

SOUTHGLENN METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**SOUTHGLENN METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
For the Year Ending December 31,**

6/5/2023

	BUDGET 2023
BEGINNING FUND BALANCE	\$ -
REVENUES	
Developer advance	50,000
Total revenues	50,000
Total funds available	50,000
EXPENDITURES	
General and administrative	
Accounting	22,500
Dues and licenses	500
Insurance and bonds	2,000
Legal services	22,500
Contingency	2,500
Total expenditures	50,000
Total expenditures and transfers out requiring appropriation	50,000
ENDING FUND BALANCE	\$ -

No assurance provided. See summary of significant assumptions.

SOUTHGLENN METROPOLITAN DISTRICT NO. 2
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 by order and decree of the District Court of the County of Arapahoe on May 11, 2023, 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 of Centennial on March 7, 2023. The District's service area is located entirely within the City of Centennial, in Arapahoe County, Colorado.

The District was established to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public improvements, including but not limited to sanitation, water, streets, traffic and safety controls, park and recreation, transportation, and security.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$25 million. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

The District has no employees and all administrative functions are contractual.

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

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds or other legally available revenue.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, and insurance expense.

Debt and Leases

The District has no debt or operating or capital leases.

**SOUTHGLENN METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserves, which is equal to at least 3% of fiscal year spending. Since all funds to be received by the District are provided by the Developer, an emergency reserve is not reflected in the budget.

This information is an integral part of the accompanying budget.