

LARKRIDGE METROPOLITAN DISTRICT NO. 1

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**LARKRIDGE METROPOLITAN DISTRICT NO. 1
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 561,897	\$ 520,253	\$ 553,209
REVENUES			
Property taxes	13,168	13,587	13,740
Specific ownership tax	62,923	69,722	67,031
Interest income	572	263	570
Property taxes TDA	823,538	869,889	929,683
Developer advance	25,000	10,000	-
Total revenues	<u>925,201</u>	<u>963,461</u>	<u>1,011,024</u>
Total funds available	<u>1,487,098</u>	<u>1,483,714</u>	<u>1,564,233</u>
EXPENDITURES			
General Fund	116,702	90,693	127,000
Debt Service Fund	850,143	839,812	851,000
Total expenditures	<u>966,845</u>	<u>930,505</u>	<u>978,000</u>
Total expenditures and transfers out requiring appropriation	<u>966,845</u>	<u>930,505</u>	<u>978,000</u>
ENDING FUND BALANCES	<u>\$ 520,253</u>	<u>\$ 553,209</u>	<u>\$ 586,233</u>
EMERGENCY RESERVE	\$ 2,300	\$ 3,500	\$ 3,700
DEBT SERVICE RESERVE FUND	529,225	529,225	529,225
TOTAL RESERVE	<u>\$ 531,525</u>	<u>\$ 532,725</u>	<u>\$ 532,925</u>

No assurance provided. See summary of significant assumptions.

LARKRIDGE METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Commercial	\$ 23,446,810	\$ 21,931,930	\$ 23,113,270
Agricultural	-	60	60
State assessed	50	4,250	5,990
Vacant land	18,910	890	890
Personal property	24,660	1,660,850	2,079,260
	<u>23,490,430</u>	<u>23,597,980</u>	<u>25,199,470</u>
Adjustments	(23,117,860)	(23,240,440)	(24,837,900)
Certified Assessed Value	<u>\$ 372,570</u>	<u>\$ 357,540</u>	<u>\$ 361,570</u>
MILL LEVY			
General	3.000	4.500	4.500
Debt Service	33.500	33.500	33.500
Total mill levy	<u>36.500</u>	<u>38.000</u>	<u>38.000</u>
PROPERTY TAXES			
General	\$ 1,118	\$ 1,608	\$ 1,627
Debt Service	12,481	11,977	12,113
	<u>13,599</u>	<u>13,585</u>	<u>13,740</u>
Levied property taxes	13,599	13,585	13,740
Adjustments to actual/rounding	(432)	2	-
Budgeted property taxes	<u>\$ 13,167</u>	<u>\$ 13,587</u>	<u>\$ 13,740</u>
BUDGETED PROPERTY TAXES			
General	\$ 1,083	\$ 1,608	\$ 1,627
Debt Service	12,085	11,979	12,113
	<u>\$ 13,168</u>	<u>\$ 13,587</u>	<u>\$ 13,740</u>

No assurance provided. See summary of significant assumptions.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 5,249	\$ (12,490)	\$ 19,696
REVENUES			
Property taxes	1,083	1,608	1,627
Property taxes TDA	67,705	103,013	110,094
Specific ownership tax	5,172	8,256	7,938
Developer advance	25,000	10,000	-
Interest income	3	2	16
Total revenues	98,963	122,879	119,675
Total funds available	104,212	110,389	139,371
EXPENDITURES			
General and administrative			
Accounting	15,772	23,000	25,300
Audit	5,500	5,500	5,750
Contingency	5,181	-	2,326
County Treasurer's fee	16	24	24
District management	21,341	15,000	20,000
Dues and membership	323	356	400
Election expense	990	-	2,500
Insurance	3,740	3,813	4,200
Legal	40,518	25,000	28,000
Repay developer advance	-	-	10,000
Landscape maintenance	11,858	13,000	15,000
Utilities	3,662	5,000	5,000
Operations and maintenance			
Engineering	5,395	-	-
Signage maintenance	-	-	8,500
Total expenditures	116,702	90,693	127,000
Total expenditures and transfers out requiring appropriation	116,702	90,693	127,000
ENDING FUND BALANCE	\$ (12,490)	\$ 19,696	\$ 12,371
EMERGENCY RESERVE	\$ 2,300	\$ 3,500	\$ 3,700
TOTAL RESERVE	\$ 2,300	\$ 3,500	\$ 3,700

No assurance provided. See summary of significant assumptions.

LARKRIDGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 556,648	\$ 532,743	\$ 533,513
REVENUES			
Property taxes	12,085	11,979	12,113
Property taxes TDA	755,833	766,876	819,589
Specific ownership tax	57,751	61,466	59,093
Interest income	569	261	554
Total revenues	826,238	840,582	891,349
Total funds available	1,382,886	1,373,325	1,424,862
Debt Service			
Miscellaneous	-	95	-
Bond interest - Series 2012A	537,500	527,287	510,625
Bond interest - Series 2012B	1,075	-	-
Bond interest - Series 2012C	99,135	-	-
Bond principal - Series 2012A	190,000	310,000	335,000
Bond principal - Series 2012B	20,000	-	-
Contingency	-	-	2,943
County Treasurer's fee	183	180	182
Paying agent fees	2,250	2,250	2,250
Total expenditures	850,143	839,812	851,000
Total expenditures and transfers out requiring appropriation	850,143	839,812	851,000
ENDING FUND BALANCE	\$ 532,743	\$ 533,513	\$ 573,862
DEBT SERVICE RESERVE FUND	\$ 529,225	\$ 529,225	\$ 529,225
TOTAL RESERVE	\$ 529,225	\$ 529,225	\$ 529,225

No assurance provided. See summary of significant assumptions.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Larkridge Metropolitan District No. 1 (District), a quasi-municipal corporation, was organized by order and decree of the District Court for Adams County on May 18, 2004, 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 in Thornton, Colorado. The District was established to provide water, storm sewer and sanitary sewer, streets and traffic safety protection, parks and recreation, transportation, mosquito control and other powers.

At the organizational election for the District, the voters approved authorization to increase property taxes up to \$100,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Total debt authorization was also approved in the amount of \$12,595,000 for streets, water, sewer and storm drainage improvements, \$13,095,000 for intergovernmental agreements, and \$13,095,000 for refunding debt. At an election held November 2, 2004, the voters of the District approved an additional authorization in the amount of \$4,000,000 for streets, water, sewer and storm drainage improvements, \$4,000,000 for intergovernmental agreements, and \$4,000,000 for refunding debt. On May 8, 2012, a majority of the qualified electors of the District approved authorization to increase property taxes up to \$1,000,000 annually, as necessary, to pay for operations and maintenance expenditures of the District and authorized the District's indebtedness be increased in an amount not to exceed \$51,285,000, at an interest rate not to exceed 12% per annum.

The District has no employees and all operations and 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 November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed at the adopted total mill levy of 38.000 mills.

**LARKRIDGE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

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 7.0% of the property taxes collected by the General and Debt Service Funds, including the Property taxes received through TDA (see below).

Property Taxes Received Through TDA

The District has entered into a Tax Increment Sharing Agreement with the Thornton Development Authority (Authority), dated as of June 9, 2004, regarding the sharing of Tax Increment Revenues generated within the District. The Tax Increment Sharing Agreement provides that in consideration for the District providing public improvements and services, the Authority agrees that the portion of revenues which it receives as a result of ad valorem property tax increments, which are attributable to the District's current and future levy of ad valorem taxes on property within the Development and encompassed by the Urban Renewal Plan, shall be segregated upon receipt and shall be remitted by the Authority to the District within 45 days of the end of each quarter. The District will use such property tax revenue to pay debt service on the bonds or to reimburse the Bank for draws on the Letter of Credit.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

Expenditures

Administrative and Operating Expenditures

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

County Treasurer's Fees

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

Debt Service

Principal and interest payments in 2022 are provided based on the debt amortization schedule from the Series 2012 General Obligation Refunding & Improvement Bonds (discussed under Debt and Leases).

**LARKRIDGE METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

On August 31, 2012, the District issued \$10,000,000 of General Obligation Refunding and Improvement Bonds Series 2012A and \$1,100,000 of General Obligation Bonds (Taxable Convertible to Tax-Exempt) Bonds Series 2012B. The Series 2012A and 2012B Bonds were issued for the purpose of refunding the Series 2004 Bonds, financing a portion of the costs of public improvements and the costs of issuing the bonds. The Series 2012A and 2012B Bonds were issued at a rate of 5.375% per annum, payable June 1 and December 1. The Series 2012A Bonds mature on December 1, 2034, and the Series 2012B Bonds matured on December 1, 2020.

