

WARD TOD METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2023

**WARD TOD METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 2,006,873	\$ 817,823	\$ 709,362
REVENUES			
Property taxes	118,463	146,710	185,917
Specific ownership tax	9,476	10,970	14,340
Interest income	554	12,700	20,000
Developer advance	2,399,043	92,320	2,077,000
Other revenue	-	-	10,000
Water Reimbursement	102	4,450	4,800
TIF Reimbursement	5,325	10,389	18,654
Total revenues	<u>2,532,963</u>	<u>277,539</u>	<u>2,330,711</u>
Total funds available	<u>4,539,836</u>	<u>1,095,362</u>	<u>3,040,073</u>
EXPENDITURES			
General Fund	75,871	111,995	124,000
Debt Service Fund	268,174	268,505	278,993
Capital Projects Fund	3,377,968	5,500	2,000,000
Total expenditures	<u>3,722,013</u>	<u>386,000</u>	<u>2,402,993</u>
Total expenditures and transfers out requiring appropriation	<u>3,722,013</u>	<u>386,000</u>	<u>2,402,993</u>
ENDING FUND BALANCES	<u>\$ 817,823</u>	<u>\$ 709,362</u>	<u>\$ 637,080</u>
EMERGENCY RESERVE	\$ 800	\$ 1,200	\$ 1,500
CAPITALIZED INTEREST/FEES FUND	260,108	-	-
SENIOR SURPLUS FUND	556,915	708,162	635,580
TOTAL RESERVE	<u>\$ 817,823</u>	<u>\$ 709,362</u>	<u>\$ 637,080</u>

No assurance provided. See summary of significant assumptions.

WARD TOD METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
Residential	\$ -	\$ 371,937	\$ -
Residential - Single Family	-	-	1,938,253
State assessed	-	38	400
Vacant land	1,642,150	1,735,892	673,038
Personal property	-	6,900	59,856
	<u>1,642,150</u>	<u>2,114,767</u>	<u>2,671,547</u>
Adjustments	(71,352)	(135,892)	(246,970)
Certified Assessed Value	<u>\$ 1,570,798</u>	<u>\$ 1,978,875</u>	<u>\$ 2,424,577</u>
MILL LEVY			
General	15.000	15.000	15.000
Debt Service	60.419	60.419	61.680
Total mill levy	<u>75.419</u>	<u>75.419</u>	<u>76.680</u>
PROPERTY TAXES			
General	\$ 23,562	\$ 29,683	\$ 36,369
Debt Service	94,906	119,562	149,548
Levied property taxes	<u>118,468</u>	<u>149,245</u>	<u>185,917</u>
Adjustments to actual/rounding	(5)	(1,355)	-
Refunds and abatements	-	(1,809)	-
Budgeted property taxes	<u>\$ 118,463</u>	<u>\$ 146,081</u>	<u>\$ 185,917</u>
BUDGETED PROPERTY TAXES			
General	\$ 23,561	\$ 29,054	\$ 36,369
Debt Service	94,902	117,027	149,548
	<u>\$ 118,463</u>	<u>\$ 146,081</u>	<u>\$ 185,917</u>

No assurance provided. See summary of significant assumptions.

