

**SOUTHGLENN METROPOLITAN DISTRICT**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2024**

**SOUTHGLENN METRO DISTRICT  
SUMMARY  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 3,926,322	\$ 4,214,013	\$ 4,367,794
REVENUES			
Property taxes	1,051,061	1,063,948	1,062,555
Property Tax - CURA	5,080,134	5,031,853	5,046,070
Specific ownership taxes	181,112	189,920	160,394
CURA Sales/Use Tax	583,901	300,000	465,000
Interest income	101,239	210,000	171,000
Developer advance	441,068	517,500	517,500
Total revenues	<u>7,438,515</u>	<u>7,313,221</u>	<u>7,422,519</u>
Total funds available	<u>11,364,837</u>	<u>11,527,234</u>	<u>11,790,313</u>
EXPENDITURES			
General Fund	1,099,404	1,032,098	1,110,000
Debt Service Fund	6,051,420	6,127,342	6,270,000
Total expenditures	<u>7,150,824</u>	<u>7,159,440</u>	<u>7,380,000</u>
Total expenditures and transfers out requiring appropriation	<u>7,150,824</u>	<u>7,159,440</u>	<u>7,380,000</u>
ENDING FUND BALANCES	<u>\$ 4,214,013</u>	<u>\$ 4,367,794</u>	<u>\$ 4,410,313</u>
EMERGENCY RESERVE	\$ 21,800	\$ 16,800	\$ 16,600
GENERAL RESERVE	500,000	500,000	500,000
AVAILABLE FOR OPERATIONS	1,279	51,031	9,547
DEBT SERVICE RESERVE FUND 2016	3,408,000	3,408,000	3,408,000
RATE STABILIZATION FUND 2016	282,934	300,000	300,000
DESIGNATED FOR DEBT SERVICE	-	91,963	176,166
TOTAL RESERVE	<u>\$ 4,214,013</u>	<u>\$ 4,367,794</u>	<u>\$ 4,410,313</u>

No assurance provided. See summary of significant assumptions.

**SOUTHGLENN METRO DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
<b>ASSESSED VALUATION - ARAPAHOE</b>			
Residential - Multi Family	\$ 4,592,875	\$ 4,368,048	\$ 4,871,235
Commercial	41,290,059	40,307,683	39,518,678
State assessed	142,210	159,350	163,550
Vacant land	580	580	560
	<u>46,025,724</u>	<u>44,835,661</u>	<u>44,554,023</u>
Adjustments	(27,977,119)	(27,128,249)	(26,844,766)
Certified Assessed Value	<u>\$ 18,048,605</u>	<u>\$ 17,707,412</u>	<u>\$ 17,709,257</u>
<b>MILL LEVY</b>			
General	16.000	12.000	12.000
Debt Service	44.000	48.000	48.000
Total mill levy	<u>60.000</u>	<u>60.000</u>	<u>60.000</u>
<b>PROPERTY TAXES</b>			
General	\$ 288,778	\$ 212,489	\$ 212,511
Debt Service	794,138	849,956	850,044
Levied property taxes	1,082,916	1,062,445	1,062,555
Adjustments to actual/rounding	(7,684)	-	-
Refunds and abatements	(24,171)	6,024	-
Budgeted property taxes	<u>\$ 1,051,061</u>	<u>\$ 1,068,469</u>	<u>\$ 1,062,555</u>
<b>ASSESSED VALUATION</b>			
TIF Increment in District	\$ 27,977,119	\$ 27,128,249	\$ 26,844,766
TIF Increment Not in District	5,946,707	5,367,225	4,996,577
Total Increment Assessed Value	<u>\$ 33,923,826</u>	<u>\$ 32,495,474</u>	<u>\$ 31,841,343</u>
<b>MILL LEVY</b>			
General	16.000	12.000	12.000
Debt Service	44.000	48.000	48.000
CURA Debt Service	107.135	107.116	110.304
Total mill levy	<u>167.135</u>	<u>167.116</u>	<u>170.304</u>
<b>CURA PROPERTY TAXES (LESS 1.50% TREASURER FEE)</b>			
General in District	\$ 440,919	\$ 320,656	\$ 317,305
Debt Service in District	1,212,528	1,282,624	1,269,221
CURA Debt Service	3,579,913	3,428,573	3,459,544
Levied property taxes	5,233,360	5,031,853	5,046,070
Adjustments to actual/rounding	(41,517)	9,336	-
Refunds and abatements	(111,708)	(6,690)	-
Budgeted property taxes	<u>\$ 5,080,135</u>	<u>\$ 5,034,499</u>	<u>\$ 5,046,070</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 280,283	\$ 213,694	\$ 212,511
Debt Service	770,778	854,775	850,044
General - CURA	428,009	320,656	317,305
Debt Service - CURA	4,652,125	4,711,197	4,728,765
Total Budgeted Property Taxes	<u>\$ 6,131,195</u>	<u>\$ 6,100,322</u>	<u>\$ 6,108,625</u>

No assurance provided. See summary of significant assumptions.

