

**EAST VALLEY METROPOLITAN DISTRICT
2019 BUDGET**

| | | | | | GENERAL FUND | | | | ENTERPRISE FUND | | | |
|---|-------------------|---------------------|-------------------|---------------------|---------------------|------------------|------------------|------------------|------------------------|-------------------|-------------------|-------------------|
| | ACTUAL | BUDGET | FORECAST | BUDGET | ACTUAL | BUDGET | FORECAST | BUDGET | ACTUAL | BUDGET | FORECAST | BUDGET |
| REVENUES | 2017 | 2018 | 2018 | 2019 | 2017 | 2018 | 2018 | 2019 | 2017 | 2018 | 2018 | 2019 |
| INTEREST INCOME | \$ 4,394 | \$ 5,000 | \$ 11,090 | \$ 14,000 | | | | | \$ 4,394 | \$ 5,000 | \$ 11,090 | \$ 14,000 |
| LATE FEES | 2,131 | 500 | 900 | 500 | | | | | 2,131 | 500 | 900 | 500 |
| MISCELLANEOUS INCOME | 625 | 350 | 1,450 | 350 | | | | | 625 | 350 | 1,450 | 350 |
| OWNERSHIP TAX | 6,681 | 6,550 | 5,400 | 5,500 | \$ 6,681 | \$ 6,550 | \$ 5,400 | \$ 5,500 | - | - | - | - |
| PROPERTY TAX | 78,016 | 79,981 | 80,584 | 80,116 | 78,016 | 79,981 | 80,584 | 80,116 | - | - | - | - |
| SEWER FEES | 18,084 | 18,228 | 17,571 | 18,300 | - | - | - | - | 18,084 | 18,228 | 17,571 | 18,300 |
| TRASH SERVICE | 14,759 | 15,132 | 15,968 | 16,766 | - | - | - | - | 14,759 | 15,132 | 15,968 | 16,766 |
| WATER SALES | 230,184 | 230,890 | 237,910 | 238,370 | - | - | - | - | 230,184 | 230,890 | 237,910 | 238,370 |
| TOTAL REVENUES | \$ 354,874 | \$ 356,631 | \$ 370,873 | \$ 373,903 | \$ 84,697 | \$ 86,531 | \$ 85,984 | \$ 85,616 | \$ 270,177 | \$ 270,100 | \$ 284,889 | \$ 288,287 |
| BEG BALANCE - INCLUDES RESERVES | 466,701 | 591,458 | 622,010 | 667,096 | | | | | | | | |
| TOTAL REVENUES & BEG BALANCE | \$ 821,575 | \$ 948,089 | \$ 992,883 | \$ 1,040,999 | | | | | | | | |
| EXPENDITURES | | | | | | | | | | | | |
| AUDIT | \$ 400 | \$ 750 | \$ 415 | \$ 1,000 | \$ 400 | \$ 750 | \$ 415 | \$ 1,000 | \$ - | \$ - | \$ - | \$ - |
| BILLING & WEBSITE MAINTENANCE | 9,690 | 11,800 | 11,000 | 11,800 | 3,230 | 3,933 | 3,667 | 3,933 | 6,460 | 7,867 | 7,333 | 7,867 |
| COUNTY TREASURER FEES | 1,171 | 1,200 | 1,209 | 1,202 | 1,171 | 1,200 | 1,209 | 1,202 | - | - | - | - |
| DIRECTOR FEES & PAYROLL TAXES | 6,170 | 6,997 | 6,244 | 6,997 | 6,170 | 6,997 | 6,244 | 6,997 | - | - | - | - |
| DUES & SEMINARS | 462 | 2,485 | 489 | 2,513 | - | - | - | - | 462 | 2,485 | 489 | 2,513 |
| GENERAL MANAGEMENT | 27,772 | 31,500 | 31,500 | 32,760 | 13,886 | 15,750 | 15,750 | 16,380 | 13,886 | 15,750 | 15,750 | 16,380 |
| INSURANCE | 6,826 | 7,148 | 6,725 | 7,151 | 200 | 201 | - | - | 6,626 | 6,947 | 6,725 | 7,151 |
| LEGAL FEES | 5,651 | 6,500 | 4,000 | 12,000 | 2,826 | 3,250 | 2,000 | 6,000 | 2,826 | 3,250 | 2,000 | 6,000 |
| MISCELLANEOUS ADMINISTRATIVE | 1,714 | 3,250 | 2,550 | 3,200 | 857 | 1,625 | 1,275 | 1,600 | 857 | 1,625 | 1,275 | 1,600 |
| OFFICE EXPENSE | 468 | 850 | 500 | 625 | - | - | - | - | 468 | 850 | 500 | 625 |
| CHEMICALS/MAINT SUPPLIES | 2,120 | 4,415 | 3,100 | 3,800 | - | - | - | - | 2,120 | 4,415 | 3,100 | 3,800 |
| ELECTRICITY | 57,157 | 70,141 | 55,000 | 57,750 | - | - | - | - | 57,157 | 70,141 | 55,000 | 57,750 |
| ENGINEERING FEES | - | 5,000 | 1,000 | 5,000 | - | - | - | - | - | 5,000 | 1,000 | 5,000 |
| EQUIPMENT LEASES | 7,150 | 7,800 | 7,800 | 9,000 | - | - | - | - | 7,150 | 7,800 | 7,800 | 9,000 |
| EQUIPMENT PURCHASES | 3,795 | 70,000 | 77,832 | 35,000 | - | - | - | - | 3,795 | 70,000 | 77,832 | 35,000 |
| MAINTENANCE - CONTRACT | 21,480 | 22,554 | 22,500 | 23,400 | - | - | - | - | 21,480 | 22,554 | 22,500 | 23,400 |
| MAINTENANCE & REPAIR | 3,620 | 31,300 | 10,600 | 14,900 | - | - | - | - | 3,620 | 31,300 | 10,600 | 14,900 |
| METER READING | 4,659 | 6,133 | 1,281 | 1,350 | - | - | - | - | 4,659 | 6,133 | 1,281 | 1,350 |
| TELEPHONE SYSTEMS | 1,889 | 1,980 | 1,950 | 2,000 | - | - | - | - | 1,889 | 1,980 | 1,950 | 2,000 |
| WATER TESTING/REGULATORY FEES | 2,456 | 3,500 | 3,175 | 3,500 | - | - | - | - | 2,456 | 3,500 | 3,175 | 3,500 |
| SEWER CONTRACT | 19,872 | 19,285 | 17,425 | 18,300 | - | - | - | - | 19,872 | 19,285 | 17,425 | 18,300 |
| TRASH CONTRACT | 15,043 | 14,974 | 15,900 | 16,695 | - | - | - | - | 15,043 | 14,974 | 15,900 | 16,695 |
| WATER MAIN REPLACEMENT RESERVE | - | - | - | 100,000 | - | - | - | - | - | - | - | 100,000 |
| CONTINGENCY | - | 50,000 | - | 50,000 | - | - | - | - | - | 50,000 | - | 50,000 |
| DEBT SERVICE | 43,593 | 43,593 | 43,593 | 43,592 | 43,593 | 43,593 | 43,593 | 43,592 | - | - | - | - |
| TOTAL EXPENDITURES | \$ 243,158 | \$ 423,155 | \$ 325,787 | \$ 463,536 | \$ 72,333 | \$ 77,300 | \$ 74,152 | \$ 80,704 | \$ 170,826 | \$ 345,856 | \$ 251,635 | \$ 382,831 |
| END BAL - INCLUDES RESERVES | 622,010 | 594,214 | 667,096 | 577,463 | | | | | | | | |
| TOTAL EXPENDITURES & END BALANCE | \$ 865,168 | \$ 1,017,369 | \$ 992,883 | \$ 1,040,999 | | | | | | | | |

