

BROADWAY STATION METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR YEAR ENDING DECEMBER 31, 2023

**BROADWAY STATION METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 12,442,431	\$ 10,549,212	\$ 8,346,006
REVENUES			
Property taxes	230,215	231,002	301,349
Specific ownership taxes	24,903	19,200	15,570
Regional property taxes	5,755	5,133	5,022
Regional specific ownership taxes	623	550	251
Property taxes TIF	179,485	-	-
District Cooperation Agreement revenue	57,898	232,434	314,682
District Cooperation Agreement revenue regional	-	5,165	5,216
Other revenue	-	-	1,500
Transfers from District No. 3	322,282	-	-
Interest income	-	-	7,000
Total revenues	<u>821,161</u>	<u>493,484</u>	<u>650,590</u>
Total funds available	<u>13,263,592</u>	<u>11,042,696</u>	<u>8,996,596</u>
EXPENDITURES			
General Fund	121,678	107,186	107,186
Debt Service Fund	2,398,169	2,519,504	2,462,372
Capital Projects Fund	194,533	70,000	1,650,000
Total expenditures	<u>2,714,380</u>	<u>2,696,690</u>	<u>4,219,558</u>
Total expenditures and transfers out requiring appropriation	<u>2,714,380</u>	<u>2,696,690</u>	<u>4,219,558</u>
ENDING FUND BALANCES	<u>\$ 10,549,212</u>	<u>\$ 8,346,006</u>	<u>\$ 4,777,038</u>

No assurance is provided. See summary of significant assumptions

BROADWAY STATION METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION			
State assessed	\$ 900	\$ 900	\$ 18,300
Personal property	-	1,170	700
Vacant land	11,544,280	10,295,910	10,248,190
	<u>11,545,180</u>	<u>10,297,980</u>	<u>10,267,190</u>
Less TIF District Increment	(5,790,975)	(5,165,195)	(5,244,704)
Certified Assessed Value	<u>\$ 5,754,205</u>	<u>\$ 5,132,785</u>	<u>\$ 5,022,486</u>
MILL LEVY			
General	10.000	10.000	10.000
Debt Service	30.000	35.000	50.000
Regional	1.000	1.000	1.000
Total mill levy	<u>41.000</u>	<u>46.000</u>	<u>61.000</u>
PROPERTY TAXES			
General	\$ 57,542	\$ 51,327	\$ 50,225
Debt Service	172,626	179,647	251,124
Regional	5,754	5,133	5,022
Levied property taxes	<u>235,922</u>	<u>236,107</u>	<u>306,371</u>
Budgeted property taxes	<u>\$ 235,922</u>	<u>\$ 236,107</u>	<u>\$ 306,371</u>
BUDGETED PROPERTY TAXES			
General	\$ 57,554	\$ 51,327	\$ 50,225
Debt Service	172,661	179,647	251,124
Regional	5,755	5,133	5,022
	<u>\$ 235,970</u>	<u>\$ 236,107</u>	<u>\$ 306,371</u>

No assurance is provided. See summary of significant assumptions

**BROADWAY STATION METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	57,554	51,334	50,225
Specific ownership taxes	6,226	4,200	3,014
District Cooperation Agreement revenue	57,898	51,652	52,447
Other revenue	-	-	1,500
Total revenues	<u>121,678</u>	<u>107,186</u>	<u>107,186</u>
Total funds available	<u>121,678</u>	<u>107,186</u>	<u>107,186</u>
EXPENDITURES			
General and administrative			
County Treasurer's fees	1,155	513	503
Transfers to District No. 1	120,523	106,673	106,683
Total expenditures	<u>121,678</u>	<u>107,186</u>	<u>107,186</u>
ENDING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
EMERGENCY RESERVE	<u>-</u>	<u>-</u>	<u>-</u>

No assurance is provided. See summary of significant assumptions

BROADWAY STATION METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 8,309,176	\$ 6,288,208	\$ 4,155,002
REVENUES			
Property taxes	172,661	179,668	251,124
Specific ownership taxes	18,677	15,000	12,556
Regional property taxes	5,755	5,133	5,022
Regional specific ownership taxes	623	550	251
Property taxes TIF	179,485	-	-
District Cooperation Agreement revenue	-	180,782	262,235
District Cooperation Agreement revenue regional	-	5,165	5,245
Interest income	-	-	2,000
Total revenues	377,201	386,298	538,433
Total funds available	8,686,377	6,674,506	4,693,435
EXPENDITURES			
Debt Service			
Bond interest	2,338,094	2,337,844	2,337,594
Bond principal	5,000	5,000	5,000
Net Investment Income (expense)	38,176	150,000	-
Contingency	-	-	100,000
County Treasurer's fees	3,637	1,848	2,511
Paying agent fees	7,000	14,000	7,000
Regional Mill levy - Transfer to District 1	6,262	10,812	10,267
Total expenditures	2,398,169	2,519,504	2,462,372
Total expenditures and transfers out requiring appropriation	2,398,169	2,519,504	2,462,372
ENDING FUND BALANCE	6,288,208	4,155,002	2,231,063
UMB - 2019A Surplus Fund (Required Minimum)	3,370,000	3,370,000	3,370,000
Ending Fund Balance in Excess of Required Minimum Surplus Fund	\$ 2,918,208	\$ 785,002	\$ (1,138,937)