**WARD TOD METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ (10,972)	\$ (7,204)	\$ 1,200
REVENUES			
Property taxes	23,561	29,683	36,369
Specific ownership tax	1,885	2,200	2,805
Developer advance	53,032	82,000	77,000
Water reimbursement	102	4,450	4,800
TIF Reimbursement	1,059	2,066	3,649
Total revenues	79,639	120,399	124,623
Total funds available	68,667	113,195	125,823
EXPENDITURES			
General and administrative			
Accounting	23,987	25,000	30,000
Auditing	4,900	5,400	6,000
County Treasurer's fee	353	436	546
Dues and licenses	320	350	500
Insurance and bonds	4,046	4,800	5,300
Legal services	15,294	16,000	20,000
Miscellaneous	1,400	1,694	1,500
Election expense	-	2,300	2,500
Contingency	-	-	10,654
Operations and maintenance			
Landscaping	16,605	21,000	15,000
Snow Removal	5,860	20,000	15,000
Water Utilities	3,106	14,000	15,000
Xcel Energy	-	1,000	2,000
Total expenditures	75,871	111,995	124,000
Total expenditures and transfers out requiring appropriation	75,871	111,995	124,000
ENDING FUND BALANCE	\$ (7,204)	\$ 1,200	\$ 1,823
EMERGENCY RESERVE	\$ 800	\$ 1,200	\$ 1,500
TOTAL RESERVE	\$ 800	\$ 1,200	\$ 1,500

No assurance provided. See summary of significant assumptions.

**WARD TOD METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 990,893	\$ 829,847	\$ 708,162
REVENUES			
Property taxes	94,902	117,027	149,548
Specific ownership tax	7,591	8,770	11,535
Interest income	369	12,700	20,000
TIF Reimbursement	4,266	8,323	15,005
Other revenue	-	-	10,000
Total revenues	107,128	146,820	206,088
Total funds available	1,098,021	976,667	914,250
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,424	1,755	2,243
Paying agent fees	9,500	9,500	9,500
Contingency	-	-	10,000
Debt Service			
Bond interest - 2019A	257,250	257,250	257,250
Total expenditures	268,174	268,505	278,993
Total expenditures and transfers out requiring appropriation	268,174	268,505	278,993
ENDING FUND BALANCE	\$ 829,847	\$ 708,162	\$ 635,257
CAPITALIZED INTEREST/FEES FUND	\$ 260,108	\$ -	\$ -
SENIOR SURPLUS FUND	569,739	708,162	635,257
TOTAL RESERVE	\$ 829,847	\$ 708,162	\$ 635,257

No assurance provided. See summary of significant assumptions.

**WARD TOD METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,026,952	\$ (4,820)	\$ -
REVENUES			
Interest income	185	-	-
Developer advance	2,346,011	10,320	2,000,000
Total revenues	<u>2,346,196</u>	<u>10,320</u>	<u>2,000,000</u>
Total funds available	<u>3,373,148</u>	<u>5,500</u>	<u>2,000,000</u>
EXPENDITURES			
General and Administrative			
Accounting	2,192	-	3,000
Legal services	4,836	2,000	5,500
Capital Projects			
Repay developer advance	1,021,116	-	-
Engineering	13,888	3,500	15,000
Capital outlay	2,335,936	-	1,976,500
Total expenditures	<u>3,377,968</u>	<u>5,500</u>	<u>2,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,377,968</u>	<u>5,500</u>	<u>2,000,000</u>
ENDING FUND BALANCE	<u>\$ (4,820)</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Jefferson County on April 9, 2012, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located entirely within the City of Wheat Ridge, Jefferson County, Colorado.

The District was established to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the public improvements and services, including streets, water, sanitation and storm drainage traffic and safety controls, transportation, television relay and translation and mosquito control. Under its Service Plan, The District was organized in conjunction with two other related Districts: Ward TOD Metropolitan District Nos. 2 and 3. Ward TOD Metropolitan District No.1 serves as a Management District, and Ward TOD Metropolitan District Nos. 2 and 3 serve as Financing Districts.

Pursuant to the Service Plan, the district is permitted to issue bond indebtedness of up to \$25,000,000. On December 5, 2019, the District issued \$5,145,000 in (Limited Tax Convertible to Unlimited tax) General Obligation Bonds Series 2019A, \$600,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B, and \$708,000 Junior Lien Limited Tax General Obligation Bonds Series 2019C.

The District has no employees and all administrative functions are contracted.

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.

