

KARL'S FARM METROPOLITAN DISTRICT NO. 2
2022
BUDGET MESSAGE

Attached please find a copy of the adopted 2022 budget for the Karl's Farm Metropolitan District No. 2.

The Karl's Farm Metropolitan District No. 2 has adopted budgets for three funds, a General Fund to provide for transfer to Karl's Farm Metropolitan District No. 1; a Capital Projects Fund to provide for the improvements that are to be built for the benefit of the District and a Debt Service Fund to account for the repayment of principal and interest on the outstanding general obligation bonds.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications, and public hearing.

The primary sources of revenue for the district in 2022 will be property taxes and developer advances. The district intends to impose a 65.664 mill levy on property within the district for 2022, of which 10.000 mills are dedicated to the General Fund and the balance of 55.664 mills will be allocated to the Debt Service Fund.

Karls Farms Metropolitan District No. 2
Adopted Budget
General Fund
For the Year ended December 31, 2022

| | Actual <u>2019</u> | Adopted Budget <u>2020</u> | Actual <u>6/30/2020</u> | Estimate <u>2020</u> | Adopted Budget <u>2021</u> |
|--------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues: | | | | | |
| Property taxes | - | 1,877 | - | 1,877 | 2,085 |
| Specific ownership taxes | - | 94 | - | 94 | 105 |
| Developer advances | - | 48,029 | - | - | 51,290 |
| | <u>-</u> | <u>50,000</u> | <u>-</u> | <u>1,971</u> | <u>53,480</u> |
| Total revenues | - | 50,000 | - | 1,971 | 53,480 |
| Total funds available | <u>-</u> | <u>50,000</u> | <u>-</u> | <u>1,971</u> | <u>53,480</u> |
| Expenditures: | | | | | |
| Treasurer's Fees | - | 28 | - | 28 | 31 |
| Transfer to District 1 | - | 49,941 | - | 1,943 | 53,371 |
| Contingency | - | 30 | - | - | 77 |
| Emergency Reserve | - | 1 | - | - | 1 |
| | <u>-</u> | <u>50,000</u> | <u>-</u> | <u>1,971</u> | <u>53,480</u> |
| Total expenditures | - | 50,000 | - | 1,971 | 53,480 |
| Ending fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Assessed valuation | | <u>\$ 385,580</u> | | | <u>\$ 208,550</u> |
| Mill Levy | | <u>10.000</u> | | | <u>10.000</u> |

Karls Farms Metropolitan District No. 2
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2022

| | Actual <u>2020</u> | Adopted Budget <u>2021</u> | Actual <u>6/30/2021</u> | Estimate <u>2021</u> | Adopted Budget <u>2022</u> |
|--------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance | \$ - | \$ 3,412,669 | \$ 4,167,014 | \$ 4,167,014 | \$ 755,345 |
| Revenues: | | | | | |
| Facility fees | 490,000 | - | - | - | - |
| Interest income | 2,392 | - | 916 | 1,000 | 500 |
| Developer advances | 1,050,898 | - | - | - | - |
| Reimbursements | 2,608,777 | - | - | - | - |
| Bond proceeds | <u>15,920,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>20,072,067</u> | <u>-</u> | <u>916</u> | <u>1,000</u> | <u>500</u> |
| Total funds available | <u>20,072,067</u> | <u>3,412,669</u> | <u>4,167,930</u> | <u>4,168,014</u> | <u>755,845</u> |
| Expenditures: | | | | | |
| Cost of issuance | 689,327 | - | - | - | - |
| Capital outlay | 9,900,771 | 3,412,669 | 2,407,555 | 3,412,669 | 755,845 |
| Repay developer advances | 1,050,898 | - | - | - | - |
| Transfer to District 1 | 42,557 | - | - | - | - |
| Transfer to debt service | <u>4,221,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>15,905,053</u> | <u>3,412,669</u> | <u>2,407,555</u> | <u>3,412,669</u> | <u>755,845</u> |
| Ending fund balance | <u>\$ 4,167,014</u> | <u>\$ -</u> | <u>\$ 1,760,375</u> | <u>\$ 755,345</u> | <u>\$ -</u> |

Karls Farms Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2022

| | Actual <u>2020</u> | Adopted Budget <u>2021</u> | Actual <u>6/30/2021</u> | Estimate <u>2020</u> | Adopted Budget <u>2021</u> |
|--------------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance | \$ - | \$ 3,918,612 | \$ 3,918,613 | \$ 3,918,613 | \$ 3,039,401 |
| Revenues: | | | | | |
| Interest income | 3,265 | - | 933 | 1,000 | - |
| Property taxes | - | 10,445 | - | 10,445 | 11,609 |
| Specific ownership taxes | - | 522 | - | 1,000 | 580 |
| Transfer from capital projects | 4,221,500 | - | - | - | - |
| Total revenues | <u>4,221,500</u> | <u>10,967</u> | <u>-</u> | <u>11,445</u> | <u>12,189</u> |
| Total funds available | <u>4,221,500</u> | <u>3,929,579</u> | <u>3,918,613</u> | <u>3,930,058</u> | <u>3,051,590</u> |
| Expenditures: | | | | | |
| Bond interest payment | 302,887 | 896,500 | - | 886,500 | 886,500 |
| Bond principal payment | - | - | - | - | - |
| Trustee fees | - | 4,000 | - | 4,000 | 4,000 |
| Treasurer's Fees | - | 157 | - | 157 | 174 |
| Total expenditures | <u>302,887</u> | <u>900,657</u> | <u>-</u> | <u>890,657</u> | <u>890,674</u> |
| Ending fund balance | <u>\$ 3,918,613</u> | <u>\$ 3,028,922</u> | <u>\$ 3,918,613</u> | <u>\$ 3,039,401</u> | <u>\$ 2,160,916</u> |
| Assessed valuation | | <u>\$ 385,580</u> | | | <u>\$ 208,550</u> |
| Mill Levy | | <u>55.664</u> | | | <u>55.664</u> |
| Total Mill Levy | | <u>65.664</u> | | | <u>65.664</u> |