**SOUTHGLENN METRO DISTRICT  
GENERAL FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 457,966	\$ 523,079	\$ 567,831
REVENUES			
Property taxes	280,318	213,694	212,511
Property Tax - CURA	428,009	320,656	317,305
Interest income	15,122	25,000	21,000
Developer advance	441,068	517,500	517,500
Total revenues	1,164,517	1,076,850	1,068,316
Total funds available	1,622,483	1,599,929	1,636,147
EXPENDITURES			
General and administrative			
Accounting	28,371	50,000	50,000
Auditing	6,900	7,600	7,500
County Treasurer's fee	4,223	3,205	3,188
Dues and membership	1,119	983	2,500
Insurance	34,758	40,000	40,000
District management	7,234	15,000	25,000
Legal	17,408	15,000	30,000
Miscellaneous	99	-	1,000
Stormwater fees	5,494	5,630	6,000
Election	2,730	2,180	-
Repay developer advance	550,000	375,000	425,000
Management fee (3.5%)	14,915	17,500	17,500
Reimbursement per management agreeme	426,153	500,000	500,000
Contingency	-	-	2,312
Total expenditures	1,099,404	1,032,098	1,110,000
Total expenditures and transfers out requiring appropriation	1,099,404	1,032,098	1,110,000
ENDING FUND BALANCES	\$ 523,079	\$ 567,831	\$ 526,147
EMERGENCY RESERVE	\$ 21,800	\$ 16,800	\$ 16,600
GENERAL RESERVE	500,000	500,000	500,000
AVAILABLE FOR OPERATIONS	1,279	51,031	9,547
TOTAL RESERVE	\$ 523,079	\$ 567,831	\$ 526,147

No assurance provided. See summary of significant assumptions.

**SOUTHGLENN METRO DISTRICT  
DEBT SERVICE FUND  
2024 BUDGET  
WITH 2022 ACTUAL AND 2023 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 3,468,356	\$ 3,690,934	\$ 3,799,963
REVENUES			
Property taxes	770,743	850,254	850,044
Property Tax - CURA	4,652,125	4,711,197	4,728,765
Specific ownership taxes	181,112	189,920	160,394
CURA Sales/Use Tax	583,901	300,000	465,000
Interest income	86,117	185,000	150,000
Total revenues	<u>6,273,998</u>	<u>6,236,371</u>	<u>6,354,203</u>
Total funds available	<u>9,742,354</u>	<u>9,927,305</u>	<u>10,154,166</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	11,612	12,842	12,751
Paying agent fees	3,500	3,500	3,500
Contingency	-	-	2,024
Debt Service			
Bond interest	2,904,675	2,796,000	2,681,725
Bond principal	3,105,000	3,265,000	3,520,000
CURA fees	26,633	50,000	50,000
Total expenditures	<u>6,051,420</u>	<u>6,127,342</u>	<u>6,270,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,051,420</u>	<u>6,127,342</u>	<u>6,270,000</u>
ENDING FUND BALANCES	<u>\$ 3,690,934</u>	<u>\$ 3,799,963</u>	<u>\$ 3,884,166</u>
DEBT SERVICE RESERVE FUND 2016	\$ 3,408,000	\$ 3,408,000	\$ 3,408,000
RATE STABILIZATION FUND 2016	282,934	300,000	300,000
DESIGNATED FOR DEBT SERVICE	-	91,963	176,166
TOTAL RESERVE	<u>\$ 3,690,934</u>	<u>\$ 3,799,963</u>	<u>\$ 3,884,166</u>

No assurance provided. See summary of significant assumptions.

**SOUTHGLENN METROPOLITAN DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Southglenn Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized by order and decree of the District Court of Arapahoe County on November 23, 2005, 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 September 19, 2005. The District's service area is located entirely within the City of Centennial, Arapahoe County, Colorado. The District was established to provide financing for the design, acquisition, installation and construction of water, streets, traffic and safety controls, parks and recreation, sewer and drainage facilities, mosquito control, public transportation systems, television relay, security services and operation and maintenance of the District.

District voters approved authorization to increase property tax up to \$1,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$670,500,000 for the above listed facilities, \$85,000,000 for refunding debt. The voters also authorized debt of \$5,000,000 for the cost of operating and maintaining the District's systems and \$85,000,000 for construction management. Additionally, amounts were authorized for an intergovernmental contract of \$85,000,000, reimbursement agreement of \$85,000,000 and mortgages of \$85,000,000. The election also provided for intergovernmental agreements as multi-fiscal year obligations and allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law. However, within the service plan for the District, the total debt that the District is permitted to issue shall not exceed \$85,000,000 from the imposition of mill levy, fees, and revenues.