I, **Darcy Beard** certify the attached is a true and accurate copy of the adopted 2019 budget of the East Valley Metropolitan District.

By: 
Budget Officer

EAST VALLEY METROPOLITAN DISTRICT

2019 BUDGET MESSAGE

The 2019 budgets of the East Valley Metropolitan District (“District”) and the East Valley Water Enterprise (“Enterprise”) have been prepared using the accrual basis of accounting. The principle services provided by the District and the Enterprise include water services, sewer services and trash collection.

For the 2019 budget year, the District and the Enterprise anticipate total revenues of \$373,903 which is an increase of \$17,272 from 2018 budgeted revenue. The increase is primarily due to the increase in interest rates and the resulting increase in investment income and an increase in water sales. Approximately, 64% of total revenue is water revenue. Approximately, 23% of revenues are from property and ownership taxes; 54% of the property tax revenue is designated for general obligation bond and bond interest payments; 13% of revenues are generated from trash collection fees, sewer system collection fees, interest income and late fees.

In May 2000, the voters of East Valley Metropolitan District approved a “De-Brucing” Ballot Question allowing East Valley to collect and spend all revenue generated by the imposition of an 8.079 mill levy assessed on the annual assessed valuation provided by Arapahoe County Assessor each year. Consequently, East Valley Metropolitan District is no longer subject to Tabor and the Statutory 5.5% limitation.

The combined 2019 District and Enterprise budgets have total expenditures of \$463,536. This is an increase of \$40,380 over the 2018 combined District and Enterprise budget. The increase is primarily due to the Board’s decision to establish a reserve for future replacement of the water mains in the District. The 2019 budget includes \$100,000 to establish the water main replacement reserve. In addition, the budget includes a \$50,000 contingency to pay for unanticipated emergency repairs. Approximately 9% of the 2019 budgeted expenditures are allocated to general obligation debt service for the Carson Well completed in January 2011. The general obligation bonds were issued on October 30, 2008 with a coupon rate of 5.65% and a maturity of July 1, 2028. Approximately, 17% of budgeted expenditures are allocated to administrative costs of operating the District and Enterprise; 27% of budgeted expenditures are allocated to water system maintenance and upgrades; 3% of budgeted expenditures are allocated to trash and sewer contracts; 33% of budgeted expenditures are allocated to a contingency fund and the water main replacement reserve.

RESOLUTION TO SET MILL LEVIES

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2018 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE EAST VALLEY METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO FOR THE 2019 BUDGET YEAR.

