

2022 ANNUAL REPORT HOMETOWN METROPOLITAN DISTRICT NO. 2

As required by Section 32-1-207(3)(c), C.R.S., and Section VII of the District's Service Plan, Hometown Metropolitan District No. 2 (the "**District**") submits the following report of the District's activities from January 1, 2022 to December 31, 2022:

- A. Boundary changes made: No boundary changes were made or proposed during 2022.
- B. Intergovernmental Agreements entered into or terminated: The District is a party to the following intergovernmental agreements:
 - Intergovernmental Agreement between the District and the City of Arvada, dated February 2, 2009, as amended May 3, 2010.
 - District Facilities Construction and Service Agreement between and among the District and Hometown Metropolitan District Nos. 1, 3, and 4, dated September 18, 2008, as amended March 26, 2010. *As of May 1, 2010, the District is no longer a party to this agreement.*
 - Assignment and Assumption of Operations and Maintenance Agreement between Hometown Metropolitan District No. 1 (now known as Westtown Metropolitan District) and Hometown Metropolitan District No. 2, dated October 17, 2016.
 - Eligible Governmental Entity Agreement between the District and the Statewide Internet Portal Authority of the State of Colorado approved by the District's Board of Directors on October 7, 2019, and executed as of January 28, 2022.
- C. Access information to obtain a copy of rules and regulations adopted: The District has not adopted any rules and regulations as of December 31, 2022. In the event the District adopts rules and regulations in the future, such documents may be accessed at the offices of McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, CO 80203, 303-592-4380, or on the District's website: <https://hometownmd2.colorado.gov/>.
- D. Summary of litigation involving the District's public improvements: To our knowledge, there is no litigation involving the District's public improvements.
- E. Status of the District's construction of public improvements: The District did not construct any public improvements during 2022.
- F. Conveyances or dedications of facilities or improvements, constructed by the District, to the City: The District did not convey or dedicate any facilities or improvements to the City in 2022.

- G. Final assessed valuation of the District for the report year: \$2,708,095.
- H. Current year's budget: A copy of the District's 2023 budget is attached hereto as **Exhibit A.**
- I. Audited financial statements for the reporting year (or application for exemption from audit): The District's 2022 Audit is not yet available but will be submitted as a supplement once completed.
- J. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument: To our knowledge, there are no uncured events of default by the District continuing beyond a ninety (90) day period.
- K. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period: To our knowledge, the District is able to pay its obligations as they come due.

EXHIBIT A
Hometown Metropolitan District No. 2
2023 Budget

RESOLUTION NO. 2022-10-02

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF HOMETOWN
METROPOLITAN DISTRICT NO. 2, JEFFERSON COUNTY, COLORADO,
PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND
REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING
SUMS OF MONEY FOR THE BUDGET YEAR 2023**

A. The Board of Directors of Hometown Metropolitan District No. 2 (the “**District**”) has appointed Simmons & Wheeler, P.C. to prepare and submit a proposed budget to said governing body at the proper time.

B. Simmons & Wheeler, P.C. has submitted a proposed budget to this governing body on October 15, 2022 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 24, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. 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.

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
HOMETOWN METROPOLITAN DISTRICT NO. 2, JEFFERSON COUNTY, COLORADO:**

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on October 24, 2022.

**HOMETOWN METROPOLITAN
DISTRICT NO. 2**

By: *Audrey Spaen*
President

Attest:

By: *Matthew Smith*
Secretary

EXHIBIT A

Budget

HOMETOWN METROPOLITAN DISTRICT NO. 2
2023
BUDGET MESSAGE

Attached please find a copy of the adopted 2023 budget for Hometown Metropolitan District No. 2.

The Hometown Metropolitan District No. 2 has adopted a budget for two funds, a General Fund to provide for general operating expenditures and transfers to the Debt Service Fund; and a Debt Service Fund to provide for payments 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 source of revenue for the district in 2023 will be property taxes and specific ownership taxes. The district intends to impose a 30.000 mill levy on the property within the district in 2023, of which 10.000 mills will be dedicated to the General Fund and the balance of 20.000 mills will be allocated to the Debt Service Fund.