On November 8, 2016, District voters approved authorization to increase property tax up to \$2,500,000 annually to pay the District's administration, covenant enforcement, design review, operations, maintenance, and other similar expenses. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law.

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.

**SOUTHGLENN METROPOLITAN DISTRICT  
2024 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 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:

<b>Category</b>	<b>Rate</b>		<b>Category</b>	<b>Rate</b>	<b>Actual Value Reduction</b>	<b>Amount</b>
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%		

**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. Pursuant to the Series 2016 Special Revenue Refunding Bonds, specific ownership taxes are pledged to the payment of the principal and interest on the bonds. Therefore, all specific ownership taxes are reported in the Debt Service Fund. On the first day of each bond year, the specific ownership taxes collected by the District in the immediately preceding bond year not utilized for payment of the Bonds shall be available to the District for any lawful purpose. The budget assumes that the District’s share will be equal to approximately 6% of the property taxes collected.

**SOUTHGLENN METROPOLITAN DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

**Maintenance Advances**

On October 25, 2011, the District entered into an Operations and Maintenance Agreement with Southglenn Property Holdings, LLC (the Manager) to provide services related to maintenance, repair, restoration (and replacement of), and insurance and indemnities in connection with the Commons Area in the shopping center commonly known as "The Streets at Southglenn". The District agreed to reimburse the Manager for all expenses incurred in connection with the provision of services, provided that anticipated costs are approved by the District in the annual budget. Any unpaid maintenance advances shall continue to accrue, at 6% simple interest, and may be paid to the Manager in future years as funds become available. Furthermore, the District agreed to repay the Manager the principal first, then interest.

On December 22, 2017, a Letter of Assignment was executed by Southglenn Property Holdings, LLC directing all future payments to Alberta Shopping Center Management, LLC.

**Centennial Urban Renewal Authority (CURA) Agreement – Property & Sales Taxes**

Based on a sales tax sharing agreement between CURA and the District, CURA will remit to the District 76% of the 2.5% Sales Tax Increment received above the \$1,937,569 tax base. CURA has also pledged 100% of the Debt Service property taxes collected within the District and Debt Service related property taxes collected within the CURA boundary to the District for payment of the bonds. The payments will flow from CURA to the District until the District has paid off its outstanding bonds or 25 years, whichever occurs first.

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating 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, insurance and other administrative expenses. Additionally, included in this amount are costs related to landscaping, snow removal, utilities, etc., paid for by the developer and reimbursed pursuant to a management agreement by the District.

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Special Revenue Refunding Bonds, Series 2016 (discussed under Debt and Leases). The District's current debt service schedule is attached.

**SOUTHGLENN METROPOLITAN DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures - (continued)**

**Repayment of Developer Advances**

On May 22, 2009, the District entered into a Reimbursement Agreement to repay advances made by AW Southglenn, LLC (the Developer) for costs related to the provision of public infrastructure in the nature of capital costs. The District agreed to repay the Developer for such advances plus accrued interest at a rate of 7% simple interest per annum for all advances. Furthermore, the District agreed to repay the Developer principal first, and the then interest. The District is to reimburse the Developer at such time that the District has the funds available from any legally available monies.

On December 22, 2017, a Letter of Assignment was executed by AW Southglenn, LLC directing all future payments to Alberta Shopping Center Management, LLC.

	<b>Balance at December 31, 2022</b>	<b>Additions*</b>	<b>Payments*</b>	<b>Balance at December 31, 2023</b>
Developer advance payable	\$ 2,766,503	\$ 500,000	375,000	\$ 2,891,503
Accrued interest on advances	4,251,177	186,207	-	4,437,384
	<b>\$ 7,017,680</b>	<b>\$ 686,207</b>	<b>\$ 375,000</b>	<b>\$ 7,328,887</b>
	<b>Balance at December 31, 2023</b>	<b>Additions*</b>	<b>Payments*</b>	<b>Balance at December 31, 2024</b>
Developer advance payable	\$ 2,891,503	\$ 500,000	425,000	\$ 2,966,503
Accrued interest on advances	4,437,384	193,573	-	4,630,957
	<b>\$ 7,328,887</b>	<b>\$ 693,573</b>	<b>\$ 425,000</b>	<b>\$ 7,597,460</b>
*Estimated amounts				

**Debt and Leases**

**2016 Special Revenue Refunding Bonds**

On September 22, 2016 the District issued Special Revenue Refunding Bonds in the amount of \$76,170,000 for the purpose of (i) paying the costs of refunding the outstanding Subordinate Convertible Capital Appreciation Special Revenue Bonds, Series 2008; (ii) paying the costs of refunding the outstanding Tax Supported Revenue Refunding Loan 2014; (iii) repaying developer capital advances; (iv) funding the Reserve Fund; and, (v) paying the costs in connection with the issuance of the Bonds. The Bonds have interest rates ranging from 3.00-5.00% payable semi-annually on each June 1 and December 1, beginning on December 1, 2016. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2017. The Bonds mature on December 1, 2046, and are subject to optional redemption on December 1, 2021, and on any date thereafter, upon payment of par and accrued interest, at the following price.