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 October. The County Treasurer remits the taxes collected monthly to the District.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (continued)

The Maximum Debt Mill Levy the District is permitted to impose is 60.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation with the District) for any Debt which exceeds fifty percent of the District's assessed valuation. For the portion of any Debt which is equal to or less than fifty percent of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29.0%.

As a result of the assessment ratio change for collection year 2023, the 60.000 mills will be required to adjust to 61.680 mills for debt service.

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.

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. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Developer Advances

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. A major portion of the capital expenditures are also expected to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Urban Renewal TIF

Pursuant to the Intergovernmental Tax Sharing Agreement dated October 1, 2019 with the Wheat Ridge Urban Renewal Authority, the District will receive the tax increment ("TIF") generated from the Wheat Ridge Urban Renewal Project area to be used toward the repayment of the District's bonds.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Water Reimbursement

Pursuant to the Water Cost Sharing Agreement with Ward Station Homeowners Association (HOA), the HOA agrees to reimburse the District for HOA's proportional share of water use based on square footage of the HOA Tracts.

Investment Income

Interest earned on the District's available funds has been estimated based upon an average interest rate of approximately 3%.

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, insurance, banking, meeting expense and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt Service

Principal and interest payments are provided based on the anticipated debt amortization schedule from the Senior Bonds, Subordinate Bonds, and Junior Lien Bonds (discussed under Debt and Leases). Anticipated debt service schedules are not provided for the Subordinate Bonds and Junior Lien Bonds because their repayment schedule is based on available cash flow.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On December 5, 2019, the District issued \$5,145,000 in (Limited Tax Convertible to Unlimited tax) General Obligation Bonds Series 2019A, \$600,000 in Subordinate Limited Tax General Obligation Bonds Series 2019B, and \$708,000 Junior Lien Limited Tax General Obligation Bonds Series 2019C. The proceeds of the Senior Bonds will be used to fund: (i) the Initial Deposit to the Surplus Fund; (ii) capitalized interest on the Senior Bonds; (iii) pay the Project costs; and, (iv) the costs of issuing the Senior Bonds, the Subordinate Bonds and the Junior Lien Bonds. Proceeds of the Subordinate Bonds will be used to pay Project costs. The Junior Lien Bonds will be issued for the purpose of paying Project Costs, comprised of paying a portion of amounts due and payable to the Developer under the Acquisition and Reimbursement Agreement.

The Senior Bonds bear interest at 5.000% and are payable semi-annually on June 1 and December 1, commencing December 1, 2019. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The Senior Bonds mature on December 1, 2049.

The Subordinate Bonds are issued at the rate of 7.750% per annum and are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2049. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15 through December 15, 2049. In the event that any principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on December 15, 2059, the Subordinate Bonds shall be deemed discharged.

The Junior Lien Bonds are issued at the rate of 9.000% per annum and are payable annually on December 15, beginning December 15, 2019, from, and to the extent of, Junior Lien Pledged Revenue available, if any, and mature on December 15, 2052. The Junior Lien Bonds are structured as cash flow bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Junior Lien Pledged Revenue is available for payment. Principal and interest payments are due on the Junior Lien Bonds on each December 15 through December 15, 2052, only to the extent of available Junior Lien Pledged Revenue. In the event that any principal or interest on the Junior Lien Bonds remains unpaid after the application of all Junior Lien Pledged Revenue available on December 15, 2059, the Junior Lien Bonds shall be deemed discharged.

Debt service schedules are not provided for the Subordinate Bonds and Junior Lien Bonds because their repayment schedule is based on available cash flow.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The following is the analysis of the anticipated changes in Subordinate Bonds and developer advances for the year ending December 31, 2022 and 2023.

