The 2018C Bond is intended to memorialize the agreement of the Districts to repay any current and future Developer advances used for funding public capital improvements.

The District prepares its budget on the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

##### **Revenue**

###### **2018B Note Proceeds**

The District expects to receive funding of approximately \$1,800,000 under the 2018B Note in 2021, which will be used for refunding certain amounts due under the 2018C Bond.

###### **Ad Valorem Property Taxes**

The primary source of revenue for the District is property taxes. Property taxes are assessed and collected based upon the assessed value of all of the non-exempt property located within the District. The District adopts mill levies for debt service and for operations which, when combined with the District's other sources of revenue, provide sufficient resources to pay the required debt service (if any), capital purchases and the estimated costs of operations for the calendar year.

Pursuant to the Service Plan and the Gallagher Amendment, the maximum mill levy limit increased to 55.663 mills in 2020. The District adopted a mill levy of 44.530 mills for debt service and 11.133 mills for operating expenses in 2021.

The total taxable assessed valuation within the District in 2020 was \$11,288,490, an increase of \$651,750 from the 2019 valuation.

### **Specific Ownership Tax**

Specific ownership tax revenue is collected on annual motor vehicle registrations within Weld County and is distributed based upon the proportion of property taxes levied within the County during the preceding calendar year. The specific ownership tax revenue is estimated to be 6.00% of the ad valorem property taxes collected in 2021.

## **Expenditures**

### **Transfers to District No. 1**

The District projects that it will transfer approximately \$200,000 in revenue to District No. 1 in 2020 to fund operating expenses of the Districts.

### **Administrative**

Administrative expenditures have been estimated based upon the level of expenditures incurred by the District in prior years.

### **Debt Service**

The District will fund its 2021 debt service obligations under the Series 2018A Note, which includes the payment of \$160,000 in principal and \$324,002 in interest. The District also expects to pay approximately \$24,083 in interest and \$23,907 in non-use fees related to the Series 2018B Note. Additionally, the District intends to make \$1,506,951 in interest payments toward the Series 2018C Bonds.

## **Reserve Funds**

The District has provided for an emergency reserve equal to \$201,807, which is intended for use on any unanticipated expenditures in 2020. Such emergency reserve is an integral part of the Ending Fund Balance.

## **Leases**

The District has no operating or capital leases.