<u>Redemption Date</u>	<u>Redemption Premium</u>
December 1, 2021 through November 30, 2022	103%
December 1, 2022 through November 30, 2023	102%
December 1, 2023 through November 30, 2024	101%
December 1, 2024 and thereafter	100%

**SOUTHGLENN METROPOLITAN DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

The Bonds are also subject to extraordinary mandatory redemption on December 1 in each year, commencing December 1, 2017, solely from and to the extent of moneys on deposit in the Redemption Account of the Bond Fund on October 15 in each such year.

The Mill Levy Stabilization Fund shall terminate on November 22, 2030. The Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, which is defined as follows:

(a) *during* the PFA Term:

- i. the Net Pledged Property Tax Revenues;
- ii. the Net Pledged Sales Tax Revenues; and
- iii. all amounts allocable to the Property Tax Base derived from imposition of the Required Mill Levy, less costs of collection;

(b) *after* the PFA Term:

- i. all amounts derived from imposition of the Required Mill Levy, less costs of collection; and

(c) *both during and after* the PFA Term:

- i. Specific Ownership Taxes; and
- ii. any other legally available moneys of the District that, in its sole discretion, the District transfer (or causes to be transferred) to the Trustee for application as Pledged Revenue.

Pledged Revenue shall be applied to the following funds and in the following order:

- FIRST: Interest Account of the Bond Fund;
- SECOND: Principal Account of the Bond Fund;
- THIRD: Reserve Fund, the amount necessary, if any, to replenish the amount therein to the Reserve Requirement;
- FOURTH: *During the PFA Term:* Mill levy Stabilization Fund, the amount, if any, to cause the amount therein to equal a minimum amount of \$300,000, until its termination of November 22, 2030;
- FIFTH: *During the PFA Term:* Redemption Account of the Bond Fund;
- SIXTH: *After the PFA Term:* Any fund or account as may be established for the payment of Subordinate Bonds; and
- SEVENTH: *After the PFA Term:* Any fund or account as may be designated by the District.

The Bonds are further secured by the Reserve Fund, which will initially be funded with proceeds of the Bonds in the amount of \$3,408,000.

**SOUTHGLENN METROPOLITAN DISTRICT  
2024 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserve Funds**

**General Reserve**

The District has established a general reserve in the General Fund of \$500,000.

**Debt Service Reserve**

The Debt Service Reserve Requirement on the 2016 Bonds is \$3,408,000 and was fully funded at closing.

**Emergency Reserve**

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

**This information is an integral part of the forecasted budget.**

**SOUTHGLENN METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$76,170,000**

**Special Revenue Refunding Bonds, Series 2016**

**Dated September 22, 2016**

**Interest Rate 3.00 - 5.00%**

**Interest Due June 1 and December 1**

**Principal Due December 1**

<b>Principal and Interest Maturing in the Year Ending December 31</b>	<b>Principal Due December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 3,520,000	\$ 2,681,725	\$ 6,201,725
2025	3,695,000	2,558,525	6,253,525
2026	3,970,000	2,429,200	6,399,200
2027	4,160,000	2,290,250	6,450,250
2028	4,525,000	2,082,250	6,607,250
2029	4,800,000	1,856,000	6,656,000
2030	5,200,000	1,616,000	6,816,000
2031	845,000	1,356,000	2,201,000
2032	930,000	1,313,750	2,243,750
2033	975,000	1,267,250	2,242,250
2034	1,070,000	1,218,500	2,288,500
2035	1,125,000	1,165,000	2,290,000
2036	1,225,000	1,108,750	2,333,750
2037	1,285,000	1,047,500	2,332,500
2038	1,395,000	983,250	2,378,250
2039	1,465,000	913,500	2,378,500
2040	1,585,000	840,250	2,425,250
2041	1,665,000	761,000	2,426,000
2042	1,800,000	677,750	2,477,750
2043	1,890,000	587,750	2,477,750
2044	2,030,000	493,250	2,523,250
2045	2,135,000	391,750	2,526,750
2046	5,700,000	285,000	5,985,000
	<b>\$ 56,990,000</b>	<b>\$ 29,924,200</b>	<b>\$ 86,914,200</b>

No assurance provided. See summary of significant assumptions.