WHEREAS, the Board of Directors of the EAST VALLEY METROPOLITAN District has adopted the annual budget in accordance with the Local Government Budget Law, on November 19, 2018;

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$36,524;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest from property tax revenue is \$43,591;

WHEREAS, the 2018 net valuation for assessment for the EAST VALLEY METROPOLITAN District as certified by the Arapahoe County Assessor is \$4,520,974;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the EAST VALLEY METROPOLITAN District, Arapahoe County, Colorado:

Section 1. That for the purpose of meeting all general operating expenses of the EAST VALLEY METROPOLITAN District during the 2019 budget year, there is hereby levied a tax of 8.079 mills for General Operating Expenses upon each dollar of the net valuation for assessment of all taxable property within the District for the year 2018.

Section 2. That for the purpose of meeting all bond and interest expenses of the EAST VALLEY METROPOLITAN District during the 2019 budget year, there is hereby levied a tax of 9.642 mills upon each dollar of the net valuation for assessment of all taxable property within the District for the year 2018.

Section 3. That Darcy Beard, Budget Officer is hereby authorized and direct to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levies for the EAST VALLEY METROPOLITAN District as hereinabove determined and set, with said certification to be filed with said County Commissioners on or before December 15, 2018.

Done and resolved this 19th day of November 2018.

EAST VALLEY METROPOLITAN DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the East Valley Metropolitan District,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the East Valley Metropolitan District

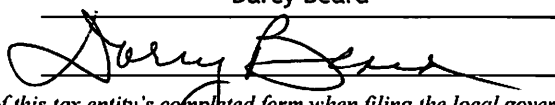
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 4,520,974 assessed valuation of: (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: \$ 4,520,974 (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: 12/07/2018 for budget/fiscal year 2019. (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>8.079</u> mills | \$ <u>36,524</u> |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < > mills | \$ < > |
| SUBTOTAL FOR GENERAL OPERATING: | 8.079 mills | \$ 36,524 |
| 3. General Obligation Bonds and Interest ^J | <u>9.642</u> mills | \$ <u>43,591</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] | 17.721 mills | \$ 80,115 |

Contact person: (print) Darcy Beard Daytime phone: (303) 594-5488
 Signed:  Title: Budget Officer

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: | _____ | New well construction |
| | Series: | _____ | 2008 |
| | Date of Issue: | _____ | 10/30/2008 |
| | Coupon Rate: | _____ | 5.65% |
| | Maturity Date: | _____ | 07/01/2028 |
| | Levy: | _____ | 9.642 |
| | Revenue: | _____ | \$43,591 |
| 2. | Purpose of Issue: | _____ | |
| | Series: | _____ | |
| | Date of Issue: | _____ | |
| | Coupon Rate: | _____ | |
| | Maturity Date: | _____ | |
| | Levy: | _____ | |
| | Revenue: | _____ | |

CONTRACTS^K:

| | | | |
|----|----------------------|-------|------|
| 3. | Purpose of Contract: | _____ | None |
| | 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.

RESOLUTION 2019-02

RESOLUTION TO APPROPRIATE SUMS OF MONEY

A RESOLUTION APPROPRIATING SUMS OF MONEY IN THE AMOUNTS AND FOR THE PURPOSES AS SET FORTH BELOW, FOR THE EAST VALLEY METROPOLITAN DISTRICT, ARAPAHOE COUNTY, COLORADO FOR THE 2019 BUDGET YEAR.

WHEREAS, the Board of Directors of the EAST VALLEY METROPOLITAN District has adopted the annual budget in accordance with the Local Government Budget Law on November 19, 2018;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on the expenditures for the operations of the District.

NOW, THERE BE IT RESOLVED by the Board of Directors of the EAST VALLEY METROPOLITAN District, Arapahoe County, Colorado:

Section 1. That the following sums are hereby appropriated for the purposes stated:

| | |
|---------------------------------|------------------|
| <u>General Fund</u> | |
| Current Operating Expenses | <u>\$ 80,704</u> |
| Total General Fund | <u>\$ 80,704</u> |
| <u>Enterprise Fund</u> | |
| Current Operating Expenses | <u>\$382,832</u> |
| Total Enterprise Fund | <u>\$382,832</u> |
| Total General & Enterprise Fund | <u>\$463,536</u> |

Done and resolved this 23rd day of January 2019.

EAST VALLEY METROPOLITAN DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

**DARCY BEARD
CERTIFIED PUBLIC ACCOUNTANT
20363 E. TOP-T RANCH PLACE
PARKER, COLORADO 80134
Office 303-841-3474
darcybeardcpa@comcast.net**

Accountant's Compilation Report

Board of Directors
East Valley Metropolitan District

I have compiled the accompanying Treasurer's Report of East Valley Metropolitan District and the related Statement of Net Assets, Statement of Revenues and Expenditures and Cash Flow Analysis Unaudited for the twelve months ending December 31, 2018. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with the Statements for Accounting and Review Services issued by the American Institute for Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to East Valley Metropolitan District.

Darcy Beard
Certified Public Accountant
January 21, 2019