	Balance December 31, 2021	Additions*	Reductions*	Anticipated Balance December 31, 2022
Limited Tax General Obligation Bonds:				
Subordinate - Series 2019B	\$ 600,000	\$ -	\$ -	\$ 600,000
Accrued Interest on Subordinate - Series 2019B	100,400	54,281	-	154,681
Junior Lien - Series 2019C	708,000	-	-	708,000
Accrued Interest on Junior Lien - Series 2019C	137,508	76,096	-	213,604
Subtotal Bonds Payable	<u>1,545,908</u>	<u>130,377</u>	<u>-</u>	<u>1,676,285</u>
Developer Advances - O&M	171,394	82,000	-	253,394
Developer Advances - Infrastructure	1,324,895	10,320	-	1,335,215
Accrued Interest on Developer Advances - O&M	62,035	21,954	15	83,974
Accrued Interest on Developer Advances - Infrastructure	35,572	10,250	-	45,822
Subtotal of Other Debts	<u>1,593,896</u>	<u>124,524</u>	<u>15</u>	<u>1,718,405</u>
Total	<u>\$ 3,139,804</u>	<u>\$ 254,901</u>	<u>\$ 15</u>	<u>\$ 3,394,690</u>
	Anticipated Balance December 31, 2022	Additions*	Reductions*	Anticipated Balance December 31, 2023
Limited Tax General Obligation Bonds:				
Subordinate - Series 2019B	600,000	-	-	600,000
Accrued Interest on Subordinate - Series 2019B	154,681	58,487	-	213,168
Junior Lien - Series 2019C	708,000	-	-	708,000
Accrued Interest on: Junior Lien - Series 2019C	213,604	82,944	-	296,548
Subtotal Bonds Payable	<u>1,676,285</u>	<u>141,431</u>	<u>-</u>	<u>1,817,716</u>
Developer Advances - O&M	253,394	77,000	-	330,394
Developer Advances - Infrastructure	1,335,215	2,000,000	-	3,335,215
Accrued Interest on Developer Advances - O&M	83,974	30,069	-	114,043
Accrued Interest on Developer Advances - Infrastructure	45,822	190,483	-	236,305
Subtotal of Other Debts	<u>1,718,405</u>	<u>2,297,552</u>	<u>-</u>	<u>4,015,957</u>
Total	<u>\$ 3,394,690</u>	<u>\$ 2,438,983</u>	<u>\$ -</u>	<u>\$ 5,833,673</u>

*Estimates

The District has no operating and capital leases.

**WARD TOD METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Debt Service Reserves

The District maintains a Debt Service Reserve, based on the amount held in our Debt Service Surplus fund, as required with the issuance of the Senior Bonds.

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

**WARD TOD METROPOLITAN DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$5,145,000 Limited Tax (Convertible to Unlimited Tax) Senior
Bonds**

Interest Rate 5.00%

Date: December 5, 2019

Interest Payable June 1 and December 1

Year Ending December 31,	Principal Payable December 1		
	Principal	Interest	Total
2023	\$ -	\$ 257,250	\$ 257,250
2024	-	257,250	257,250
2025	-	257,250	257,250
2026	40,000	257,250	297,250
2027	80,000	255,250	335,250
2028	90,000	251,250	341,250
2029	95,000	246,750	341,750
2030	105,000	242,000	347,000
2031	110,000	236,750	346,750
2032	125,000	231,250	356,250
2033	130,000	225,000	355,000
2034	145,000	218,500	363,500
2035	150,000	211,250	361,250
2036	165,000	203,750	368,750
2037	175,000	195,500	370,500
2038	190,000	186,750	376,750
2039	200,000	177,250	377,250
2040	220,000	167,250	387,250
2041	230,000	156,250	386,250
2042	250,000	144,750	394,750
2043	260,000	132,250	392,250
2044	280,000	119,250	399,250
2045	295,000	105,250	400,250
2046	320,000	90,500	410,500
2047	335,000	74,500	409,500
2048	360,000	57,750	417,750
2049	795,000	39,750	834,750
	<u>\$ 5,145,000</u>	<u>\$ 4,997,750</u>	<u>\$ 10,142,750</u>

No assurance provided. See summary of significant assumptions.