No assurance is provided. See summary of significant assumptions

**BROADWAY STATION METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/27/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,133,255	\$ 4,261,004	\$ 4,191,004
REVENUES			
Transfers from District No. 3	322,282	-	-
Interest income	-	-	5,000
Total revenues	<u>322,282</u>	<u>-</u>	<u>5,000</u>
Total funds available	<u>4,455,537</u>	<u>4,261,004</u>	<u>4,196,004</u>
EXPENDITURES			
Transfers to District No. 1	186,612	-	1,550,000
Contingency	-	-	100,000
Net Investment Income (expense)	7,921	70,000	-
Total expenditures	<u>194,533</u>	<u>70,000</u>	<u>1,650,000</u>
Total expenditures and transfers out requiring appropriation	<u>194,533</u>	<u>70,000</u>	<u>1,650,000</u>
ENDING FUND BALANCE	<u>\$ 4,261,004</u>	<u>\$ 4,191,004</u>	<u>\$ 2,546,004</u>

No assurance is provided. See summary of significant assumptions

**BROADWAY STATION METRO DISTRICT NO. 2
2023 ADOPTED 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 the City and County of Denver on May 12, 2006, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was formed in conjunction with Broadway Station Metropolitan District No. 1 (“District No. 1”) and Broadway Station Metropolitan District No. 3 (“District No. 3” and together with the District and District No. 1, the “Districts”), for the purpose of providing certain public improvements and services to and for the benefit of the properties within the Districts. The District’s service area is located in the City and County of Denver (City).

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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.

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

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 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 Treasurers, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurers to all taxing entities within the Counties. The budget assumes that the District’s share will be equal to approximately 5% of the property taxes collected by Denver County.

**BROADWAY STATION METRO DISTRICT NO. 2
2023 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .1%.

District Cooperation Agreement Revenue

On September 20, 2017, the Districts entered into an IGA with Denver Urban Renewal Authority ("DURA"), whereby DURA has agreed to remit during the TIF Period to District No. 1 all revenues generated from the imposition of ad valorem property taxes by the Districts on the incremental assessed valuation of property of the Districts. The District and District No. 1 entered into a Capital Pledge Agreement pursuant to which District No. 1 will transfer all of the Pass-Through Tax Revenues and the 2019B Pass Through Tax Revenues to the District. Accordingly, during the TIF Period, the District receives its Pass-Through Tax Revenue and 2019B Pass Through Tax Revenue from District No. 1 and not from DURA or the County Treasurer.

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 and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

County Treasurer's Fees

County Treasurer's fees have been computed at 1% of property tax collections by Denver County.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2019A Bonds (discussed under Debt and Leases).

Transfers to District No. 1

The District is obligated to impose mill levies which will be sufficient to promptly and fully pay amounts to District No. 1. The District is required to remit property taxes derived from such mill levies, together with specific ownership taxes applicable to property within the District less County Treasurer Fees, to District No. 1. The District anticipates transferring funds to District No. 1, as shown in the General Fund budget for operations and Capital Projects fund for the proposed infrastructure to be built by District No. 1.

**BROADWAY STATION METRO DISTRICT NO. 2
2023 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Regional Mill Levy Transfers

Regional Mill Levy transfers will be transferred to District 1 for: The South Platte River Drive Widening for Bridge, walls on the west side of river for bike trail connection, South Platte River Improvements - Trail, River & Bridge Landscaping, and Florida Avenue Signal Improvements may be paid for by use of the Regional Mill as agreed upon by the Metro District and the City.

Debt and Leases

In April 2019, the District issued \$45,800,000 in Series 2019A General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds and \$8,151,856 in Series 2020B Subordinate (Convertible to Senior) Capital Appreciation (Convertible to Current Interest) Limited Tax (Convertible to Unlimited Tax) General Obligation Bonds. The Bonds shall constitute limited tax general obligations of the District secured by and payable from the pledged revenues.

