

CENTENNIAL CROSSING METROPOLITAN
DISTRICT No. 2
2026 Budget Message

Introduction

The budget reflects the projected spending plan for the 2026 fiscal year based on available revenues. This budget provides for the general operation and payment of debt for the Operating District, Centennial Crossing Metropolitan District No. 1 ("District No. 1"). Centennial Crossing Metropolitan District No. 2 (the "District") is dependent upon ad valorem property taxes and specific ownership taxes to make operating and debt service transfers to District No. 1. The District was established in September 2006 to provide funding to District No. 1 for the design, acquisition, construction, installation, and financing of infrastructure including streets, park and recreation facilities, a water system, a sanitation system, and mosquito control. All facilities constructed by the District will be conveyed to other governmental entities for perpetual maintenance.

Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All the District's funds are considered Governmental Funds and are reported using the current financial resources and modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

The *General Fund* is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include the District's administration, legal services, landscape maintenance, and other expenses related to statutory operations of a local government. The primary source of revenue is property taxes and specific ownership taxes.

The *Debt Service Fund* accounts for the resources that are restricted, committed, or assigned for principal and interest on long-term general obligation debt of the governmental funds, as well as financial resources being accumulated for future debt service.

The *Capital Projects Fund* is used to account for financial resources that are restricted, committed, or assigned to the acquisition and construction of capital equipment and facilities.

Emergency Reserve

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

Centennial Crossing Metropolitan District No. 2
2026 Approved Budget
General Fund

2024 Actual	2025 Estimated	2026 Approved Budget
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Revenue

Property tax revenue	\$ 160,914	\$ 157,840	\$ 163,657
Specific ownership taxes	5,708	6,000	6,221
Interest income	7	8	-
Other income	2	2	-
Interfund transfer (in) out	(625,842)	(582,443)	(440,013)
Transfers from (to) District No. 1	463,660	424,259	276,088
Total revenue	4,449	5,666	5,953

<u>Property taxes</u>	<u>General</u>	<u>Debt</u>	<u>Total</u>
Assessed value	16,365,700	16,365,700	16,365,700
Mill levy	10.000	35.00	45.00
Tax revenue	163,657	572,800	736,457
	22.22%	77.78%	100.00%

Expenditures

Fees	2,000	3,300	3,500
Treasurer's fees	2,414	2,366	2,453
Total expenditures	4,414	5,666	5,953

Net change	35	-	(0)
Net assets beginning of the year	431	466	466
Net assets end of year	\$ 466	\$ 466	\$ 466

Centennial Crossing Metropolitan District No. 2
2026 Approved Budget
Debt Service Fund

2024 Actual	2025 Estimated	2026 Approved Budget
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Revenue

Property tax revenue	\$ 563,200	\$ 552,438	\$ 572,800
Specific ownership taxes	19,978	21,000	21,774
Interest income	23,219	2,400	-
Proceeds from long-term debt	-	-	-
Other income	8	-	-
Transfers from (to) District No. 1	-	-	-
Interfund transfers	<u>612,383</u>	<u>582,443</u>	<u>440,013</u>
Total revenue	<u>1,218,788</u>	<u>1,158,281</u>	<u>1,034,587</u>

Property taxes	General	Debt	Total
Assessed value	<u>16,365,700</u>	<u>16,365,700</u>	<u>16,365,700</u>
Mill levy	10.000	35.00	45.00
Tax revenue	163,657	572,800	736,457
	22.22%	77.78%	100.00%

Expenditures

Treasurer's fees	8,450	8,281	8,586
Note payable principal-2018	1,020,000	1,020,000	925,000
Note payable interest-2018	118,055	130,000	101,000
Note payable principal-2016	200,000	-	-
Note payable interest-2016	322	-	-
Total expenditures	<u>1,346,827</u>	<u>1,158,281</u>	<u>1,034,586</u>

Net change	(128,039)	-	(0)
Net assets beginning of the year	<u>280,404</u>	<u>152,365</u>	<u>152,365</u>
Net assets end of year	<u><u>\$ 152,365</u></u>	<u><u>\$ 152,365</u></u>	<u><u>\$ 152,365</u></u>