The Series 2012A Bonds are subject to redemption prior to maturity at the option of the District on December 1, 2022, without redemption premium.

On August 31, 2012, the District issued \$1,940,000 of Subordinate Limited Tax Bonds (Taxable Convertible to Tax-Exempt) Series 2012C Bonds. The Series 2012C Bonds were issued for the purpose of financing the acquisition of public improvements. The Series 2012C Bonds were issued at a rate of 7% per annum. The Series 2012C Bonds will be paid from District funds from remaining funds after the payment of the Series 2012A Bonds as outlined in the bond resolution (Senior Bond Resolution).

For the Series 2012A, the District shall certify a debt service mill levy that will produce tax revenue sufficient to pay the debt requirements as they come due and, if necessary, replenish the reserve fund, with a maximum levy of 50 mills.

For the Series 2012C Bonds, the District shall certify a debt service mill levy that will produce tax revenue sufficient to pay the debt requirements as they come due, but not in excess of 31 mills (after taking into account all other revenue available under the Senior Bond Resolution).

The District's current debt service schedule for the Series 2012A Bonds is attached. Currently, pledged revenue of the District is not sufficient to pay the scheduled debt service payments for the Series 2012C Bonds.

The District has no operating or capital leases.

Reserves

Debt Service Reserve

The Debt Service Reserve Fund Requirement is \$529,225.

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2022, as defined under TABOR.

This information is an integral part of the accompanying budget.

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

**General Obligation Refunding & Improvement Bonds - Series 2012A
Interest Rate - 5.375%, Dated August 31, 2012
Payable June 1 and December 1, Principal Due December 1**

Series 2012A - \$10,000,000 Tax-Exempt			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 335,000	\$ 510,625	\$ 845,625
2023	460,000	492,619	952,619
2024	490,000	467,895	957,895
2025	580,000	441,556	1,021,556
2026	620,000	410,381	1,030,381
2027	650,000	377,056	1,027,056
2028	700,000	342,119	1,042,119
2029	735,000	304,494	1,039,494
2030	785,000	264,987	1,049,987
2031	825,000	222,794	1,047,794
2032	880,000	178,450	1,058,450
2033	925,000	131,150	1,056,150
2034	1,515,000	81,431	1,596,431
	<u>\$ 9,500,000</u>	<u>\$ 4,225,557</u>	<u>\$ 13,725,557</u>

No assurance provided. See summary of significant assumptions.

Larkridge Metropolitan District No. 1
Schedule of Developer Advances

	Balance at December 31, 2020*	Additions*	Payments*	Balance at December 31, 2021*
Developer advance payable	\$ 460,239	\$ 10,000	\$ -	\$ 470,239
Accrued interest on advances	434,297	32,351	-	466,648
	<u>\$ 894,536</u>	<u>\$ 42,351</u>	<u>\$ -</u>	<u>\$ 936,887</u>
	Balance at December 31, 2021*	Additions*	Payments*	Balance at December 31, 2022*
Developer advance payable	\$ 470,239	\$ -	\$ 10,000	\$ 460,239
Accrued interest on advances	466,648	32,917	-	499,565
	<u>\$ 936,887</u>	<u>\$ 32,917</u>	<u>\$ 10,000</u>	<u>\$ 959,804</u>

*Estimated amounts

Schedule of Debt Service - Series 2012C

	Balance at December 31, 2020*	Additions*	Payments*	Balance at December 31, 2021*
Series 2012C - Unpaid principal	\$ 1,940,000	\$ -	\$ -	\$ 1,940,000
Series 2012C - Accrued interest	883,052	197,614	-	1,080,666
	<u>\$ 2,823,052</u>	<u>\$ 197,614</u>	<u>\$ -</u>	<u>\$ 3,020,666</u>
	Balance at December 31, 2021*	Additions*	Payments*	Balance at December 31, 2022*
Series 2012C - Unpaid principal	\$ 1,940,000	\$ -	\$ -	\$ 1,940,000
Series 2012C - Accrued interest	1,080,666	211,447	-	1,292,113
	<u>\$ 3,020,666</u>	<u>\$ 211,447</u>	<u>\$ -</u>	<u>\$ 3,232,113</u>

*Estimated amounts