“Senior Required Debt Mill Levy” means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in that number of mills necessary, after taking into account any Available Surplus Amount transferred to the Bond Fund pursuant to the applicable provisions of the Senior Indenture (as described in this Limited Offering Memorandum under the caption “THE SERIES 2019A SENIOR BONDS – Certain Senior Indenture Provisions – Surplus Fund – Transfers to Bond Fund to Maintain Senior Required Debt Mill Levy”), to fund the Bond Fund for the applicable bond year in an amount sufficient to pay the Series 2019A Senior Bonds as they come due in such bond year, and fund (or replenish) the Surplus Fund to the Minimum Surplus Amount, but not in excess of 50.000 mills, provided that if the amount on deposit in the Surplus Fund is less than the Maximum Surplus Amount, such levy shall not be less than 30.000 mills or such lesser mill levy which will (i) fund the Bond Fund for the applicable Bond Year in an amount sufficient to pay Series 2019A Senior Bonds as they come due in such Bond Year and (ii) fund the Surplus Fund to the Maximum Surplus Amount; provided however, that: with respect to the maximum mill levy of 50.000 mills stated above, if after February 2006 and, with respect to the minimum mill levy of 30.000 mills stated above, if after the date of issuance of the Series 2019A Senior Bonds, there are legislative or constitutionally imposed adjustments in assessed values or the method of their calculations with respect to any class of taxable property on which the District may certify its mill levy, the minimum and/or maximum mill levies provided above in this paragraph (a) shall, with respect to the applicable class or classes of taxable property of the District (and with respect to any changes occurring after February 2006, as to the maximum mill levy, and with respect to any changes occurring after the date of issuance of the Series 2019A Senior Bonds with respect to the minimum mill levy) be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated by the mill levy, as adjusted, is neither diminished not enhanced as a result of such changes. For purposes of the foregoing, among other adjustments, a change in the ratio of actual valuation of assessable property shall be deemed a change in the method of calculating assessed valuation.

**BROADWAY STATION METRO DISTRICT NO. 2
2023 ADOPTED BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

The Series 2019A Senior Bonds are also secured by a Surplus Fund, which is to be partially funded from the Bond proceeds in the amount \$4,213,000.00 (being the "Initial Surplus Amount" and, prior to the 2019A UTGO Conversion Dates, which is not guaranteed to occur, is to be funded from Pledged Revenue, if any, available after payment of the Series 2019A Senior Bonds and the Series 2019B Subordinate Bonds, up to the Maximum Surplus Amount of \$5,000,000.00. In addition, if drawn upon such that the amount therein is less than the Minimum Surplus Amount of \$3,370,000.00, the Surplus Fund is to be replenished to the Minimum Surplus amount from pledged revenue, if any, available after payment of the Series 2019A Senior Bonds. After the 2019A UTGO Conversion Date, the amount available in the Surplus Fund in excess of the initial Surplus Amount is to be released to the District as described in "THE SERIES 2019A SENIOR BONDS". A portion of the interest to accrue on the Series 2019A Senior Bonds will be paid from proceeds of the Series 2019A Senior Bonds in the amount of \$7,014,187.53.

Reserves

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since majority of all funds received by the District are transferred to District No. 1, which pays for all Districts' operations and maintenance costs, an emergency reserve is not reflected in the District's 2022 Budget.

This information is an integral part of the accompanying budget.

Broadway Station Metropolitan District No. 2
\$45,800,000
General Obligation Bonds
Series 2019A
Issue date April 16, 2019
Interest Rate of 5.000% - 5.125%
Due June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	5,000	2,337,594	2,342,594
2024	5,000	2,337,344	2,342,344
2025	70,000	2,337,094	2,407,094
2026	80,000	2,333,594	2,413,594
2027	160,000	2,329,594	2,489,594
2028	455,000	2,321,594	2,776,594
2029	495,000	2,298,844	2,793,844
2030	715,000	2,274,094	2,989,094
2031	755,000	2,238,344	2,993,344
2032	970,000	2,200,594	3,170,594
2033	1,020,000	2,152,094	3,172,094
2034	1,260,000	2,101,094	3,361,094
2035	1,325,000	2,038,094	3,363,094
2036	1,590,000	1,971,844	3,561,844
2037	1,670,000	1,890,356	3,560,356
2038	1,970,000	1,804,768	3,774,768
2039	2,075,000	1,703,806	3,778,806
2040	2,405,000	1,597,462	4,002,462
2041	2,530,000	1,474,206	4,004,206
2042	2,900,000	1,344,544	4,244,544
2043	3,045,000	1,195,918	4,240,918
2044	3,460,000	1,039,862	4,499,862
2045	3,635,000	862,538	4,497,538
2046	4,090,000	676,244	4,766,244
2047	4,300,000	466,632	4,766,632
2048	4,805,000	246,256	5,051,256
	<u>\$ 45,795,000</u>	<u>\$ 47,912,252</u>	<u>\$ 93,707,252</u>

No assurance is provided. See summary of significant assumptions