Hometown Metropolitan District No. 2
Adopted Budget
General Fund
For the Year Ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 15,436	\$ 26,131	\$ 24,004	\$ 24,004	\$ 17,095
Revenues:					
Property taxes	26,752	27,949	27,512	27,949	27,081
Ownership taxes	2,047	1,398	937	1,398	1,354
Interest income	<u>83</u>	<u>500</u>	<u>181</u>	<u>350</u>	<u>500</u>
Total revenues	<u>28,882</u>	<u>29,847</u>	<u>28,630</u>	<u>29,697</u>	<u>28,935</u>
Total funds available	<u>44,318</u>	<u>55,978</u>	<u>52,634</u>	<u>53,701</u>	<u>46,030</u>
Expenditures:					
Legal	10,325	7,000	4,903	8,000	11,000
Accounting	2,591	3,000	1,401	3,000	4,000
Audit	3,500	-	-	-	4,000
Insurance	3,265	3,500	2,967	2,967	4,000
Directors fees	200	300	-	200	300
Election expense	-	5,000	3,339	3,339	6,000
Miscellaneous	30	100	20	100	200
Treasurer's fees	402	419	1,913	4,000	406
Contingency	-	21,079	-	-	227
Transfer to Debt Service fund	-	15,000	-	15,000	15,000
Emergency reserve	<u>-</u>	<u>580</u>	<u>-</u>	<u>-</u>	<u>897</u>
Total expenditures	<u>20,313</u>	<u>55,978</u>	<u>14,543</u>	<u>36,606</u>	<u>46,030</u>
Ending fund balance	<u>\$ 24,005</u>	<u>\$ -</u>	<u>\$ 38,091</u>	<u>\$ 17,095</u>	<u>\$ -</u>
Assessed value		<u>\$ 2,794,935</u>			<u>\$ 2,708,095</u>
Mill levy		<u>10.000</u>			<u>10.000</u>

Hometown Metropolitan District No. 2
Adopted Budget
Debt Service Fund
For the Year Ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ <u>112,725</u>	\$ <u>98,240</u>	\$ <u>98,240</u>	\$ <u>98,240</u>	\$ <u>94,383</u>
Revenues:					
Property taxes	53,503	55,899	55,023	55,023	54,162
Ownership taxes	4,094	2,795	1,875	2,795	2,708
Transfer from General Fund	-	15,000	-	15,000	15,000
Interest income	<u>110</u>	<u>500</u>	<u>86</u>	<u>350</u>	<u>499</u>
Total revenues	<u>57,707</u>	<u>74,194</u>	<u>56,984</u>	<u>73,168</u>	<u>72,369</u>
Total funds available	<u>170,432</u>	<u>172,434</u>	<u>155,224</u>	<u>171,408</u>	<u>166,752</u>
Expenditures:					
Bond interest	44,888	43,200	21,600	43,200	41,175
Bond principal	25,000	30,000	-	30,000	30,000
Paying agent fees	1,500	3,000	-	3,000	3,000
Treasurer's fees	<u>804</u>	<u>838</u>	<u>825</u>	<u>825</u>	<u>812</u>
Total expenditures	<u>72,192</u>	<u>77,038</u>	<u>22,425</u>	<u>77,025</u>	<u>74,987</u>
Ending fund balance	\$ <u><u>98,240</u></u>	\$ <u><u>95,396</u></u>	\$ <u><u>132,799</u></u>	\$ <u><u>94,383</u></u>	\$ <u><u>91,765</u></u>
Assessed value		\$ <u><u>2,794,935</u></u>			\$ <u><u>2,708,095</u></u>
Mill levy		<u><u>20.000</u></u>			<u><u>20.000</u></u>
Total levy		<u><u>30.000</u></u>			<u><u>30.000</u></u>

I, Matt Smith, hereby certify that I am the duly appointed Secretary of the Hometown Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Hometown Metropolitan District No. 2 held on October 24, 2022.

Matthew Smith

Secretary